

Committee(s)	Dated:
West Ham Park	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 West Ham Park Committee for 2022/23, for subsequent submission to the Finance Committee.

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 Table 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	(625)	(695)	(636)	(11)
Net City Surveyor	(73)	(65)	(65)	8
Net Cyclical Works Programme	(151)	(77)	-	151
Net Central Risk	(9)	(9)	(9)	-
Support Services and Recharges	(274)	(306)	(288)	(14)

Total Net Expenditure	(1,132)	(1,152)	(998)	134

Overall, the provisional original budget for 2022/23 totals £998,000, a decrease of £134,000 compared with the 2021/22 original 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 West Ham Park Committee's proposed revenue budget for 2022/23 for submission to Finance Committee,
- ii) review and approve the West Ham Park Committee's capital and supplementary revenue projects 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 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 West Ham Park which is a registered charity and is funded from City's Cash and run at no cost to the community that it serves.
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. The overall 2022/23 budget for West Ham Park which includes the Executive Director Environment's Local Risk, City Surveyor's Local Risk, Central Risk, and Recharges/Support Services is £0.998M, a decrease of £0.134M when compared with the 2021/22 Original Budget.

Business Planning Priorities for 2022/23

6. 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 the Open Spaces and City Gardens Committee on 7 December 2021 for approval.

Proposed Revenue Budget for 2022/23

7. This report presents in Table 1 at Appendix 1, the budget estimates for 2022/23 for the West Ham Park 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 his/her control or are budgets of a corporate nature (e.g. interest on cash balances and rent incomes from investment properties).
 - Support Services – 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 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.
9. 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)

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.

11. Analysis of the movement in staff related costs are shown in Table 2 below. Staffing levels have remained 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
West Ham Park	17.41	(735)	17.5	(739)	17.5	(738)
TOTAL	17.41	(735)	17.5	(739)	17.5	(738)

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	Original Budget 2021/22	Latest Approved Budget 2021/22	Original Budget 2022/23
Repairs and Maintenance (including cleaning)	£'000	£'000	£'000
Cyclical Works Programme			
West Ham Park	(151)	(77)	-
	(151)	(77)	-
Planned & Reactive Works (Breakdown & Servicing – City Surveyor Local Risk)			
West Ham Park	(69)	(61)	(61)
	(69)	(61)	(61)
Cleaning (City Surveyor Local Risk)			
West Ham Park	(4)	(4)	(4)
	(4)	(4)	(4)
Total Cyclical Works Programme & City Surveyor	(224)	(142)	(65)

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 2021/22 latest approved budget includes £4,000 to fund pay increases at 1.525% for grades A-C, an allocation of £1,000 from the Directorate to fund various projects and agreed carry forwards of £65,000 from 2020/21 to replace existing road sweeper that is end of life and is not ULEZ compliant. The forecast outturn for the current year is in line with the latest approved budget of £1.152M. Movement of the 2021/22 Original Budget to the 2021/22 Latest Approved Budget can be found in Appendix 3.

Draft Capital and Supplementary Revenue Budgets

15. The latest estimated costs of the Committee's current approved capital and supplementary revenue projects are summarised in the table below.

Service Managed	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>						
West Ham Park	West Ham Park Playground	(50)	(958)	-	-	-	(1,008)
	<u>Disposal Costs</u>						
	West Ham Park Nursery	(142)	(195)	-	-	-	(337)
TOTAL WEST HAM PARK		(192)	(1,153)	-	-	-	(1,345)

16. Authority to start work on the West Ham Park Playground project has recently been granted, with the works expected to be completed by the end of March 2022.

17. Disposal costs relating to the Nursery site include marketing, surveys and continued consultation with the Charity Commission and other stakeholders.

18. 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

19. 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.
6. We have access to the skills and talent we need.

Shape outstanding environments

7. We are digitally and physically well-connected and responsive.

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

Security Implications

20. None

Public sector equality duty

21. 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

22. This report presents the Capital and Revenue budget estimates for 2022/23 for the West Ham Park Committee for Members to consider and approve.

Appendices

- Appendix 1 – Budget Estimates 2022/23 Table 1
- Appendix 2 – Support Services
- Appendix 3 – Original Local Risk 2021/22 budget to Latest Approved 2021/22 Local Risk Budget
- Appendix 4 – Original 2021/22 Local Risk Budget to Original Local Risk 2022/23 budget

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Appendix 1

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	(733)	(735)	(739)	(738)	(3)	
Premises Related Expenses	L	(42)	(47)	(47)	(52)	(5)	
Premises Related Expenses	C	(68)	-	-	-	-	
City Surveyor's Local Risk inc cleaning	L	(106)	(73)	(65)	(65)	8	
Cyclical Works Programme	L	(90)	(151)	(77)	-	151	a)
Transport Related Expenses	L	(18)	(16)	(16)	(17)	(1)	
Supplies & Services	L	(252)	(135)	(200)	(135)	-	
Third Party Payments	L	(22)	(13)	(14)	(15)	(2)	
Capital Charges	C	(10)	(10)	(10)	(10)	-	
Total Expenditure		(1,341)	(1,180)	(1,168)	(1,032)	148	
INCOME							
Other Grants, Reimbursements and Contributions	L	25	-	-	-	-	
Customer, Client Receipts	L	340	321	321	321	-	
Investment Income	C	1	1	1	1	-	
Total Income		366	322	322	322	-	
TOTAL EXPENDITURE BEFORE SUPPORT SERVICES AND RECHARGES		(975)	(858)	(846)	(710)	148	
SUPPORT SERVICES AND RECHARGES							
Central Support		(212)	(174)	(197)	(180)	(6)	
Recharges within Fund							
Directorate Recharges		(35)	(35)	(44)	(40)	(5)	
Learning Recharges		(66)	(72)	(72)	(75)	(3)	
Corporate and Democratic Core		7	7	7	7	-	
Total Support Services and Recharges		(306)	(274)	(306)	(288)	(14)	
TOTAL NET EXPENDITURE		(1,281)	(1,132)	(1,152)	(998)	134	

a) The reduction of £151,000 in the Cyclical Works Programme is explained in paragraph 12.

Appendix 2

Support Services/Recharges from/to West Ham Park Committee	Actual 2020-21 £'000	Original Budget 2021-22 £'000	Latest Approved Budget 2021-22 £'000	Original Budget 2022-23 £'000	Movement 2021-22OR to 2022-23OR £'000	Paragraph Reference
<u>Support Services</u>						
Central Recharges-						
City Surveyor's Employee Recharge	(39)	(38)	(39)	(39)	(1)	
Insurance	(17)	(19)	(19)	(19)	-	
I.S.Recharges - Chamberlain	(47)	(32)	(37)	(28)	4	
Support Services-						
Chamberlain (inc CLPS recharges)	(44)	(35)	(40)	(36)	(1)	
Town Clerk	(26)	(23)	(25)	(23)	-	
City Surveyor	(39)	(27)	(37)	(35)	(8)	
Total Support Services	(212)	(174)	(197)	(180)	(6)	
<u>Recharges Within Fund</u>						
Directorate Recharges	(35)	(35)	(44)	(40)	(5)	
Learning Recharges	(66)	(72)	(72)	(75)	(3)	
Corporate and Democratic Core	7	7	7	7	-	
Total Recharges Within Fund	(94)	(100)	(109)	(108)	(8)	
Total Support Services	(306)	(274)	(306)	(288)	(14)	

Appendix 3

Movement from the 2021/22 Original Budget to the 2021/22 Latest Approved Budget

West Ham Park	£000
Original Net Local Risk Budget (Executive Director Environment & City Surveyor)	(698)
Executive Director Environment	
Pay increases at 1.525% for grades A-C	(4)
Allocation from the Directorate to fund various projects	(1)
Agreed carry forwards from 2020/21 to replace existing road sweeper that is end of life and is not ULEZ compliant	(65)
City Surveyor	
Planned & Reactive Works including Cleaning	8
Latest Approved Net Local Risk Budget (Executive Director Environment & City Surveyor)	(760)

Appendix 4

Movement from the 2021/22 Original Budget to the 2022/23 Original Budget

West Ham Park	£000
Original Net Local Risk Budget (Executive Director Environment & City Surveyor)	(698)
Executive Director Environment	
2% inflation uplift	(13)
2% efficiency saving	13
Pay increases at 1.525% for grades A-C	(4)
1.25% increase to National Insurance Contributions (NIC) from April 2022	(7)
City Surveyor	
Planned & Reactive Works including Cleaning	8
Original Net Local Risk Budget (Executive Director Environment & City Surveyor)	(701)