

Committee(s)	Dated:
West Ham Park Committee	10 July 2023
Subject: Revenue Outturn 2022/23 – West Ham Park	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	1, 2, 3, 4, 5, 8, 11 & 12
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain’s Department?	n/a
Report of: Chamberlain Executive Director Environment	For Information
Report author: Clem Harcourt – Chamberlains Department	

Summary

This report compares the revenue outturn for the services overseen by your Committee in 2022/23 with the final agreed budget for the year. In total, there was a favourable budget position of £87k for the services overseen by your Committee compared with the final agreed budget for the year as set out below.

	Final Agreed Budget	Outturn	Variation Better/(Worse)
	£000	£000	£000
Local Risk			
Executive Director Environment	(667)	(535)	132
City Surveyor	(187)	(193)	(6)
Total Local Risk	(854)	(728)	126
Central Risk	(31)	(54)	(23)
Recharges	(363)	(379)	(16)
Total	(1,248)	(1,161)	87

Explanations for significant variations compared with the final agreed budget can be found in paragraphs 5 to 7.

The Executive Director Environment had an overall local risk underspend of £132k (excluding City Surveyor) for activities overseen by your Committee. The Executive Director also had a net local risk underspend totalling £993k on activities overseen by other Committees within her remit, after adjusting for unspent carry forwards from 2021/22.

Recommendation(s)

It is recommended that the revenue outturn report for 2022/23 is noted.

Main Report

Budget Position for 2022/23

1. The 2022/23 original budget for services overseen by your Committee (received in December 2021) was (£992k). This budget was endorsed by the Court of Common Council in March 2022 and has been subsequently updated for approved budget adjustments totalling (£256k). These consisted of:
 - (£31k) increase in local risk budgets to cover increases in pay rises awarded to staff effective from July 2022.
 - (£22k) increase in central risk expenditure to cover redundancy payments as well as funding for Supplementary Revenue Projects (SRP).
 - (£119k) in funding for projects as part of re-phasing of the Cyclical Works Programme (CWP) managed by City Surveyors.
 - (£3k) increase in other repairs and maintenance budgets managed by City Surveyors.
 - (£81k) increase in recharge budgets owing to additional recharges from the Natural Environment Directorate.
2. A reconciliation between the original budget and the final agreed budget for 2022/23 can be found in Appendix A.

Revenue Outturn 2022/23

3. Actual net expenditure for your Committee's services during 2022/23 totalled (£1.161m), a favourable budget variance of £87k compared with the final agreed budget of (£1.248m).
4. A summary comparison with the final agreed budget for the year is tabulated below. In the tables, income, increases in income and reductions in expenditure are shown as positive balances, whereas brackets are used to denote expenditure, increases in expenditure, or shortfalls in income. Only significant variances (generally those greater than £50k) are commented on.

West Ham Park
Comparison of 2022/23 Revenue Outturn with Final Agreed Budget

		Original	Final	Revenue	Better/(Worse)	Reason
		£000	£000	£000	£000	Para
LOCAL RISK						
Executive Director Environment						
West Ham Park	Expenditure	(957)	(988)	(819)	169	5
	Income	321	321	280	(41)	6
Parks and Gardens (Rechargeables)						
	Expenditure	-	-	(36)	(36)	
	Income	-	-	40	40	
Sub-Total	Expenditure	(957)	(988)	(855)	133	
Sub-Total	Income	321	321	320	(1)	
Total Net Expenditure		(636)	(667)	(535)	132	
City Surveyor						
	City Surveyors Repairs and Maintenance	(65)	(68)	(83)	(15)	
	Cyclical Works Programme	0	(119)	(110)	9	
Total City Surveyor Local Risk		(65)	(187)	(193)	(6)	
TOTAL LOCAL RISK		(701)	(854)	(728)	126	
TOTAL CENTRAL RISK		(9)	(31)	(54)	(23)	
RECHARGES						
	Insurance	(19)	(19)	(16)	3	
	Support Services	(94)	(94)	(124)	(30)	
	Surveyor's Employee Recharges	(39)	(39)	(38)	1	
	IT Recharges	(28)	(28)	(34)	(6)	
	Recharges Within Fund (Directorate, Democratic Core, Learning)	(102)	(183)	(167)	16	
TOTAL RECHARGES		(282)	(363)	(379)	(16)	7
OVERALL TOTAL NET EXP		(992)	(1,248)	(1,161)	87	

Reasons for Significant Variations

- The £169k favourable expenditure variance is mainly due to savings from employment costs due to a number of vacancies being held at West Ham Park whilst the Natural Environment Division has gone through the second phase of the Target Operating Model (TOM).

6. The (£41k) adverse variance in relation to income is partly explained by reduced football bookings due to the disbanding of long standing football teams. This is in addition to lower than anticipated income generated by bandstand bookings as well as reduced income from tennis with a wider review of fees and charges due to take place during 2023/24.
7. The overall adverse variance of (£16k) relating to recharges is due to increased expenditure associated with the level of support services provided by corporate departments during the year. This overspend is partly offset by reduced recharges from the Learning Programme.

Local Risk Carry Forward to 2023/24

8. Chief Officers can generally request underspends of up to 10% or £500k (whichever is the lesser) of the final agreed local risk budget to be carried forward, so long as the underspending is not fortuitous and the resources were for a planned purpose that was prevented from happening during the year. Such requests are subject to the approval of the Chamberlain in consultation with the Chairman and Deputy Chairman of Resources Allocation Sub Committee. In accordance with financial regulations, any overall Departmental local risk overspends are carried forward in full and are met from the agreed 2023/24 budgets.
9. The Executive Director Environment had a local risk underspend of £132k for 2022/23 on the activities overseen by your Committee. The Executive Director also had net local risk underspends for 2022/23 totalling £993k on activities overseen by other Committees within her remit, after adjusting for unspent carry forwards from 2021/22. The Executive Director is proposing that her maximum eligible underspend of £500k be carried forward into 2023/24, none of which relates to activities overseen by your Committee.

Conclusion

10. This report presents the revenue outturn position for 2022/23 for West Ham Park for Members to note.

Appendices

- Appendix A – Movement between 2022/23 Original Budget and 2022/23 Final Agreed Budget

Clem Harcourt

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Appendix A

Movement between 2022/23 Original Budget and 2022/23 Final Agreed Budget

West Ham Park	£000
Original Budget (All Risks)	(992)
Original Net Local Risk Budget (Executive Director Environment & City Surveyor)	(701)
Executive Director Environment	
Cost of living pay increases for staff effective July 2022	(31)
City Surveyor	
Re-phasing of Cyclical Works Programme projects for 2022/23	(119)
Additional Planned & Reactive Works managed by City Surveyor's	(3)
Final Agreed Net Local Risk Budget (Executive Director Environment & City Surveyor)	(854)
Central Risk	
Original Central Risk Budget (Executive Director Environment)	(9)
Centrally Funded Redundancy Payments	(14)
Supplementary Revenue Project (SRP) funding relating to West Ham Park Nursery Alternative Uses project	(8)
Final Agreed Central Risk Budget (Executive Director Environment)	(31)
Recharges	
Original Recharges Budget	(282)
Additional Recharges from Natural Environment Directorate as a result of pension strain costs and recharges from Environment Department Directorate	(81)
Final Agreed Recharges Budget	(363)
Final Agreed Budget (All Risks)	(1,248)