

<b>Committee(s)</b>	<b>Dated:</b>
Epping Forest and Commons	23/11/2023
<b>Subject:</b> Departmental and Service Committee Budget Estimates 2024/25	<b>Public</b>
<b>Which Outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	N/A
<b>Does this proposal require extra revenue and/or capital spending?</b>	No
<b>If so, how much?</b>	N/A
<b>What is the source of funding?</b>	N/A
<b>Has the funding source been agreed with the Chamberlain's Department?</b>	N/A
<b>Report of:</b> The Chamberlain Interim Executive Director Environment	<b>For Decision</b>
<b>Report Author:</b> Clem Harcourt, Chamberlain's Department	

### Summary

This report presents for approval the revenue and capital budgets for the Epping Forest and Commons Committee for 2024/25, for subsequent submission to Finance Committee.

Overall, the proposed revenue budget for 2024/25 totals (£8.571m), an increase in net expenditure of (£2.043m) compared to the 2023/24 original budget of (£6.528m) agreed by your Committee on 21 November 2022.

The proposed budget for 2024/25 has been prepared within the resource envelope allocated to each Chief Officer by Resource Allocation Sub-Committee, including an inflationary increase of 3% and the full year impact of pay increases to staff arising from the pay deal effective from July 2023. The proposed budget for your Committee has also been adjusted to reflect the impact of the recently introduced TOM 2 staffing restructure within the Natural Environment Division.

The resource envelope must be adhered to, as failure to do so will impact Finance Committee's ability to set a balanced budget for the year ahead.

### Recommendation

Members are asked to:

- i) note the latest revenue budget for your Committee for 2023/24;
- ii) review and approve the Epping Forest proposed revenue budget for 2024/25 for submission to Finance Committee;
- iii) review and approve The Commons proposed revenue budget for 2024/25 for submission to Finance Committee;
- iv) review and approve your Committee's capital and supplementary revenue project budgets for 2024/25 for submission to Finance Committee; and

- v) agree that amendments for 2023/24 and 2024/25 budgets arising from changes to recharges & support services or for any further implications arising from corporate contracts, 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 Interim Executive Director Environment.

## **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 2024/25 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; and
  - apply a cash limit policy to Chief Officers' budgets.
3. The overall proposed 2024/25 budget for your Committee which include the Interim Executive Director Environments local risk, central risk and recharges & support services budgets, plus the City Surveyor's CWP and Building Repairs & Maintenance budget is (£8.571m) net expenditure. This is an increase of (£2.043m) when compared with the 2023/24 original budget of (£6.528m) net expenditure agreed by your Committee on 21 November 2022.
4. The latest budget for 2023/24 and provisional original budget for 2024/25 for your Committee, 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 £30k) have been commented on and are referenced in the relevant table in Appendix 1.

<b>Table 1 - Epping Forest &amp; The Commons</b>	<b>Original Budget (OR) 2023/24 £000</b>	<b>Latest Budget 2023/24 £000</b>	<b>Original Budget (OR) 2024/25 £000</b>	<b>Movement 2023/24 OR to 2024/25 OR £000</b>
Net Local Risk	(4,005)	(4,957)	(5,285)	(1,280)
Net City Surveyor	(424)	(517)	(545)	(121)
Net Cyclical Works Programme	(231)	(610)	(353)	(122)
Net Central Risk	(488)	(561)	(494)	(6)
Recharges & Support Services	(1,380)	(1,928)	(1,894)	(514)
<b>Total Net Expenditure</b>	<b>(6,528)</b>	<b>(8,573)</b>	<b>(8,571)</b>	<b>(2,043)</b>

#### **Latest Revenue Budget for 2023/24**

6. Overall, the 2023/24 latest budget for your Committee is net expenditure of (£8.573m) as reported at September 2023, a net increase of (£2.045m) compared to the 2023/24 original budget of (£6.528m) net expenditure as agreed by your Committee on 21 November 2022. The main reasons for this increase are:

- (£793k) net increase in your Committee's local risk budget following implementation of the new TOM 2 staffing structure within the Natural Environment Division;
- (£548k) net increase in support services costs relating to additional recharges covering the cost of corporate departments;
- (£379k) increase relating to CWP projects following rephasing of works by the City Surveyor;
- (£120k) increase in salary budgets following £1k payments made to staff in July 2023;
- (£93k) additional costs relating to planned and reactive works managed by the City Surveyor;
- (£67k) approved Priorities Investment Pot (PIP) central risk carry forwards from 2022/23 in relation to the Epping Forest Licences, Leases and Wayleaves project and the Biodiversity project at Burnham Beeches;
- (£39k) funding provided by the Natural Environment Directorate to support activities relating to your Committee;
- (£6k) additional capital charges.

#### **Proposed Revenue budget for 2024/25**

7. This report presents at Appendix 1, the budget estimates for 2024/25 for your 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); and
- **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.

8. The proposed 2024/25 budget is net expenditure of (£8.571m), an increase of (£2.043m) compared to the 2023/24 original budget agreed by your Committee on 21 November 2022. Further detail can be found in Appendix 1. The main variations relate to:

#### **Epping Forest:**

- (£1.042m) increase in employment costs to cover additional staffing resources required following implementation of the new TOM 2 staffing structure, plus the full year impact of the pay award effective from July 2023, as well as costs related to incremental and career grade progression;
- (£356k) net increase in recharges owing to an increase in the cost of central support departments and the Natural Environment Directorate being recharged to Epping Forest;
- (£121k) increase in premises related costs largely attributable to increased grounds maintenance expenditure being funded through the Countryside Stewardship Scheme;
- £99k projected increase in income from government grants largely attributable to the Countryside Stewardship Scheme 'Forest 2' programme;
- £71k savings in transport related costs attributable to reduced expenditure on the purchase and maintenance of vehicles; and
- £43k net reduction in budgets managed by the City Surveyor primarily relating to the rephasing of works falling under the CWP.

#### **The Commons:**

- (£286k) net increase in budgets managed by the City Surveyor primarily attributable to the rephasing of works falling under the CWP;
- (£197k) increase in employment costs due to the full year impact of the pay award effective from July 2023 as well as costs associated with incremental and career grade progression;
- (£158k) net additional recharges owing to an increase in the cost of central support departments and the Natural Environment Directorate being recharged to the individual charities;
- (£72k) reduction in unidentified savings no longer being required for 2024/25. (£33k) of this amount relates to West Wickham & Coulsdon Commons which has been achieved by savings generated from the staffing restructure across the Natural Environment Division. The remaining (£39k) relates to Burnham Beeches which has been met through savings on the Natural Environment Directorate's contingency budget; and

- £37k additional income from government grants largely attributable to an increase forecasted to be achieved from the Countryside Stewardship Scheme at Ashted Common.

- In light of recommendations from Resource Allocation Sub-Committee, the proposed 2024/25 budget includes a 3% uplift for inflation and the full year impact of pay increases to staff arising from the pay deal effective from July 2023. Members should also note that the proposed budget for 2024/25 includes an increase of (£793k) to your Committee's local risk resource base following implementation of the Natural Environment Division's TOM 2 staffing restructure. A detailed breakdown of budget movements of the 2023/24 local risk original budget as agreed by your Committee on 21 November 2022 to the proposed 2024/25 local risk original budget can be found in Appendix 2.
- Recharges & support services and capital charge budgets have not yet been finalised so further changes to the proposed original budget for 2024/25 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 Interim Executive Director Environment.
- Analysis of the movement in staff related costs are shown in Table 2 below.

Table 2 - Staffing statement	Original Budget 2023/24		Latest Budget 2023/24		Original Budget 2024/25	
	Staffing	Estimated	Staffing	Estimated	Staffing	Estimated
	Full-time Equivalent	Cost £000	Full-time Equivalent	Cost £000	Full-time Equivalent	Cost £000
Epping Forest	72.05	(3,393)	96.30	(4,301)	91.30	(4,435)
The Commons	34.48	(1,619)	32.72	(1,658)	32.72	(1,816)
<b>Total</b>	<b>106.53</b>	<b>(5,012)</b>	<b>129.02</b>	<b>(5,959)</b>	<b>124.02</b>	<b>(6,251)</b>

- It should be noted that the increase in Full-Time Equivalent (FTE) staff in the 2024/25 proposed budget compared with the original budget for 2023/24 is explained by additional staffing resource being provided to Epping Forest following the introduction of the second phase of the Target Operating Model (TOM2) within the Natural Environment Division. Meanwhile, the decrease in FTEs for 2024/25 compared with the 2023/24 latest budget is attributable to administrative staff at Epping Forest transferring to the Natural Environment Directorate from April 2024.

13. Members should note that the CWP figures included in this report relate only to elements of previously agreed programmes. The separate bid for CWP works in 2024/25 has not been included in this report, as it is to be considered by Projects and Procurement Sub-Committee in November 2023 and will then require approval by Resource Allocation Sub-Committee to agree the funding. Once both Sub-Committees have agreed the 2024/25 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. Table 3 and Table 4 below details the budgets held for the City Surveyor's CWP and Building Repairs & Maintenance:

<b>Table 3 – CWP &amp; City Surveyor Local Risk Epping Forest</b>	<b>Original Budget 2023/24 £'000s</b>	<b>Latest Budget 2023/24 £000's</b>	<b>Original Budget 2024/25 £'000</b>
Cyclical Works Programme	(225)	(610)	(70)
Planned & Reactive Work – Breakdown & Servicing (City Surveyor Local Risk)	(229)	(300)	(317)
Cleaning (City Surveyor Local Risk)	(41)	(61)	(65)
<b>Total CWP and City Surveyor – Epping Forest</b>	<b>(495)</b>	<b>(971)</b>	<b>(452)</b>

<b>Table 4 – CWP &amp; City Surveyor Local Risk The Commons</b>	<b>Original Budget 2023/24 £'000s</b>	<b>Latest Budget 2023/24 £000's</b>	<b>Original Budget 2024/25 £'000</b>
Cyclical Works Programme			
Ashtead Common	0	0	0
West Wickham	(6)	0	(233)
Burnham Beeches	0	0	(50)
	<b>(6)</b>	<b>0</b>	<b>(283)</b>
Planned & Reactive Work – Breakdown & Servicing (City Surveyor Local Risk)			
Ashtead Common	(5)	(7)	(7)
West Wickham	(44)	(47)	(48)
Burnham Beeches	(92)	(98)	(104)
	<b>(141)</b>	<b>(152)</b>	<b>(159)</b>
Cleaning (City Surveyor Local Risk)			
West Wickham	(10)	(1)	(1)
Burnham Beeches	(3)	(3)	(3)
	<b>(13)</b>	<b>(4)</b>	<b>(4)</b>
<b>Total CWP and City Surveyor – The Commons</b>	<b>(160)</b>	<b>(156)</b>	<b>(446)</b>

### **Draft Capital and Supplementary Revenue Project budgets for 2024/25**

15. The latest estimated costs of your Committee's current approved Capital and Supplementary Revenue Projects are summarised in the table below:

Service	Project	Exp. Pre 01/04/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	Later Years £'000	Total £'000
The Commons	Burnham Beeches Gates Replacement (3 No. Electric Gates)	67	20			-	87
Epping Forest	Baldwins & Birch Hall Pond	232	126	144		-	502
Epping Forest	Artificial Grass Pitch Provision at Wanstead Flats (Parklife)	41	29				70
Epping Forest	CAS Carbon Removals	118	361				479
Epping Forest	Wanstead Park Ponds Project	167	74			-	241
<b>TOTAL EPPING FOREST &amp; COMMONS COMMITTEE</b>		<b>625</b>	<b>610</b>	<b>144</b>	<b>0</b>	<b>0</b>	<b>1,379</b>

16. The latest Capital and Supplementary Revenue Project forecast expenditure on new capital bids and currently approved schemes will be presented to the Court of Common Council for formal approval in March 2024.

### Conclusion

17. This report presents the Revenue and Capital budget estimates for 2024/25 for your Committee's Members to consider and approve.

### Appendices

- Appendix 1 – Committee Summary Budget – by Risk and Chief Officer
- Appendix 2 – Movement Between 2023/24 Original Local Risk Budget to 2024/25 Original Local Risk Budget (Epping Forest and The Commons)

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