

Committee(s)	Dated:
Epping Forest and Commons	21 November 2022
Subject: Departmental and Service Committee Budget Estimates 2023/24	Public
Which Outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
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 revenue and capital budgets for the Epping Forest and Commons Committee for 2023/24, for subsequent submission to Finance Committee.

Overall, the proposed revenue budget for 2023/24 totals (£6.528M), an increase in net expenditure of (£0.229M) compared to the 2022/23 original budget of (£6.299M).

The proposed budget for 2023/24 has been prepared within the resource envelope allocated to each Director by Resource Allocation Sub Committee, including an inflation increase of 4% balanced by an efficiency saving of 2% and the full year impact of pay increases to staff arising from the pay deal effective from July 2022.

The resource envelope must be adhered to, as failure to do so will impact Finance Committee's ability to set Council Tax rates for the year ahead and the requirement in law for the City to set a balanced budget.

Recommendation

Members are asked to:

- i) review and approve the Epping Forest proposed revenue budget for 2023/24 for submission to Finance Committee;
- ii) review and approve The Commons proposed revenue budgets for 2023/24 for submission to Finance Committee;

- iii) review and approve the Epping Forest capital and supplementary revenue project budgets for 2023/24 for submission to Finance Committee;
- iv) agree that amendments for 2022/23 and 2023/24 budgets arising from changes to recharges or for any further implications arising from corporate contracts, Target Operating Model (TOM), energy price increases, changes to the Cyclical Works Programme (CWP) and capital charges during budget setting be delegated to the Chamberlain in consultation with the Executive Director Environment; and
- v) note that the draft budget does not include estimated increases in energy costs which are currently being reviewed in light of changing market prices with budgets to be adjusted once a final agreement on energy forecasts is made.

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 2023/24 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 overall 2023/24 budget for Epping Forest & The Commons which include the Executive Director Environment local risk, City Surveyor's local risk, central risk, and recharges/support services is (£6.528M), this is an increase of (£0.229M) when compared with the 2022/23 original budget.
4. The latest approved budget 2022/23 and provisional budget 2023/24, is summarised in Table 1 below and further analysed by risk and Chief Officer in Appendix 1.
5. 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 £30,000) have been commented on and are referenced in the relevant table in Appendix 1.

Table 1 - Epping Forest & The Commons	Original Budget (OR) 2022/23 £000	Latest Approved Budget 2022/23 £000	Original Budget (OR) 2023/24 £000	Movement 2022/23 OR to 2023/24 OR £000
Net Local Risk	(3,823)	(3,823)	(4,005)	(182)
Net City Surveyor	(424)	(424)	(424)	-
Net Cyclical Works Programme	(231)	(915)	(231)	-
Net Central Risk	(488)	(561)	(488)	-
Recharges/Support Services	(1,333)	(1,333)	(1,380)	(47)
Total Net Expenditure	(6,299)	(7,056)	(6,528)	(229)

Business Planning Priorities for 2023/24

6. The Natural Environment Divisions business priorities for the forthcoming year have been set out in the Environment Departments 2023/24 business plan report which will be presented to the Open Spaces and City Gardens Committee in early 2023 for approval.

Latest Revenue Budget for 2022/23

7. Overall, the 2022/23 latest approved budget is net expenditure of (£7,056M), an increase in net expenditure of (£0.757M) compared to the 2022/23 original budget. The main reasons for this net increase are:
- Approved Priorities Investment Pot (PIP) central risk carry forwards from 2021/22 in relation to the Epping Forest's Licences, Leases and Wayleaves project (£61,000) and to the Biodiversity project at Burnham Beeches (£12,000).
 - An increase in the costs of the Cyclical Works Programme (CWP) managed by the City Surveyor during the year due to changes in phasing, (£684,000).

Proposed revenue budget for 2023/24

8. This report presents at Appendix 1, the budget estimates for 2023/24 for 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 (including capital charges)** – 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).

- **Recharges/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.

9. The proposed 2023/24 budget is net expenditure of (£6.528M), an increase of (£0.229M) in net expenditure compared to the 2022/23 original budget. Further detail can be found in Appendix 1. The main variations relate to:

Epping Forest:

- (£198,000) increase in employee expenses due to pay award, incremental and career grade progression.
- £50,000 increase in expected car park income.
- £49,000 increase in Recharges to Capital Projects in relation to reimbursement of staff costs recharged to Wanstead Park Ponds capital project.
- (£33,000) increase in central support recharges reallocated from the Directorate and the Learning Programme.

The Commons:

- (£97,000) increase in employee expenses is due to pay award, incremental and career grade progression, inclusion of two new externally funded S106 ranger posts at Burnham Beeches funded by S106 contributions from Slough Borough Council and Buckinghamshire Council and TOM Phase 1 changes to the Support Team structure at the Common.
 - £106,000 increase in other grants, reimbursements and contributions is mainly due to S106 contributions from Slough Borough Council and Buckinghamshire Council to fund S106 ranger posts at Burnham Beeches.
 - (£32,000) increased premises costs largely relating to grounds maintenance expenses.
 - (£34,000) reduced income largely relating to reduction in government grant in relation to the Countryside Stewardship Scheme due to Rural Payment Agency adjustments and reduction in car parking income at West Wickham.
10. In light of recommendations from Resource Allocation Sub Committee, the 2023/24 budget includes a 4% uplift for inflation offset by 2% efficiency savings and the full year impact of pay increases to staff arising from the pay deal effective from July 2022. A detailed breakdown of budget movements of the 2022/23 local risk original budget to the 2023/24 local risk original budget of (£182,000) can be found in Appendix 2. There were also further movements of (£47,000) in recharges/support services relating to the Directorate and Learning Programme recharges.
11. The proposed 2023/24 budget has been prepared within the resource envelope allocated to the Executive Director by Resource Allocation Sub-Committee, with the following exceptions and assumptions:

- The draft budget includes £72,000 in unidentified savings relating to the Commons which are still to be identified for 2023/24 onwards to meet the Target Operating Model (TOM) 12% savings target within The Commons.
- The Executive Director is still in the process of identifying savings proposals and the Department is not expected to complete the implementation of the TOM Phase 2 until early 2023, therefore the budgets set out here do not reflect any changes to structures that may result from that process, including any associated savings required as set out above.
- Members should note this report does not include the estimated energy price increase for the 2023/24 financial year. At present the Corporation is reviewing these additional energy costs in light of changing market prices. The final agreement on energy cost forecasts for next year will be concluded in early 2023 at which point the estimates for 2023/24 will be adjusted if required.
- Recharges/support services and capital charges budgets have not yet been finalised corporately, so further changes to these budgets may be required. Members are asked to agree that the decision as to the changes required to these budgets are delegated to the Chamberlain in consultation with the Executive Director Environment.

12. Analysis of the movement in staff related costs are shown in Table 2 below.

Table 2 - Staffing statement	Original Budget 2022/23		Latest Approved Budget 2022/23		Original Budget 2023/24	
	Staffing	Estimated	Staffing	Estimated	Staffing	Estimated
	Full-time	Cost	Full-time	Cost	Full-time	Cost
	Equivalent	£000	Equivalent	£000	Equivalent	£000
Epping Forest	70.05	(3,195)	71.05	(3,256)	72.05	(3,393)
The Commons	33.18	(1,522)	33.48	(1,534)	34.48	(1,619)
Total	103.23	(4,717)	104.53	(4,790)*	106.53	(5,012)

*£73,000 approved Priorities Investment Pot (PIP) central risk carry forward requests added to the 2022/23 latest approved budget in relation to the Epping Forest's Licences, Leases and Wayleaves project and the Biodiversity project at Burnham Beeches.

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 2022/23 & 2023/24. The separate bid for CWP works in 2023/24 has not been included in this report. The report will be submitted to the Operational Property & Projects Sub Committee in November 2022 and will then require approval from Resource Allocation Sub Committee to agree the funding. Once both Sub Committees have agreed the 2023/24 programme,

Members will be advised of the outcome and Members are asked to authorise the Chamberlain to revise the budgets to allow for these approvals.

14. It should also be noted that the Building Repairs and Maintenance & Facilities Management contract is currently being re-tendered and the new contract will commence on the 1st April 2023. The original estimates for 2023/24 are based on the latest available asset price from the current contractors (SKANSKA, Amalgamated, ISS and Beaver). Any changes to these budgets arising from the new contract will be reported to Committee and Members are asked to authorise the Chamberlain to revise these budgets to allow for any further financial implications arising from the Building Repairs and Maintenance & Facilities Management contract tendering.
15. Table 3 and Table 4 below details the budgets held for the City Surveyors CWP and Building Repairs & Maintenance:

Table 3 – CWP & City Surveyor Local Risk Epping Forest	Original Budget 2022/23 £'000s	Latest Approved Budget 2022/23 £000's	Original Budget 2023/24 £'000
Cyclical Works Programme	(225)	(617)	(225)
Planned & Reactive Work – Breakdown & Servicing (City Surveyor Local Risk)	(229)	(229)	(229)
Cleaning (City Surveyor Local Risk)	(41)	(41)	(41)
Total CWP and City Surveyor – Epping Forest	(495)	(887)	(495)

Table 4 – CWP & City Surveyor Local Risk The Commons	Original Budget 2022/23 £'000s	Latest Approved Budget 2022/23 £000's	Original Budget 2023/24 £'000
Cyclical Works Programme			
Ashtead Common	0	(10)	0
West Wickham	(6)	(190)	(6)
Burnham Beeches	0	(98)	0
	(6)	(298)	(6)
Planned & Reactive Work – Breakdown & Servicing (City Surveyor Local Risk)			
Ashtead Common	(5)	(5)	(5)
West Wickham	(44)	(44)	(44)
Burnham Beeches	(92)	(92)	(92)
	(141)	(141)	(141)
Cleaning (City Surveyor Local Risk)			
West Wickham	(10)	(10)	(10)
Burnham Beeches	(3)	(3)	(3)
	(13)	(13)	(13)
Total CWP and City Surveyor – The Commons	(160)	(452)	(160)

Draft Capital and Supplementary Revenue Project budgets for 2023/24

16. 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 01/04/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Later Years £'000	Total £'000
Epping	Wanstead Flats Grass Pitch	36	135	2,400	3,929	-	6,500
Epping	Baldwins & Birch Hall Pond	86	417	460	1,300	-	2,263
Epping	CAS Carbon Removals	101	190	380	380	567	1,618
Epping	Wanstead Park Ponds Project	132	109	909	-	-	1,150
TOTAL EPPING FOREST		355	851	4,149	5,609	567	11,531

- 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. Baldwins Pond is currently under GW4 as further design development is pending, while Birch Hall Park Pond received authority to start work in May 2022.
- 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 2023.

Conclusion

17. This report presents the Revenue and Capital budget estimates for 2023/24 for the Epping Forest and Commons Committee for Members to consider and approve.

Appendices

- Appendix 1 – Committee Summary Budget – by Risk and Chief Officer
- Appendix 2 – Movement Between 2022/23 Original Local Risk Budget to 2023/24 Original Local Risk Budget (Epping Forest and The Commons)

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Appendix 1 (Epping Forest)

Committee Summary Budget – by Risk and Chief Officer

Table 1							
Analysis of Service Expenditure	Local or Central Risk	Actual 2021-22 £'000	Original Budget 2022-23 £'000	Latest Approved Budget 2022-23 £'000	Original Budget 2023-24 £'000	Movement 22-23OR to 23-24OR £'000	Notes
EXPENDITURE							
Employees	L	(2,964)	(3,195)	(3,195)	(3,393)	(198)	1
Employees	C	-	-	(61)	-	-	
Premises Related Expenses	L	(802)	(636)	(651)	(651)	(15)	
Premises Related Expenses	C	(71)	-	-	-	-	
City Surveyor – All Services	L	(780)	(495)	(887)	(495)	-	
Transport Related Expenses	L	(325)	(207)	(207)	(209)	(2)	
Supplies & Services	L	(717)	(369)	(369)	(379)	(10)	
Supplies & Services	C	(9)	-	-	-	-	
Support Services	C	(1)	-	-	-	-	
Transfer to Reserves	L	(265)	-	-	-	-	
Transfer to Reserves	C	(338)	-	-	-	-	
Capital Charges- Depreciation	C	(461)	(461)	(461)	(461)	-	
Total Expenditure		(6,733)	(5,363)	(5,831)	(5,588)	(225)	
INCOME							
Government Grants	L	384	257	257	257	-	
Other Grant, Reimburse & Cont.	L	11	3	18	3	-	
Other Grant, Reimburse & Cont.	C	273	-	-	-	-	
Customer, Client Receipts	L	1,951	1,731	1,731	1,789	58	2
Customer, Client Receipts	C	1	-	-	-	-	
Investment Income	C	3	18	18	18	-	
Transfer from Reserves	L	282	-	-	-	-	
Transfer from Reserves	C	65	-	-	-	-	
Recharges to Capital Projects	L	44	-	-	49	49	3
Total Income		3,014	2,009	2,024	2,116	107	
TOTAL (EXPENDITURE) BEFORE SUPPORT SERVICES		(3,719)	(3,354)	(3,807)	(3,472)	(118)	
SUPPORT SERVICES							
Central Support		(897)	(811)	(811)	(811)	-	
Recharges within Fund		(239)	(194)	(194)	(227)	(33)	4
Recharge across Fund		(41)	(17)	(17)	(17)	-	
Total Support Services		(1,177)	(1,022)	(1,022)	(1,055)	(33)	
TOTAL NET (EXPENDITURE)		(4,896)	(4,376)	(4,829)	(4,527)	(151)	

Notes:

1. (£198k) increase in employee expenses is due to pay award, incremental and career grade progression.
2. £58k increase in Customer & Client Receipts is mainly due to a £50,000 increase in expected car park income.
3. £49k increase relates to reimbursement of staff costs recharged to Wanstead Park Ponds capital project.
4. (£33k) increase in recharges across fund relates to Directorate & Learning Programme which are fully recharged.

Appendix 1 (The Commons)

Committee Summary Budget – by Risk and Chief Officer

Table 1							
Analysis of Service Expenditure	Local or Central Risk	Actual 2021-22 £'000	Original Budget 2022-23 £'000	Latest Approved Budget 2022-23 £'000	Original Budget 2023-24 £'000	Movement 22-23OR to 23-24OR £'000	Notes
EXPENDITURE							
Employees	L	(1,340)	(1,522)	(1,522)	(1,619)	(97)	1
Employees	C	-	-	(12)	-	-	
Premises Related Expenses	L	(377)	(267)	(267)	(299)	(32)	2
Premises Related Expenses	C	(1)	-	-	-	-	
City Surveyor – All Services	L	(365)	(160)	(452)	(160)	-	
Transport Related Expenses	L	(61)	(37)	(37)	(39)	(2)	
Supplies & Services	L	(263)	(155)	(155)	(160)	(5)	
Supplies & Services	C	(14)	-	-	-	-	
Support Services	C	(2)	-	-	-	-	
Third Party Payments	L	(1)	(1)	(1)	(1)	-	
Transfer to Reserves – Livestock	L	(7)	-	-	-	-	
Transfer to Reserves	C	(255)	-	-	-	-	
Unidentified savings	L	-	72	72	72	-	
Capital Charges- Depreciation	C	(44)	(45)	(45)	(45)	-	
Total Expenditure		(2,730)	(2,115)	(2,419)	(2,251)	(136)	
INCOME							
Government Grants	L	185	149	149	130	(19)	4
Other Grant, Reimburse & Cont.	L	11	4	4	110	106	3
Other Grant, Reimburse & Cont.	C	246	-	-	-	-	
Customer, Client Receipts	L	390	350	350	335	(15)	4
Total Income		842	503	503	575	72	
TOTAL (EXPENDITURE) BEFORE SUPPORT SERVICES		(1,888)	(1,612)	(1,916)	(1,676)	(64)	
SUPPORT SERVICES							
Central Support		(303)	(265)	(265)	(265)	-	
Recharges within Fund		(67)	(46)	(46)	(60)	(14)	
Total Support Services		(370)	(311)	(311)	(325)	(14)	
TOTAL NET (EXPENDITURE)		(2,258)	(1,923)	(2,227)	(2,001)	(78)	

Notes:

- (£97k) increase in employee expenses is due to pay award, incremental & career grade progression, inclusion of two new externally funded S106 ranger posts at Burnham Beeches funded by S106 contributions from Slough Borough Council & Buckinghamshire Council and TOM Phase 1 changes to the Support Team structure at the Common.
- (£32k) increase in premises costs largely relates to grounds maintenance expenses.
- £106k increase in other grants, reimbursements and contributions is mainly due to S106 contributions from Slough Borough Council and Buckinghamshire Council to fund S106 ranger posts at Burnham Beeches.
- Net (£34k) reduction in income is mainly due to reduced government grant for the Countryside Stewardship Scheme due to Rural Payment Agency adjustments and reduction in car parking income at West Wickham.

Appendix 2

Movement between 2022/23 Original Local Risk Budget and 2023/24 Original Local Risk Budget (Epping Forest)

Epping Forest	£000
Original Net Local Risk Budget (Executive Director Environment & City Surveyor)	(2,686)
Executive Director Environment	
Pay award	(69)
4% uplift for inflation	(99)
2% efficiency savings	50
City Surveyor	
Planned & Reactive Works including Cleaning	-
Original Net Local Risk Budget (Executive Director Environment & City Surveyor)	(2,804)

Movement between 2022/23 Original Local Risk Budget and 2023/24 Original Local Risk Budget (The Commons)

The Commons	£000
Original Net Local Risk Budget (Executive Director Environment & City Surveyor)	(1,561)
Executive Director Environment	
Pay award	(35)
4% uplift for inflation	(58)
2% efficiency savings	29
City Surveyor	
Planned & Reactive Works including Cleaning	-
Original Net Local Risk Budget (Executive Director Environment & City Surveyor)	(1,625)