

Committee(s)	Dated:
Open Spaces and City Gardens	7 December 2021
Subject: Departmental and Service Committee Budget Estimates 2022/23	Public
Which Outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1,2,3,4,5,8,9,10,11 & 12
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of funding?	N/A
Has the funding source been agreed with the Chamberlain's Department?	N/A
Report of: The Chamberlain Executive Director Environment	For Decision
Report Author: Beatrix Jako, Chamberlain's Department	

Summary

This report presents for approval the budget estimates for the Open Spaces and City Gardens Committee for 2022/23, 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 2021/22 & 2022/23 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 paragraph 23 with detailed estimate reports for each committee in the appendices.

The proposed budget for 2022/23 has been prepared within the resources allocated to the Executive Director by Resource Allocation Sub Committee in October 2021, including an inflation increase of 2% balanced by an efficiency saving of 2%.

Summary of Appendix 1 (Includes Local Risk, Central Risk, and Support Services/Recharges)	Original Budget (OR)	Latest Approved Budget	Original Budget (OR)	Movement
	2021/22 £000	2021/22 £000	2022/23 £000	2021/22 OR to 2022/23 OR £000
Net Local Risk	(2,518)	(2,274)	(2,549)	(31)
Net City Surveyor	(41)	(45)	(45)	(4)
Net Cyclical Works Programme	(450)	(513)	-	450
Net Central Risk	(20)	(411)	(20)	-
Support Services and Recharges	827	842	803	(24)
Total Net Expenditure	(2,202)	(2,401)	(1,811)	391

Overall, the provisional original budget for 2022/23 totals £1.811M, a decrease of £0.391M compared with the original 2021/22 budget.

Members should note that the Cyclical Works Programme (CWP) figures included in this report relate only to elements of previously agreed programmes, which will be completed in 2021/22 & 2022/23. The separate bid for CWP works in 2022/23 has not been included in this report, as it is to be considered by Corporate Asset Sub-Committee in November, and then subsequently by Resource Allocation Sub-Committee to agree the funding. Once both Sub-Committees have agreed the 2022/23 programme Members will be advised of the outcome and the estimates adjusted accordingly.

Recommendation

Members are asked to:

- i) review and approve the Directorate, Bunhill Fields and City Gardens proposed revenue budget for 2022/23 for submission to Finance Committee,
- ii) review and approve the City Gardens and Bunhill Fields capital and supplementary revenue budgets for 2022/23 for submission to Finance Committee,
- iii) authorise the Chamberlain, in consultation with the Executive Director Environment to revise these budgets to allow for any further implications arising

from Corporate Projects, the Target Operating Model, and changes to the Cyclical Works Programme following the funding decision on bids for works in 2022/23,

- iv) agree that minor amendments for 2021/22 and 2022/23 from changes to recharges arising during budget setting to be delegated to the Chamberlain,
- v) note the provisional 2022/23 revenue budget for the services overseen by the other Open Space Service Committees (appendices 6 – 8).

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, the Learning Team 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 corporate initiatives are funded through City's Cash.
2. This report sets out the proposed budgets for 2022/23 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 original 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 budgets for Epping Forest, The Commons, West Ham Park, Hampstead Heath, Highgate Wood and Queens Park are attached (appendices 6 - 8) for information so that this Committee has an overview of the full financial position of the Open Spaces element of the Environment Department.
6. The overall 2022/23 budget for Open Spaces (excluding Keat's House, Monument, Tower Bridge, and Cemetery & Crematorium) which includes the Executive Director Environment's Local Risk, City Surveyor's Local Risk, Central Risk, and Recharges/Support Services is £14.327M.

Business Planning Priorities for 2022/23

7. The Open Spaces, Environment Department business priorities for the forthcoming year have been set out in the 2022/23 business plan report which will be presented to your Committee on 7 December 2021 for approval.

Proposed Revenue Budget for 2022/23

8. The proposed detailed Revenue Budget estimates for 2022/23 is shown at Appendix 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 2022/23 budgets, under the control of the Executive Director Environment 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 2022/23 budgets include;

- Pay increases at 1.525% for grades A-C
- 1.25% increase to National Insurance Contributions (NIC) from April 2022
- 2% uplift for inflation offset by 2% efficiency savings (a flat cash position)

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. Analysis of the movement in staff related costs are shown in Table 1 below. Staffing levels have remained stable between 2021/22 and 2022/23 budgets.

Table 1 - Staffing statement	Original Budget 2021/22		Latest Approved Budget 2021/22		Original Budget 2022/23	
	Staffing Full-time equivalent	Estimated cost £000	Staffing Full-time equivalent	Estimated cost £000	Staffing Full-time equivalent	Estimated cost £000
Directorate/Learning Programme	12.8	(833)	12.30	(1,119)*	12.30	(809)
City Gardens/Bunhill Fields	37.66	(1,571)	39.16	(1,616)	39.16	(1,658)
TOTAL EMPLOYEE COSTS	50.46	(2,404)	51.46	(2,735)	51.46	(2,467)

* The 2021/22 latest approved budget (central risk) includes £387,000 costs in total relating to the flexible retirement pension strain costs.

13. Members should note that the Cyclical Works Programme (CWP) figures included in this report relate only to elements of previously agreed programmes, which will be completed in 2021/22 & 2022/23. The separate bid for CWP works in 2022/23 has not been included in this report, as it is to be considered by Corporate Asset Sub-Committee in November, and then subsequently by Resource Allocation Sub-Committee to agree the funding. Once both Sub-Committees have agreed the 2022/23 programme Members will be advised of the outcome and the estimates adjusted accordingly.

TABLE 2 - CITY SURVEYOR LOCAL RISK			
	Original Budget 2021/22 £'000	Latest Approved Budget 2021/22 £'000	Original Budget 2022/23 £'000
Repairs and Maintenance			
Cyclical Works Programme			
Bunhill Fields	(340)	(416)	-
City Gardens	(110)	(97)	-
	(450)	(513)	-
Planned & Reactive Works (Breakdown & Servicing)			
Bunhill Fields	(6)	(6)	(6)
City Gardens	(35)	(39)	(39)
	(41)	(45)	(45)
Total City Surveyor	(491)	(558)	(45)

Potential Further Budget Developments

14. The provisional nature of the 2022/23 revenue budget recognises that further revisions may be required, including in relation to:

- Decisions on funding of new bids for 2022/23 by the Cyclical Works Programme by the Corporate Asset Sub-Committee and the Resource Allocation Sub-Committee.
- Budget adjustments to align with the Target Operating Model.

Revenue Budget 2021/22

17. The 2021/22 latest approved budget includes £9,000 to fund pay increases at 1.525% for grades A-C, an allocation of £188,000 from the Directorate to fund various projects and expected savings of £65,000 on Chief Officer post transferred to the Centre to alleviate cost pressures on the new Chief Officer posts. The forecast outturn for the current year is in line with the latest approved budget of £2.401M. Movement of the 2021/22 Original Budget to the 2021/22 Latest Approved Budget can be found in Appendix 4.

Draft Capital and Supplementary Revenue Budgets

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

Service Managed	Project	Exp. Pre 01/04/20 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000
CITY FUND						
	<u>Pre-implementation</u>					
City Gardens	Finsbury Circus Reinstatement	(174)	(345)	(233)	-	(752)
Woodredon and Warlies	Carbon Removals at Woodredon (Climate Action Strategy)	-	(26)	-	-	(26)
	<u>Authority to start work</u>					
City Gardens	St Botolph's Ball Court	(86)	(45)	-	-	(131)
City Gardens	St Mary At Hill Churchyard	(135)	-	(336)	-	(471)
TOTAL OPEN SPACES & CITY GARDENS		(395)	(416)	(569)	-	(1,380)

19. 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. Accordingly, the figures for Finsbury Circus and Woodredon carbon removals currently exclude the implementation costs.
20. The enhancement of facilities at St Botolph's Ball Court are subject to negotiations on a new maintenance agreement.
21. Work at St Mary at Hill Churchyard has been deferred due to access issues.
22. 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 2022.

Estimates Summary of all Open Spaces

23. 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) 2021/22 £000	Latest Approved Budget 2021/22 £000	Original Budget (OR) 2022/23 £000	Movement 2021/22 OR to 2022/23 OR £000
Expenditure				
Open Spaces & City Gardens	(3,652)	(3,866)	(3,254)	398
West Ham Park	(1,180)	(1,168)	(1,032)	148
Epping Forest	(5,747)	(6,080)	(5,363)	384
The Commons	(2,333)	(2,527)	(2,115)	218
Hampstead Heath, Highgate Wood & Queens Park	(8,297)	(8,847)	(8,044)	253
Income				
Open Spaces & City Gardens	623	623	640	17
West Ham Park	322	322	322	-
Epping Forest	2,082	2,064	2,009	(73)
The Commons	520	530	503	(17)
Hampstead Heath, Highgate Wood & Queens Park	3,646	3,992	4,241	595
Support Services and Recharges				
Open Spaces & City Gardens	827	842	803	(24)
West Ham Park	(274)	(306)	(288)	(14)
Epping Forest	(1,074)	(1,132)	(1,050)	24
The Commons	(336)	(361)	(324)	12
Hampstead Heath, Highgate Wood & Queens Park	(1,445)	(1,503)	(1,375)	70
Total Net Expenditure	(16,318)	(17,417)	(14,327)	1,991

Corporate & Strategic Implications

24. The Department's activity delivers ten of the twelve Corporate Plan outcomes, across all three of the Corporate Plan aims.

Contribute to a flourishing society

- People are safe and feel safe.

- People enjoy good health and wellbeing.
- People have equal opportunities to enrich their lives and reach their full potential.
- Communities are cohesive and have the facilities they need.

Support a thriving economy

- Businesses are trusted and socially and environmentally responsible.
- We have access to the skills and talent we need.

Shape outstanding environments

- We are digitally and physically well-connected and responsive.
- We inspire enterprise, excellence, creativity and collaboration.
- We have clean air, land and water and a thriving and sustainable natural environment.
- Our spaces are secure, resilient and well-maintained.

Public sector equality duty

25. Should the capital projects be approved for funding it will significantly improve the service and experience provided to our local communities. Where capital funded projects are approved for progress or new policies and strategies developed, we will undertake 'tests of relevance' and where appropriate, Equality Analysis. Our fees and charges are annually benchmarked with neighbouring facilities, but we will continue to informally assess any negative impact on protected characteristic groups.

Conclusion

26. This report presents the Capital and Revenue budget estimates for 2022/23 for the Open Spaces and City Gardens Committee for Members to consider and approve.

Appendices

- Appendix 1 – Budget estimates 2022/23
- Appendix 2 – Support Services and Capital Charges
- Appendix 3 – Capital Project Bids for 2022/23
- Appendix 4 – Movement in Local Risk Budgets 2021/22 OR to 2021/22 Latest Approved Budget
- Appendix 5 – Movement in Local Risk Budgets 2021/22 OR to 2022/23 Original Budget
- Appendix 6 – Estimate Report (Epping Forest and The Commons)
- Appendix 7 – Estimate Report (Hampstead Heath, Highgate Wood & Queen's Park)
- Appendix 8 – Estimate Report (West Ham Park)

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Appendix 1

CITY GARDENS, BUNHILL FIELDS AND DIRECTORATE SUMMARY – ALL FUNDS							
Analysis of Service Expenditure	Local or Central Risk	Actual 2020-21 £'000	Original Budget 2021-22 £'000	Latest Approved Budget 2021-22 £'000	Original Budget 2022-23 £'000	Movement 21-22OR to 22-23OR £'000	Paragraph Reference
EXPENDITURE							
Employees	L	(2,206)	(2,404)	(2,348)	(2,467)	(63)	a)
Employees	C	(43)	-	(387)	-	-	
Premises Related Expenses	L	(230)	(246)	(246)	(248)	(2)	
Premises Related Expenses	C	(210)	-	-	-	-	
R & M (City Surveyor's Local Risk)	L	(37)	(41)	(45)	(45)	(4)	
Cyclical Works Programme	L	(132)	(450)	(513)	-	450	b)
Transport Related Expenses	L	(60)	(45)	(80)	(53)	(8)	
Supplies & Services	L	(411)	(279)	(294)	(274)	5	
Supplies & Services	C	(1)	(20)	(24)	(20)	-	
Third Party Payments	L	(40)	(45)	(45)	(45)	-	
Transfer to Reserves	L	(43)	-	-	-	-	
Contingencies	L	-	(333)	(95)	(333)	-	
Unidentified Savings	L	-	211	211	231	20	
Total Expenditure		(3,413)	(3,652)	(3,866)	(3,254)	398	
INCOME							
Government Grants	L	8	-	-	-	-	
Other Grants, Reimbursements and Contributions – (Section 106/Rechargeable Works)	L	150	155	155	155	-	
Customer, Client Receipts	L	378	403	403	420	17	
Transfer from Reserves (S106)	L	40	-	-	-	-	
Transfer from Reserves	C	209	-	-	-	-	
Recharges to Capital Projects	L	8	65	65	65	-	
Total Income		793	623	623	640	17	
TOTAL EXPENDITURE BEFORE SUPPORT SERVICES AND CAPITAL CHARGES		(2,620)	(3,029)	(3,243)	(2,614)	415	
SUPPORT SERVICES AND RECHARGES							
Central Support and Capital Charges		(776)	(605)	(704)	(653)	(48)	
Recharges within Fund (Directorate Recharges)		534	585	685	625	40	
Recharges within Fund (Learning Recharges)		329	348	350	354	6	
Recharges Across Funds (Directorate Recharges)		293	389	401	367	(22)	
Recharges to Finance Committee (Corporate and Democratic Core)		125	110	110	110	-	
Total Support Services		505	827	842	803	(24)	
TOTAL NET EXPENDITURE		(2,115)	(2,202)	(2,401)	(1,811)	391	

a) The £63,000 increase is mainly due to a provision for pay increases at 1.525% for grades A-C, a 1.25% increase to National Insurance Contributions (NIC) from April 2022, and incremental progression.

b) The £450,000 decrease in the Cyclical Works Programme is explained in paragraph 13.

Appendix 2

Support Services & Capital Charges from/to Open Spaces & City Gardens Committee	Actual 2020-21 £'000	Original Budget 2021-22 £'000	Latest Approved Budget 2021-22 £'000	Original Budget 2022-23 £'000	Movement 2021-22 OR to 2022-23 OR £'000	Paragraph Reference
Support Services						
Central Recharges-						
City Surveyor's Employee Recharge	(63)	(59)	(63)	(63)	(4)	
Admin Buildings	(88)	(84)	(90)	(88)	(4)	
Insurance	(18)	(16)	(16)	(16)	-	
I.S.Recharges - Chamberlain	(130)	(92)	(101)	(77)	15	
Film Liaison Staff Costs	(11)	-	-	-	-	
Capital Charges	(27)	(20)	(20)	(22)	(2)	
Support Services-						
Chamberlain (inc CLPS recharges)	(183)	(132)	(170)	(158)	(26)	
Comptroller and City Solicitor	(120)	(74)	(115)	(108)	(34)	
Town Clerk	(72)	(66)	(68)	(65)	1	
City Surveyor	(64)	(62)	(61)	(56)	6	
Total Support Services & Capital Charges	(776)	(605)	(704)	(653)	(48)	
Recharges Within Fund						
Directorate Recharges	534	585	685	625	40	
Learning Recharges	329	348	350	354	6	
Corporate and Democratic Core	125	110	110	110	-	
Total Recharges Within Fund	988	1,043	1,145	1,089	46	
Recharges Across Funds						
Directorate Recharges	293	389	401	367	(22)	
Total recharges Across Funds	293	389	401	367	(22)	
Total Support Services & Capital Charges	505	827	842	803	(24)	

Appendix 3

Capital Project bids for 2022/23

Project – Epping Forest COVID-19 Path Restoration Project - £250,000

Status – Green – Recommended for approval

Project – Parliament Hill Athletics Track Resurfacing £2,000,000

Status – Green – Recommended for approval

Project – Redevelopment of Queen’s Park Play Area and Sandpit £55,000

Status – Green – Recommended for approval

Appendix 4

Movement between the 2021/22 Original Budget and the 2021/22 Latest Approved Budget

Open Spaces and City Gardens	£000
Original Net Local Risk Budget (Executive Director Environment & City Surveyor)	(2,559)
Executive Director Environment	
Pay increases at 1.525% for grades A-C	(9)
Allocation from the Directorate to fund various projects	188
Allocation from the Directorate to the Centre in relation to the New Chief Officers posts funding	65
City Surveyor	
Planned & Reactive Works including Cleaning	(4)
Latest Approved Net Local Risk Budget (Executive Director Environment & City Surveyor)	(2,319)

Appendix 5

Movement between the 2021/22 Original Budget and the 2022/23 Original Budget

Open Spaces and City Gardens	£000
Original Net Local Risk Budget (Executive Director Environment & City Surveyor)	(2,559)
Executive Director Environment	
2% inflation uplift	(48)
2% efficiency saving	48
Pay increases at 1.525% for grades A-C	(9)
1.25% increase to National Insurance Contributions (NIC) from April 2022	(22)
City Surveyor	
Planned & Reactive Works including Cleaning	(4)
Original Net Local Risk Budget (Executive Director Environment & City Surveyor)	(2,594)