

Committee(s):	Date(s):	Item no.
Open Spaces, City Gardens, and West Ham Park Committee	4 February 2013	
Subject: CONSOLIDATED REVENUE AND CAPITAL BUDGETS – 2012/13 AND 2013/14		
Report of: The Chamberlain The Director of Open Spaces		Public For Information

Summary

This report is the annual submission of the consolidated revenue and capital budgets overseen by your Committee. In particular, it updates the Committee on the latest approved revenue budget for 2012/13 and the proposed revenue budget for 2013/14, as approved by the relevant Open Spaces Committees. Details of the draft capital and supplementary revenue budgets are also provided.

Summary of Table 1 (All Committees)	Latest Approved Budget	Original Budget	Movement
	2012/13 £000	2013/14 £000	£000
Expenditure	20,512	20,446	(66)
Income	(6,301)	(6,313)	(12)
Support Services and Capital Charges	2,646	2,749	103
Total Net Expenditure	16,857	16,882	25

Summary of Table 1 (By Committee)	Latest Approved Budget 2012/13 £000	Original Budget 2013/14 £000	Movement £000
<u>Open Spaces, City Gardens & West Ham Park.</u>			
Expenditure	3,556	3,558	2
Income	(837)	(848)	(11)
Support Services and Capital Charges	148	191	43
Total	2,867	2,901	34
<u>Epping Forest & Commons.</u>			
Expenditure	8,361	8,095	(266)
Income	(2,528)	(2,537)	(9)
Support Services and Capital Charges.	1,430	1,524	94
Total	7,263	7,082	(181)
<u>Hampstead Heath, Queens Park and Highgate Wood.</u>			
Expenditure	8,595	8,793	198
Income	(2,936)	(2,928)	8
Support Services and Capital Charges.	1,068	1,034	(34)
Total	6,727	6,899	172
Total Net Expenditure	16,857	16,882	25

Overall the provisional Original budget for 2013/14 totals £16.882M, an increase of £25,000 compared with the latest approved budget for 2012/13. The overall movement in net expenditure of £25,000 comprises an increase of £103,000 in Support Services & Capital Charges partially off-set by a £66,000 decrease in expenditure and a £12,000 increase in income. The main reasons contributing to this overall increase as reported to each Open Space Committee which also allow for a £143,000 total fall-out in carry forwards are :-

Open Spaces, City Gardens, and West Ham Park:

- An increase of £144,000 in Surveyor's Repairs & Maintenance.
- A reduction of £44,000 in employee costs in the Directorate due to the 10% savings, and a £14,000 one-off contribution in 2012/13 in respect of the July 2012 pay award.
- An increase of £43,000 in Support Services Charges relating mainly to a reduction in the Directorate's Recharge income which is a direct result of a reduction in manpower expenditure to meet corporate budget savings.

Epping Forest and Commons:

- A decrease of £266,000 in expenditure, the majority of which relate to a reduction in transfer to reserves (£170,000), a reduction in Supplies & Services (£158,000), and an increase in employee costs (£66,000).
- An increase of £94,000 in Capital and Support Services Charges mainly relating to higher depreciation charges.

Hampstead Heath, Queens Park and Highgate Wood:

- An increase of £334,000 in Surveyor's Repairs & Maintenance.
- A reduction of £104,000 in local risk budgets to achieve the remaining 10% savings.
- A £38,000 one-off contribution in 2012/13 in respect of the July 2012 pay award.
- A reduction of £34,000 in Support Services and Capital Charges.

Recommendations

The Committee is requested to note the latest approved revenue and capital budgets for 2012/13 and the provisional revenue and capital budgets for 2013/14 , as approved by the relevant Open Spaces Service Committees.

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, Stoke Common, Hampstead Heath, Queens Park, Highgate Wood, and West Ham Park, which are all 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. City Gardens is funded from the City Fund as part of the City Corporation's local authority functions, whilst the Open Spaces Directorate which is funded from City Cash, co-ordinates the management of the department and works in co-operation with other departments on cross service projects and corporate initiatives.
2. This report sets out the proposed revenue budget and capital budgets for 2013/14. 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.

Business Planning Priorities

5. The key Projects for each Open Space for the next three years were included in the Open Spaces Department Business Plan for 2012-2015 which was approved in April 2012. These include :-
 - Continue to support the Flood Management and Water Quality project (Hampstead Heath).
 - Implement the East Heath Car Park extension to help achieve efficiency savings (Hampstead Heath).
 - Undertake the Conservation Management Plans (Highgate Wood & Queens Park).
 - Monitor long term Woodland Management (Highgate Wood).

- Seek improvements to City Gardens through Section 106 funding and the Community Infrastructure Levy and, where possible, address deficiencies highlighted in the City of London Open Space Strategy (City Gardens).
- Provide input to and participate in strategic planning and activities led by the London Borough of Newham and other borough organisations such as the Police and Schools, in order to seek opportunities for shared services (West Ham Park).
- Deliver approved actions set down in the Biodiversity Action Plan in order to protect and enhance Sites of Local Importance for Nature Conservation (City Gardens).
- Regeneration of Ancient Pollards and Heathland Regeneration (Burnham Beeches & Stoke Common).
- Visitor Surveys, Consultation & Communication Strategy, and Biodiversity Conservation Plans (City Commons).
- Development of the Epping Forest Management Plan and further phases of the ‘Branching Out’ project (Epping Forest).

Proposed Revenue Budget for 2013/14

6. The proposed Revenue Budget for 2013/14 is shown in Table 1 below 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.
7. The provisional 2013/14 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. The 2% efficiency savings to be achieved by 2014/15 comprise 1% saving in 2013/14 and a further 1% saving in 2014/15. An allowance towards any potential pay and price increases of 1% for 2013/14 has been included, with 2% to be included for 2014/15. The budget has been prepared within the resources allocated to the Director.

TABLE 1

OPEN SPACES SUMMARY – ALL FUNDS

Analysis of Service Expenditure	Local or Central Risk	Actual 2011-12 £'000	Latest Approved Budget 2012-13 £'000	Original Budget 2013-14 £'000	Movement 2012-13 to 2013-14 £'000	Paragraph Reference
EXPENDITURE						
Employees	L	11,590	12,113	12,132	19	
Redundancy costs	C	160	0	0	0	
Premises Related Expenses	L	1,760	1,745	1,736	(9)	
R & M (City Surveyor's Local Risk)	L	2,413	3,407	3,827	420	10/11
Transport Related Expenses	L	718	596	561	(35)	
Supplies & Services	L	3,400	2,254	2,004	(250)	13
Third Party Payments	L	148	125	81	(44)	
Transfer to Reserves – Capital	C	2,443	2	5	3	
Transfer to Reserve	L	446	270	100	(170)	14
Total Expenditure		23,078	20,512	20,446	(66)	
INCOME						
Government Grants	L	(688)	(482)	(483)	(1)	
Other Grants, Reimbursements and Contributions – (Grant By Metropolitan Police, & Section 106)	L	(420)	(579)	(481)	98	15
Other Grants, Reimbursements and Contributions – (City Bridge Trust & Capital Grants)	C	(3,266)	(1,001)	(1,001)	0	
Customer, Client Receipts	L	(2,828)	(2,639)	(2,691)	(52)	16
Recharges to Capital Projects	L	0	(40)	(40)	0	
Investment Income	L	(1)	0	0	0	
Investment Income	C	(1,229)	(1,229)	(1,218)	11	
Transfer from Reserves	L	(325)	(74)	0	74	17
Transfer from Reserve – Capital & Nursery	C	(462)	(257)	(399)	(142)	18
Total Income		(9,219)	(6,301)	(6,313)	(12)	
TOTAL EXPENDITURE/ (INCOME) BEFORE SUPPORT SERVICES AND CAPITAL CHARGES		13,859	14,211	14,133	(78)	
SUPPORT SERVICES AND CAPITAL CHARGES						
Central Support and Capital Charges		2,754	2,994	3,087	93	19
Recharges within Fund		(154)	(151)	(151)	0	
Recharges Across Funds		(106)	(89)	(79)	10	
Recharges to Finance Committee (Corporate & Democratic Core)		(108)	(108)	(108)	0	
Recharges to Capital Projects		(8)	0	0	0	
Total Support Services and Capital Charges		2,378	2,646	2,749	103	
TOTAL NET ENDITURE/(INCOME)		16,237	16,857	16,882	25	

8. Income and favourable variances are presented in brackets. 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.
9. Overall there is an increase of £25,000 in the overall budget between the 2012/13 latest approved budget and the 2013/14 original budget. This movement is explained by variances in the following paragraphs.
10. Following the implementation of the MITIE contract in July 2012, budgets have been re-aligned to reflect the tendered cost of the new contract. The 2012/13 latest approved budgets and 2013/14 Original budgets, therefore reflect these changes. The increase of £420,000 in the Repairs & Maintenance budget for the City Surveyor's Local Risk is an increase of £537,000 in the additional works programme due to changes in the composition and phasing of the work, partially off-set by a decrease of £117,000 in Planned & Reactive Works.
11. Furthermore, budgets have provisionally been included for the 2013/14 additional works programme based on the bids considered by your Committee in May 2012 and the Corporate Asset Sub Committee in June 2012. These figures were agreed in principle by the Resource Allocation Sub Committee in December subject to a more detailed report being submitted in January. See Table 2 below.

TABLE 2 - CITY SURVEYOR LOCAL RISK	Latest Approved Budget 2012/13 £'000	Original Budget 2013/14 £'000
Repairs and Maintenance		
Additional Works Programme		
West Ham Park	134	291
Bunhill Fields	117	131
City Gardens	58	53
Burnham Beeches	58	73
Epping Forest	993	992
City Commons	276	299
Hampstead Heath	969	1,203
Queens Park	44	48
Highgate Wood	20	189
	2,669	3,279
Planned & Reactive Works (Breakdown & Servicing)		
West Ham Park	53	33
Bunhill Fields	16	16
Nursery	6	5
City Gardens	13	13
Open Spaces Directorate	1	0
Burnham Beeches	55	32
Epping Forest	239	188
City Commons	49	28
Hampstead Heath	258	193
Queens Park	17	15
Highgate Wood	31	25
	738	548
Total City Surveyor	3,407	3,827

12. Analysis of the movement in manpower and related staff costs are shown in Table 3 below. The main reason for the Epping variance (£53,000) is due to a 2 year fixed term post (Executive assistant) being introduced from 2013/14.

Table 3 - Manpower statement	Latest Approved Budget 2012/13		Original Budget 2013/14	
	Manpower Full-time Equivalent	Estimated cost £000	Manpower Full-time equivalent	Estimated cost £000
Directorate	7	385	5	336
City Gardens/Bunhill Fields	34.17	1,046	33	1,049
West Ham Park/Nursery	22.50	741	22.50	758
Epping	85.41	2,873	86.41	2,926
Burnham Beeches/Stoke Common	13.07	479	12.67	477
City Commons	22.91	772	22.91	787
Hampstead Heath	131.90	5,005	129.9	5,002
Queens Park	13.40	474	12.40	452
Highgate Wood	8.6	338	8.6	345
TOTAL	338.96	12,113	333.39	12,132

13. The decrease of £250,000 in Supplies & Services relates mainly to a reduction of £160,000 at Epping to re-align budgets.
14. The £170,000 reduction in transfer to reserves (local risk) represents the funds received from the police for using Wanstead Flats as a muster station during the Olympics/Paralympics. The contribution has been transferred to reserves until it is required as funding for the Jubilee Pond relining project.
15. The reduction of £98,000 in Other Grants & Contribution income is mainly due to the £170,000 received by the police for use of the muster station as mentioned in paragraph 14 in 2012/13 which was a one-off contribution.
16. The £52,000 increase in Customer & Client receipt Income relates mainly to the projected additional income as part of the new East Heath car park extension in order to meet the 10% savings target.
17. The £74,000 reduction in transfer from reserve (Local Risk) is due to carry forward City Bridge Trust budgets from 2011/12.
18. The £142,000 increase in transfer from reserve Capital & Nursery (Central Risk) relates mainly to the £127,000 increase in income transferred from the Capital Reserve Account to cover the depreciation charges for HLF 'Branching Out' projects at Epping.

19. The increase of £93,000 in Central Support & Capital Charges is mainly due to the increase in depreciation charges on HLF 'Branching Out' Capital schemes at Epping, partially offset by a reduction in support services and the Recharge from the Open Spaces Directorate.
20. The breakdown representing the £97,000 overall reductions in Epping (Appendix 1) are as follows:-
 - A £23,000 overall reduction in Local Risk, mainly due to the fall-out of the 'carry forward'.
 - A £127,000 additional income in Central Risk (Transfer from Reserves)
 - An increase of £102,000 in Recharges (Mainly Capital Charges)
 - A decrease of £49,000 Repairs & Maintenance (City Surveyor local risk)
21. The £50,000 reduction in Burnham Beeches (see Appendix 1) is mainly due to the fall-out of the £26,000 carry forward and a £11,000 reduction from the 10% savings exercise.
22. The £173,000 increase in Highgate Wood (see Appendix 1) is mainly due to an increase in the City Surveyor's Additional Work Programme and Planned & Reactive Works .
23. The £126,000 overall increase in West Ham Park (Appendix 1) mainly relates to an increase (£137,000) in Repairs & Maintenance by the City Surveyor.
24. The £104,000 reduction in City Gardens (Appendix 1) is mainly due to the fall-out of the £83,000 carry forward and a reduction in Third Party Payments and Supplies & Services.
25. The overall increase of £140,000 in Capital Charges relate mainly to Capital Charges (Depreciation on HLF 'Branching Out' Capital Schemes at Epping).

Potential Further Budget Developments

26. The provisional nature of the 2012/13 and 2013/14 revenue budgets recognises that further revisions may be required, including in relation to:
 - budget reductions to capture savings arising from the on-going PP2P reviews;

- budget adjustments relating to the implementation of the City of London Procurement Service; and
- decisions on funding of the Additional Work Programme by the Resource Allocation Sub Committee.

Any further revisions will be agreed in consultation with the Director of Open Spaces.

Revenue Budget 2012/13

27. The forecast outturn for the current year is in line with the latest approved budget of £16.857M.

Draft Capital Budget

28. No new bids were submitted recently by the Committee to the Policy and Resources Committee for resources to evaluate new capital or supplementary revenue projects.

29. The Committee's draft capital and supplementary revenue project budgets are summarised in the Tables below. Estimated expenditure is analysed as follows:

- Committed – Projects which are contractually committed.
- Uncommitted – Projects which have been the subject of an options appraisal report but are not yet contractually committed.
- Options Appraisal costs – The costs of evaluating all other schemes approved to proceed to that stage.

	Exp. Pre 01/04/12	2012/13	2013/14	2014/15	2015/16	2016/17	Later Years	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Evaluated schemes</u>								
- Committed								
Epping Forest Land - Warlies Park		270						270
Highams Park Lake		100	1,420	345				1,865
Branching Out	3,096	1,300	208					4,604
- Uncommitted								
Hydrology improvements	82	612	1,177	6,581	6,386			14,838
Total	3,178	2,282	2,805	6,926	6,386	0	0	21,577

	Exp. Pre 01/04/12	2012/13	2013/14	2014/15	2015/16	2016/17	Later Years	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Evaluated schemes</u>								
- Committed								
Safety improvements	82	12						94
Total	82	12	0	0	0	0	0	94

	Exp. Pre 01/04/12	2012/13	2013/14	2014/15	2015/16	2016/17	Later Years	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Evaluated schemes</u>								
- Committed								
St Botolph churchyard improvements	35	53						88
Playbuilder, Peter's Hill	40	7						47
- Uncommitted								
Blackfriars Station garden		70						70
Total	75	130	0	0	0	0	0	205

30. The latest updated information on the capital project budgets was submitted in a progress monitoring report to the Finance Committee on 11 December 2012. Summaries of these budgets will subsequently be used to determine overall financing, with the full capital and supplementary revenue project budgets being presented to the Court of Common Council for approval in March 2013.

APPENDIX 1

Analysis by Service Managed	Actual 2011-12 £'000	Latest Approved Budget 2012-13 £'000	Original Budget 2013-14 £'000	Movement 2012-13 to 2013-14 £'000	Paragraph(s) Reference
<u>CITY CASH</u>					
DIRECTORATE*	0	0	0	0	
BUNHILL FIELDS	182	304	316	12	
WEST HAM PARK	1,092	1,027	1,153	126	23
CBT**	0	0	0	0	
NURSERY***	0	0	0	0	
EPPING FOREST	4,155	4,623	4,526	(97)	20
EPPING FOREST – CBT**	0	0	0	0	
HLF	13	3	3	0	
CHINGFORD GOLF COURSE	(40)	(60)	(64)	(4)	
WANSTEAD FLATS	150	190	175	(15)	
WOODREDON & WARLIES****	0	0	0	0	
BURNHAM BEECHES	679	733	683	(50)	21
STOKE COMMON	1	22	22	0	
CITY COMMONS	1,582	1,752	1,737	(15)	
HAMPSTEAD HEATH	5,762	5,590	5,616	26	
HAMPSTEAD HEATH – CBT**	0	0	0	0	
QUEENS PARK	711	700	673	(27)	
QUEENS PARK – CBT**	0	0	0	0	
HIGHGATE WOOD	466	437	610	173	22
HIGHGATE WOOD – CBT**	0	0	0	0	
TOTAL	14,753	15,321	15,450	129	
<u>CITY FUND</u>					
CITY GARDENS	1,313	1,391	1,287	(104)	24
CITY OPEN SPACES (ENV SERVICES)	171	145	145	0	
TOTAL	1,484	1,536	1,432	(104)	
TOTAL (ALL FUNDS)	16,237	16,857	16,882	25	

Reasons for zero budget lines:-

- * The Directorate expenditure is recharged to all the Open Spaces and nets to zero.
- ** City Bridge Trust (CBT) expenditure is funded from a Central Risk restricted fund which nets to zero.
- *** The Nursery is a trading account where any surplus or shortfall go to reserve and nets to zero.
- **** Woodredon and Warlies are fully rechargeable.

APPENDIX 2

Support Services & Capital Charges to/from Open Spaces Committees.	Actual 2011-12 £'000	Latest Approved Budget 2012-13 £'000	Original Budget 2013-14 £'000	Movement 2012-13 to 2013-14 £'000	Paragraph Reference
Support Services & Capital Charges					
Central Recharges-					
City Surveyor's Employee Recharge	601	595	597	2	
Admin Buildings	54	60	60	0	
Insurance	318	338	350	12	
I.S.Recharges - Chamberlain	212	529	520	(9)	
Capital Charges	293	308	448	140	25
Support Services-					
Chamberlain	472	406	381	(25)	
Comptroller and City Solicitor	203	176	168	(8)	
Town Clerk	351	316	298	(18)	
City Surveyor	192	202	202	0	
Other Services*	58	64	63	(1)	
Total Support Services & Capital Charges	2,754	2,994	3,087	93	
Recharges Within Fund					
Directorate Recharges	0	0	0	0	
Corporate and Democratic Core	(262)	(259)	(259)	0	
Total Recharges Within Fund	(262)	(259)	(259)	0	
Recharges Across Funds					
Recharges Across Funds	(109)	(98)	(92)	6	
Woodredon & Warlies	3	9	13	4	
Total Recharges Across Funds	(106)	(89)	(79)	10	
Total Recharges to Capital Projects	(8)	0	0	0	
Total Support Services & Capital Charges	2,378	2,646	2,749	103	

* Various services including central heating, corporate printing, occupational health, union costs, environmental and sustainability section.