

Committee(s)	Dated:
Epping Forest and Commons	19 November 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 Director of Environment	For Decision
Report Author: Mark Jarvis, Head Of Finance	

Summary

This report presents for approval the budget estimates for the Epping Forest and Commons Committee for 2022/23, for subsequent submission to the Finance Committee. The budgets have been prepared within the resources allocated to the Director and the table below summarises.

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

Summary of Table 1 Epping Forest & The Commons (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
Net Local Risk	(3,757)	(3,945)	(3,823)	(66)
Net City Surveyor	(465)	(424)	(424)	41
Net Cyclical Works Programme	(795)	(1,066)	(231)	564
Net Central Risk	(461)	(578)	(488)	(27)
Support Services	(1,410)	(1,493)	(1,374)	36
Total Net Expenditure	(6,888)	(7,506)	(6,340)	548

Overall, the provisional Original budget for 2022/23 totals £6.340M, a decrease of £0.548M compared with the original 2021/22 Budget.

The main variance is a reduction in the Cyclical Works Programme (CWP) of £564,000 however, members should note that the figures included in this report relate only to elements of previously agreed programmes, which will be completed in 2021/22 & 2022/23. A separate bid for new CWP works in 2022/23 has not been included in this report, as it has yet to be considered by Corporate Asset sub-committee and 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 Epping Forest proposed revenue budget for 2022/23 for submission to Finance Committee,
- ii) review and approve The Commons proposed revenue budgets for 2022/23 for submission to Finance Committee,
- iii) review and approve the Epping Forest capital and supplementary revenue project budgets for 2022/23 for submission to Finance Committee,
- iv) review and approve The Commons capital and supplementary revenue project budgets for 2022/23 for submission to Finance Committee,

- v) 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, the Target Operating Model, and changes to the Cyclical Works Programme following the funding decision on bids for works in 2022/23;
- vi) agree that minor amendments for 2021/22 and 2022/23 budgets arising during budget setting be delegated to the Chamberlain.

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 Epping Forest, City Commons, Burnham Beeches and Stoke Common which are registered charities and are funded from City's Cash. They are run at no cost to the communities that they serve, as they are funded principally by the City, together with donations, sponsorship, grants and trading income.
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 latest approved budget for the current year.
4. The report also compares the current year's budget with the forecast outturn.
5. The overall 2022/22 budget for Epping Forest & The Commons which include the Director of Open Spaces Local Risk, City Surveyor's Local Risk, Central Risk, and Recharges/Support Services is £6.340M, this is a decrease of £0.548M when compared with the 2020/21 Original Budget.

Business Planning Priorities for 2022/23

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

Proposed revenue budget for 2022/23

7. This report presents, at Appendix 1, the budget estimates for 2022/23 for the Epping Forest and Commons Committee 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.
8. The provisional 2022/23 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.
9. For 2022/23 budgets include within local risk a% uplift for inflation offset by 2% efficiency savings (a flat cash position).
10. Income, increases in income, and reductions in expenditure are shown as positive balances, whereas brackets will be used to denote expenditure, increases in expenditure, or shortfalls in income. Only significant variances (generally those greater than £50,000) have been commented on and are referenced in the relevant table in Appendix 1.
11. Analysis of the movement in staff related costs are shown in Table 2 below. Staffing levels have remained relatively stable between 2021/22 and 2022/23 budgets.

Table 2 - Staffing statement	Original Budget		Latest Approved Budget		Original Budget	
	2021/22		2021/22		2022/23	
	Staffing Full-time equivalent	Estimated cost £000	Staffing Full-time equivalent	Estimated cost £000	Staffing Full-time equivalent	Estimated cost £000
Epping Forest	69.79	(3,163)	71.05	(3,242)	70.05	(3,195)
The Commons	33.18	(1,469)	35.11	(1,503)	33.18	(1,522)

Total Epping Forest and Commons	102.97	(4,632)	106.16	(4,745)	103.23	(4,717)
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12. 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 3 - CYCLICAL WORKS PROGRAMME & CITY SURVEYOR LOCAL RISK (EPPING FOREST)			
Repairs and Maintenance (including cleaning)	Original Budget 2021/22 £'000	Latest Approved Budget 2021/22 £'000	Original Budget 2022/23 £'000
Cyclical Works Programme			
Epping Forest	(569)	(779)	(225)
	(569)	(779)	(225)
Planned & Reactive Works (Breakdown & Servicing – City Surveyor Local Risk)			
Epping Forest	(241)	(229)	(229)
	(241)	(229)	(229)
Cleaning (City Surveyor Local Risk)			
Epping Forest	(44)	(41)	(41)
	(44)	(41)	(41)
Total Cyclical Works Programme & City Surveyor	(854)	(1,049)	(495)

TABLE 3 – CYCLICAL WORKS PROGRAMME & CITY SURVEYOR LOCAL RISK (THE COMMONS)			
Repairs and Maintenance (including cleaning)	Original Budget 2021/22 £'000	Latest Approved Budget 2021/22 £'000	Original Budget 2022/23 £'000
Cyclical Works Programme			
Ashtead Common	(22)	(38)	-
West Wickham	(198)	(136)	(6)
Burnham Beeches	(6)	(113)	-

Stoke Common	-	-	-
	(226)	(287)	(6)
Planned & Reactive Works (Breakdown & Servicing – City Surveyor Local Risk)			
Ashtead Common	(5)	(5)	(5)
West Wickham	(49)	(44)	(44)
Burnham Beeches	(110)	(92)	(92)
Stoke Common	-	-	-
	(164)	(141)	(141)
Cleaning (City Surveyor Local Risk)			
Ashtead Common	-	-	-
West Wickham	(11)	(10)	(10)
Burnham Beeches	(5)	(3)	(3)
Stoke Common	-	-	-
	(16)	(13)	(13)
Total Cyclical Works Programme & City Surveyor	(406)	(441)	(160)

Potential Further Budget Developments

13. 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

14. The forecast outturn for the current year is in line with the latest approved budget of £7.506M.

Draft Capital and Supplementary Revenue Project budgets for 2022/23

15. The latest estimated costs of the Committee's current approved Capital and Supplementary revenue projects are summarised in the Tables below.

Service	Project	Exp. Pre 01/04/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	Later Years £'000	Total £'000
	<u>Pre-Implementation</u>						
Epping	Baldwins & Birch Hall Park Ponds	78	137	119	-	-	334
Epping	Wanstead Park Ponds Project	61	129	-	-	-	190

Epping	Grass Pitch at Wanstead Flats	36	1	-	-	-	37
Epping	CAS Carbon Removals	-	151	118	80	160	509
	<u>Authority to start work</u>						
Epping	Great Gregories Farm Over-wintering Facility	233	4	-	-	-	237
TOTAL EPPING FOREST		408	422	237	80	160	1,307

Service	Project	Exp. Pre 01/04/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	Later Years £'000	Total £'000
	<u>Authority to start work</u>						
City Commons	Kenley Revival	1,071	145	-	-	-	1,216
City Commons	Car Park Charging	115	10	-	-	-	125
TOTAL CITY COMMONS		1,186	155	-	-	-	1,341

- i. Pre-implementation costs comprise feasibility/option appraisal expenditure which has been approved in accordance with the project procedure, prior to authority to start work.
- ii. Therefore the above figures do not include the cost of implementing the Baldwins and Birch Hall Park, Wanstead Park Ponds, Grass Pitch at Wanstead Flats and CAS Carbon Removals projects which are subject to further gateway approvals.
- iii. The latest Capital and Supplementary Revenue Project forecast expenditure on approved schemes will be presented to the Court of Common Council for formal approval in March 2022.

Corporate & Strategic Implications

16. 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

1. People are safe and feel safe.
2. People enjoy good health and wellbeing.
3. People have equal opportunities to enrich their lives and reach their full potential.
4. Communities are cohesive and have the facilities they need.

Support a thriving economy

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

Shape outstanding environments

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

Security implications

15. None

Public sector equality duty

16. 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

17. This report presents the Revenue and Capital budget estimates for 2022/23 for the Epping Forest and Commons Committee for Members to consider and approve.

Appendices

- Appendix 1 – Budget estimates 2022/23 Table 1
- Appendix 2 – Capital Project Bids for 2022/23

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Appendix 1 (Epping Forest)

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	(3,027)	(3,163)	(3,181)	(3,195)	(32)	
Employees	C	(57)	-	(61)	-	-	
Premises Related Expenses	L	(512)	(725)	(713)	(636)	(89)	a)
Premises Related Expenses	C	(50)	-	-	-	-	
City Surveyor's Local Risk inc cleaning	L	(300)	(285)	(270)	(270)	15	
Cyclical Works Programme	L	(349)	(569)	(779)	(225)	344	b)
Transport Related Expenses	L	(166)	(209)	(209)	(207)	2	
Supplies & Services	L	(448)	(372)	(402)	(369)	3	
Supplies & Services	C	(106)	-	(4)	-	-	
Unidentified Savings	L	-	31	-	-	(31)	
Transfer to Reserves	L	(298)	-	-	-	-	
Transfer to Reserves	C	(82)	-	-	-	-	
Capital Charges- Depreciation	C	(469)	(455)	(461)	(461)	(6)	
Total Expenditure		(5,864)	(5,747)	(6,080)	(5,363)	384	
INCOME							
Government Grants	L	176	444	326	257	(187)	c)
Other Grants, Reimbursements and Contributions	L	21	3	3	3	-	
Other Grants, Reimbursements and Contributions	C	67	-	-	-	-	
Customer, Client Receipts	L	1,238	1,617	1,717	1,731	114	d)
Customer, Client Receipts	C	2	-	-	-	-	
Investment Income	C	6	18	18	18	-	
Transfer from Reserves	L	48	-	-	-	-	
Transfer from Reserves	C	15	-	-	-	-	
Recharges to Capital Projects	L	10	-	-	-	-	
Total Income		1,583	2,082	2,064	2,009	(73)	
TOTAL (EXPENDITURE) BEFORE SUPPORT SERVICES		(4,281)	(3,665)	(4,016)	(3,354)	311	
SUPPORT SERVICES							
Central Support		(937)	(851)	(876)	(811)	40	
Recharges within Fund		(192)	(212)	(239)	(222)	(10)	
Recharge across Fund		14	(11)	(17)	(17)	(6)	
Total Support Services		(1,115)	(1,074)	(1,132)	(1,050)	24	
TOTAL NET (EXPENDITURE)		(5,396)	(4,739)	(5,148)	(4,404)	335	

- a) The £89,000 reduction in premises related expenditure is due to a reduction in Countryside Stewardship Scheme (CSS) grant related expenditure.
- b) The £344,000 reduction in Cyclical Works is explained in paragraph 12.
- c) The reduction of £187,000 in Government Grant is due to the transition to the new 10 YR CSS scheme.
- d) The £114,000 increase in Customer & Client Receipts is mainly due to a £150,000 increase in expected car park income .

Appendix 1 (The Commons)

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	(1,364)	(1,469)	(1,478)	(1,522)	(53)	a)
Employees	C	(28)	-	(25)	-	-	
Premises Related Expenses	L	(449)	(262)	(366)	(267)	(5)	
Premises Related Expenses	C	(143)	-	-	-	-	
City Surveyor's Local Risk inc cleaning	L	(219)	(180)	(154)	(154)	26	
Cyclical Works Programme	L	(133)	(226)	(287)	(6)	220	b)
Transport Related Expenses	L	(45)	(13)	(51)	(37)	(24)	
Supplies & Services	L	(271)	(171)	(133)	(155)	16	
Supplies & Services	C	(27)	-	-	-	-	
Third Party Payments	L	-	(1)	(1)	(1)	-	
Transfer to Reserves – Livestock	L	(52)	-	-	-	-	
Unidentified savings	L	-	13	13	72	59	c)
Capital Charges- Depreciation	C	(34)	(24)	(45)	(45)	(21)	
Total Expenditure		(2,765)	(2,333)	(2,527)	(2,115)	218	
49INCOME							
Government Grants	L	166	131	131	149	18	
Other Grants, Reimbursements and Contributions	L	17	4	4	4	-	
Other Grants, Reimbursements and Contributions	C	89	-	-	-	-	
Customer, Client Receipts	L	272	385	385	350	(35)	
Investment Income	L	1	-	-	-	-	
Transfer from Reserves - Capital	L	54	-	10	-	-	
Total Income		599	520	530	503	(17)	
TOTAL (EXPENDITURE) BEFORE SUPPORT SERVICES		(2,166)	(1,813)	(1,997)	(1,612)	201	
SUPPORT SERVICES							
Central Support		(329)	(285)	(296)	(265)	20	
Recharges within Fund		(36)	(51)	(65)	(59)	(8)	
Total Support Services		(365)	(336)	(361)	(324)	12	
TOTAL NET (EXPENDITURE)		(2,531)	(2,149)	(2,358)	(1,936)	213	

a) The £53,000 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 £220,000 reduction in the Cyclical Works Programme is explained in paragraph 12.

c) Unidentified savings – further savings required to achieve the allocated budget, but which have not yet been finalised.

Appendix 2 (Epping Forest)

Capital Project Bids for 2022/23

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

Status – Green – Recommended for approval

Appendix 2 (The Commons)

Capital Project Bids for 2022/23

Burnham Beeches dam and outflow repairs – Middle Pond - £82,000

Status – Green – Recommended for approval

