

<b>Committee(s)</b>	<b>Dated:</b>
Epping Forest & Commons	13 July 2023
<b>Subject:</b> Revenue Outturn 2022/23 – Epping Forest and Commons	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	<b>1, 2, 3, 4, 5, 8, 11 &amp; 12</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>n/a</b>
<b>What is the source of Funding?</b>	<b>n/a</b>
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	<b>n/a</b>
<b>Report of:</b> Chamberlain Executive Director Environment	<b>For Information</b>
<b>Report author:</b> 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. Overall, there was an overspend of (£42k) for the services overseen by your committee compared with the final agreed budget for the year as set out below.

	<b>Final Agreed Budget</b> <b>£000</b>	<b>Outturn</b> <b>£000</b>	<b>Variation</b> <b>Better/(Worse)</b> <b>£000</b>
<b>Local Risk</b>			
Executive Director Environment	(3,936)	(4,005)	(69)
City Surveyor	(1,358)	(1,238)	120
<b>Total Local Risk</b>	<b>(5,294)</b>	<b>(5,243)</b>	<b>51</b>
<b>Central Risk</b>	<b>(600)</b>	<b>(552)</b>	<b>48</b>
<b>Recharges</b>	<b>(1,840)</b>	<b>(1,981)</b>	<b>(141)</b>
<b>Total</b>	<b>(7,734)</b>	<b>(7,776)</b>	<b>(42)</b>

Explanations for significant budget variances with the final agreed budget are set out in the report detailed in paragraphs 5 to 10.

The Executive Director Environment had an overall local risk overspend (excluding City Surveyor) of (£69k) for activities overseen by your Committee. The Executive Director also had a net local risk underspend totalling £1.194m on activities overseen by other Committees within her remit, after adjusting for unspent carry forwards from 2021/22. The Executive Director Environment is

proposing that her maximum eligible underspend of £500k be carried forward into 2023/24, £210k of which relates to your Committee and £67k is also carried forward in unspent Priorities Investment Pot (PIP) monies related to your Committee.

### **Recommendation(s)**

Note the report and the proposed carry forward of local risk and PIP underspending to 2023/24.

### **Main Report**

#### **Budget Position for 2022/23**

1. The 2022/23 original budget for Epping Forest & Commons services overseen by your Committee (received in November 2021) was (£6.299m) net expenditure. This budget was endorsed by the Court of Common Council in March 2022 and was subsequently updated for approved net increases of (£1.435m). These consisted of:
  - re-phasing of projects under the Cyclical Works Programmes (CWP) managed by City Surveyors amounting to (£683k).
  - additional Directorate and Learning Programme recharges (£507k) following changes arising from the Environment Department's Target Operating Model (TOM).
  - net (£113k) increase in your Committee's local risk budget relating to centrally funded cost of living pay rises to staff effective from July 2022 and allocations from the Natural Environment's Directorate contingency budgets.
  - other agreed net budget movements during 2022/23 totalling (£132k), primarily relating to the carry forward of Priorities Investment Pot (PIP) monies from 2021/22 at Epping Forest and Burnham Beeches, as well as funding for Supplementary Revenue Projects (SRP) at Epping Forest.
2. A reconciliation between the original budget and the final agreed budget is shown in Appendices A and B.

#### **Revenue Outturn 2022/23**

3. Actual net expenditure for your Committee's services during 2022/23 totalled (£7.776m), an overspend of (£42k) compared with the final agreed budget of (£7.734m).

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. A more detailed comparison with the final agreed budget can be found in appendices C and D.

#### Comparison between 2022/23 Revenue Outturn and Final Agreed Budget – Epping Forest (see Appendix C)

	<b>Original Budget</b>	<b>Final Agreed Budget £000</b>	<b>Outturn £000</b>	<b>Variation Better/ (Worse) £000</b>	<b>Para Ref</b>
<b>Local Risk</b>					
Executive Director Environment	(2,416)	(2,528)	(2,500)	28	5
City Surveyor	(495)	(906)	(602)	304	
<b>Total Local Risk</b>	<b>(2,911)</b>	<b>(3,434)</b>	<b>(3,102)</b>	<b>332</b>	
<b>Central Risk</b>	<b>(443)</b>	<b>(543)</b>	<b>(482)</b>	<b>61</b>	6
<b>Recharges</b>	<b>(1,022)</b>	<b>(1,376)</b>	<b>(1,449)</b>	<b>(73)</b>	7
<b>Total</b>	<b>(4,376)</b>	<b>(5,353)</b>	<b>(5,033)</b>	<b>320</b>	

#### Comparison between 2022/23 Revenue Outturn and Final Agreed Budget – The Commons (see Appendix D)

	<b>Original Budget</b>	<b>Final Agreed Budget £000</b>	<b>Outturn £000</b>	<b>Variation Better/ (Worse) £000</b>	<b>Para Ref</b>
<b>Local Risk</b>					
Executive Director Environment	(1,407)	(1,408)	(1,505)	(97)	8
City Surveyor	(160)	(452)	(636)	(184)	9
<b>Total Local Risk</b>	<b>(1,567)</b>	<b>(1,860)</b>	<b>(2,141)</b>	<b>(281)</b>	
<b>Central Risk</b>	<b>(45)</b>	<b>(57)</b>	<b>(70)</b>	<b>(13)</b>	10
<b>Recharges</b>	<b>(311)</b>	<b>(464)</b>	<b>(532)</b>	<b>(68)</b>	
<b>Total</b>	<b>(1,923)</b>	<b>(2,381)</b>	<b>(2,743)</b>	<b>(362)</b>	

#### Reasons for Significant Variations

##### Epping Forest (see Appendix C)

5. The underspend on budgets managed by City Surveyors is largely attributable to a £323k underspend on Cyclical Works Programme (CWP) expenditure due to the rephasing of projects falling under the CWP. This included projects relating to The Warren and Wanstead Park. The CWP is a three-year rolling programme reported to the Operational Property and Projects Sub Committee (OPPSC) quarterly, where the City Surveyor will report on financial performance and phasing of the projects. Under the

governance of the programme, variances on budgets are adjusted for the life of the programme to allow for the completion of works which span multiple financial years.

6. Central risk expenditure was underspent by £61k at Epping Forest. This was due to expenditure associated with the Licences, Leases and Wayleaves project funded by the Priorities Investment Pot (PIP) not being required during 2022/23. A request has been made to carry forward this expenditure into 2023/24.
7. The (£73k) overspend relating to recharges is primarily attributable to an overspend on the cost of services provided by corporate departments due to increased expenditure incurred during 2022/23 associated with these departments. This was partly offset by increased recharges from Woodredon and Warlies to City Fund to offset the increased net cost of this Division of Service.

#### **The Commons (see Appendix D)**

8. The overspend on the local risk budget largely related to a (£77k) adverse variance on expenditure at City Commons. This can be attributed to additional grounds maintenance costs being required at West Wickham in relation to tree safety works as well as equipment purchase costs being greater than budgeted. This was in addition to efficiency savings not being fully identified during 2022/23. The overspend was also attributable to a (£9k) net adverse variance at Burnham Beeches as a result of additional transport costs due to a deposit being paid in advance for the purchase of a tractor and front loader.
9. There was a total overspend of (£184k) in relation to budgets managed by the City Surveyor at The Commons. This was primarily attributable to an additional (£133k) in repairs and maintenance costs in relation to the Buildings, Repairs and Maintenance contract and an additional (£51k) in extra CWP expenditure, predominantly at Burnham Beeches, due to a rephasing of projects falling under the three-year rolling programme.
10. Total recharges were (£68k) overspent compared with the final budget at The Commons. This was largely due to an overspend on the cost of services provided by corporate departments (£43k) due to increased expenditure incurred during 2022/23 associated with these departments. This was in addition to increased Directorate recharges.

#### **Local Risk and Central Risk Carry Forward to 2023/24**

11. Chief Officers can generally request underspends of up to 10% or £500,000 (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

overspends are carried forward in full and are met from the agreed 2023/24 budgets.

12. The Executive Director Environment had a net local risk overspend of (£69k) on the activities overseen by your Committee. The Executive Director Environment also had a net local risk underspend totalling £1.194m on activities overseen by other Committees within her remit, after adjusting for unspent carry forwards from 2021/22. The Executive Director Environment is proposing that her maximum eligible underspend of £500,000 be carried forward, £210k of which relates to activities overseen by your Committee for the following purpose:

- essential health & safety works on known dangerous trees at Epping Forest. These works were unable to be completed during 2022/23 as a result of the contractor suffering equipment failures. Please note that at the time this report was written, a decision had not yet been made regarding this carry forward bid.

13. The Executive Director Environment has also submitted the following Priorities Investment Pot (PIP) central risk carry forward requests amounting to £67k which relate to this Committee:

- £61k unspent expenditure associated with the Epping Forest Licences, Leases and Wayleaves project;
- £6k unspent expenditure associated with facilitating the 'Biodiversity net gain' project at Burnham Beeches.

## **Conclusion**

14. This report presents the revenue outturn position for 2022/23 and the carry forward bids for 2023/24 budgets for Members to note.

## **Appendices**

- Appendix A - Movement between the Original 2022/23 Budget and the 2022/23 Final Agreed Budget (Epping Forest)
- Appendix B - Movement between the Original 2022/23 Budget and the 2022/23 Final Agreed Budget (The Commons)
- Appendix C - Comparison between 2022/23 Revenue Outturn and Final Agreed Budget – Epping Forest
- Appendix D - Comparison between 2022/23 Revenue Outturn and Final Agreed Budget – The Commons

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## Appendix A - Movement between the 2022/23 Original Budget and the 2022/23 Final Agreed Budget – Epping Forest

	£000
<b>Original Budget (All Risks)</b>	<b>(4,376)</b>
<b>Original Net Local Risk Budget (Executive Director Environment &amp; City Surveyor)</b>	<b>(2,911)</b>
<b>Executive Director Environment</b>	
Centrally funded cost of living staff pay rises effective July 2022	(131)
Allocation from Directorate contingency budgets to fund initiatives within Epping Forest in relation to The Warren PV Batteries and costs associated with Oak Processionary Moth (OPM)	(34)
Transfer to capital expenditure budgets in relation to vehicle purchases incurred during 2022/23	53
<b>City Surveyor</b>	
Re-phasing of works as part of projects managed under the Cyclical Works Programme	(391)
Additional Planned & Reactive Works managed by City Surveyor's	(20)
<b>Final Agreed Net Local Risk Budget (Executive Director Environment &amp; City Surveyor)</b>	<b>(3,434)</b>
<b>Central Risk</b>	
<b>Original Central Risk Budget (Executive Director Environment)</b>	<b>(443)</b>
Carry forward funding from Priorities Investment Pot (PIP) from 2021/22 in relation to Licences, Leases and Wayleaves project	(61)
Supplementary Revenue Programme (SRP) funding for Artificial Grass Pitch Provision project at Wanstead Flats and Wanstead Park Ponds Project	(39)
<b>Final Agreed Central Risk Budget</b>	<b>(543)</b>
<b>Recharges</b>	
<b>Original Recharges Budget</b>	<b>(1,022)</b>
Additional Directorate recharges due to pay increases and budget adjustments arising from Target Operating Model	(351)
Additional Learning Programme recharges due to pay increases to staff	(3)
<b>Final Agreed Recharges Budget</b>	<b>(1,376)</b>
<b>Final Agreed Budget (All Risks)</b>	<b>(5,353)</b>

## Appendix B - Movement between the 2022/23 Original Budget and the 2022/23 Final Agreed Budget – The Commons

	<b>£000</b>
<b>Original Budget (All Risks)</b>	<b>(1,923)</b>
<b>Original Net Local Risk Budget (Executive Director Environment &amp; City Surveyor)</b>	<b>(1,567)</b>
<b>Executive Director Environment</b>	
Centrally funded cost of living staff pay rises effective July 2022	(61)
Allocation from Directorate contingency budgets to fund initiatives in relation to works for the replacement of dangerous signs	(42)
Transfer to capital project budgets for proposed vehicle purchases at West Wickham and Coulsdon Common and Burnham Beeches	102
<b>City Surveyor</b>	
Re-phasing of works as part of projects managed under the Cyclical Works Programme at Farthing Downs, Burnham Beeches and Ashted Common	(292)
<b>Final Agreed Net Local Risk Budget (Executive Director Environment &amp; City Surveyor)</b>	<b>(1,860)</b>
<b>Central Risk</b>	
<b>Original Central Risk Budget (Executive Director Environment)</b>	<b>(45)</b>
Carry forward funding from Priorities Investment Pot (PIP) from 2021/22 in relation to Facilitating 'Biodiversity net gain' project at Burnham Beeches	(12)
<b>Final Agreed Central Risk Budget</b>	<b>(57)</b>
<b>Recharges</b>	
<b>Original Recharges Budget</b>	<b>(311)</b>
Additional Directorate recharges due to pay increases and budget adjustments arising from Target Operating Model	(153)
<b>Final Agreed Recharges Budget</b>	<b>(464)</b>
<b>Final Agreed Budget (All Risks)</b>	<b>(2,381)</b>

## Appendix C - Comparison between 2022/23 Revenue Outturn and Final Agreed Budget – Epping Forest

		Original Budget £000	Final Agreed Budget £000	Revenue Outturn £000	Better/ (Worse) £000	Note
<b>LOCAL RISK</b>						
<b>Executive Director Environment</b>						
<b>Epping Forest</b>						
	Expenditure	(3,696)	(3,805)	(4,720)	(915)	1
	Income	1,299	1,314	2,267	953	2
		<b>(2,397)</b>	<b>(2,491)</b>	<b>(2,453)</b>	<b>38</b>	
<b>Epping Forest – Countryside Stewardship Scheme</b>						
	Expenditure	(173)	(173)	(334)	(161)	
	Income	173	173	334	161	
		-	-	-	-	
<b>Chingford Golf Course</b>						
	Expenditure	(273)	(283)	(317)	(34)	
	Income	348	348	503	155	
		<b>75</b>	<b>65</b>	<b>186</b>	<b>121</b>	3
<b>Wanstead Flats</b>						
	Expenditure	(208)	(214)	(257)	(43)	
	Income	90	90	48	(42)	
		<b>(118)</b>	<b>(124)</b>	<b>(209)</b>	<b>(85)</b>	4
<b>Woodredon &amp; Warlies</b>						
	Expenditure	(57)	(59)	(82)	(23)	
	Income	81	81	58	(23)	
		<b>24</b>	<b>22</b>	<b>(24)</b>	<b>(46)</b>	
<b>Sub-Total</b>						
	<b>Expenditure</b>	<b>(4,407)</b>	<b>(4,534)</b>	<b>(5,710)</b>	<b>(1,176)</b>	
	<b>Sub-Total</b>	<b>1,991</b>	<b>2,006</b>	<b>3,210</b>	<b>1,204</b>	
<b>Total Net Expenditure</b>						
		<b>(2,416)</b>	<b>(2,528)</b>	<b>(2,500)</b>	<b>28</b>	
<b>City Surveyor</b>						
City Surveyors Repairs and Maintenance						
		(270)	(290)	(309)	(19)	
Cyclical Works Programme						
		(225)	(616)	(293)	323	5
<b>Total City Surveyor Local Risk</b>						
		<b>(495)</b>	<b>(906)</b>	<b>(602)</b>	<b>304</b>	
<b>TOTAL LOCAL RISK</b>						
		<b>(2,911)</b>	<b>(3,434)</b>	<b>(3,102)</b>	<b>332</b>	
<b>CENTRAL RISK</b>						
Epping Forest						
		(415)	(476)	(415)	61	6
Wanstead Flats						
		(28)	(67)	(67)	-	
<b>TOTAL CENTRAL RISK</b>						
		<b>(443)</b>	<b>(543)</b>	<b>(482)</b>	<b>61</b>	
<b>RECHARGES</b>						
Insurance						
		(86)	(86)	(82)	4	
Support Services						
		(307)	(307)	(396)	(89)	
Surveyor's Employee Recharges						
		(294)	(294)	(297)	(3)	
IT Recharges						
		(124)	(124)	(145)	(21)	
<b>Recharges Within Fund</b> (Directorate, Democratic Core, and Learning)						
		(194)	(548)	(552)	(4)	
<b>Recharges Across Fund</b>						
Woodredon & Warlies						
		(5)	(5)	42	47	
Structural Maintenance						
		(12)	(12)	(19)	(7)	
<b>TOTAL RECHARGES</b>						
		<b>(1,022)</b>	<b>(1,376)</b>	<b>(1,449)</b>	<b>(73)</b>	7
<b>OVERALL TOTAL NET EXP</b>						
		<b>(4,376)</b>	<b>(5,353)</b>	<b>(5,033)</b>	<b>320</b>	



## Reasons for Significant Variations

1. The (£915k) overspend on expenditure at Epping Forest relates to the proceeds of an insurance claim in relation to Loughton Golf Course being transferred to reserves. This was in addition to overspends on repairs and maintenance costs needed for the upkeep of the lodges as well as additional equipment and software purchases being required during 2022/23.
2. Income was £953k greater than budgeted due to the proceeds of an insurance claim being received in relation to Loughton Golf Course. This was in addition to extra income being generated from sources such as licenses, car parking and filming during 2022/23.
3. The £121k local risk underspend at Chingford Golf Course can be attributed to additional income achieved from golfing and green fees, partly offset by the purchase of equipment incurred during 2022/23 being funded from the Chingford Machinery Fund.
4. The net overspend of (£85k) in relation to the Wanstead Flats local risk budget is explained by lower than anticipated income from football as well as additional energy and materials costs.
5. The underspend on budgets managed by City Surveyors is largely attributable to a £323k underspend on Cyclical Works Programme (CWP) expenditure due to the rephasing of projects falling under the CWP. This included projects relating to The Warren and Wanstead Park. The CWP is a three-year rolling programme reported to the Operational Property and Projects Sub Committee (OPPSC) quarterly, where the City Surveyor will report on financial performance and phasing of the projects. Under the governance of the programme, variances on budgets are adjusted for the life of the programme to allow for the completion of works which span multiple financial years.
6. Central risk expenditure was underspent by £61k at Epping Forest. This was due to expenditure associated with the Licences, Leases and Wayleaves project funded by the Priorities Investment Pot (PIP) not being required during 2022/23. A request has been made to carry forward this expenditure into 2023/24.
7. The (£73k) overspend relating to recharges is primarily attributable to an overspend on the cost of services provided by corporate departments due to increased expenditure incurred during 2022/23 associated with these departments. This was partly offset by increased recharges from Woodredon and Warlies to City Fund to offset the increased net cost of this Division of Service.

## Appendix D - Comparison between 2022/23 Revenue Outturn and Final Agreed Budget – The Commons

		Original Budget £000	Final Agreed Budget £000	Revenue Outturn £000	Better/ (Worse) £000	Note
<b>LOCAL RISK</b>						
<b>Executive Director Environment</b>						
<b>Burnham Beeches</b>						
	Expenditure	(696)	(753)	(1,650)	(897)	1
	Income	276	301	1,189	888	2
		<b>(420)</b>	<b>(452)</b>	<b>(461)</b>	<b>(9)</b>	
<b>Stoke Common</b>						
	Expenditure	(42)	(51)	(64)	(13)	
	Income	20	20	34	14	
		<b>(22)</b>	<b>(31)</b>	<b>(30)</b>	<b>1</b>	
<b>City Commons</b>						
	Expenditure	(1,172)	(1,132)	(1,209)	(77)	3
	Income	207	207	195	(12)	
		<b>(965)</b>	<b>(925)</b>	<b>(1,014)</b>	<b>(89)</b>	
<b>Sub-Total</b>	<b>Expenditure</b>	<b>(1,910)</b>	<b>(1,936)</b>	<b>(2,923)</b>	<b>(987)</b>	
<b>Sub-Total</b>	<b>Income</b>	<b>503</b>	<b>528</b>	<b>1,418</b>	<b>890</b>	
<b>Total Net Expenditure</b>		<b>(1,407)</b>	<b>(1,408)</b>	<b>(1,505)</b>	<b>(97)</b>	
<b>City Surveyor</b>						
	City Surveyors Repairs and Maintenance	(154)	(154)	(287)	(133)	
	Cyclical Works Programme	(6)	(298)	(349)	(51)	
	<b>Total City Surveyor Local Risk</b>	<b>(160)</b>	<b>(452)</b>	<b>(636)</b>	<b>(184)</b>	4
<b>TOTAL LOCAL RISK</b>		<b>(1,567)</b>	<b>(1,860)</b>	<b>(2,141)</b>	<b>(281)</b>	
<b>CENTRAL RISK</b>						
	Burnham Beeches	(44)	(56)	(60)	(4)	
	City Commons	(1)	(1)	(10)	(9)	
<b>TOTAL CENTRAL RISK</b>		<b>(45)</b>	<b>(57)</b>	<b>(70)</b>	<b>(13)</b>	
<b>RECHARGES</b>						
	Insurance	(21)	(21)	(21)	-	
	Support Services	(148)	(148)	(191)	(43)	
	Surveyor's Employee Recharges	(39)	(39)	(40)	(1)	
	IT Recharges	(57)	(57)	(67)	(10)	
	Recharges Within Fund (Directorate & Democratic Core)	(46)	(199)	(213)	(14)	
<b>TOTAL RECHARGES</b>		<b>(311)</b>	<b>(464)</b>	<b>(532)</b>	<b>(68)</b>	5
<b>OVERALL TOTAL NET EXP</b>		<b>(1,923)</b>	<b>(2,381)</b>	<b>(2,743)</b>	<b>(370)</b>	

### Reasons for Significant Variations

1. There was an overspend of (£897k) on local risk expenditure at Burnham Beeches which was primarily attributable to unspent monies on a Section 106 agreement with Slough Borough Council and contributions from

Buckinghamshire County Council in relation to the Strategic Access Management & Monitoring Strategy (SAMMS) being transferred to reserves for use in future years. This was in addition to an overspend on transport costs due to a deposit being paid in advance for the purchase of a tractor and front loader.

2. Income was £888k greater than budgeted at Burnham Beeches due to additional income being received in advance from local authorities in relation to the above agreements as well as additional income being generated from filming projects.
3. The overspend on the local risk budget at the City Commons was largely related to a (£77k) adverse variance on expenditure. This can be attributed to additional grounds maintenance costs being required at West Wickham in relation to tree safety works as well as equipment purchase costs being greater than budgeted. This was in addition to efficiency savings not being fully identified during 2022/23. The overspend was partly offset by an underspend in employment costs due to vacant posts at West Wickham.
4. There was a total overspend of (£184k) in relation to budgets managed by the City Surveyor at The Commons. This was primarily attributable to an additional (£133k) in repairs and maintenance costs in relation to the Buildings, Repairs and Maintenance contract and an additional (£51k) in extra CWP expenditure, predominantly at Burnham Beeches, due to a rephasing of projects falling under the three-year rolling programme.
5. Total recharges were (£68k) overspent compared with the final budget at The Commons. This was largely due to an overspend on the cost of services provided by corporate departments (£43k) due to increased expenditure incurred during 2022/23 associated with these departments. This was in addition to increased Directorate recharges.