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| Committee(s) | Dated: |
| West Ham Park Committee | 11 July 2024 |
| Subject: Revenue Outturn 2023/24 – West Ham Park | 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 this Funding Source been agreed with the Chamberlain’s Department? | n/a |
| Report of: Chamberlain Interim Executive Director Environment | For Information |
| Report author: Niranjan Shanmuganathan – Chamberlain’s Department | |

Summary

This report compares the revenue outturn for the services overseen by your Committee in 2023/24 with the final budget for the year. In total, there was an unfavourable budget position of (£62k) for the services overseen by your Committee compared with the final budget for the year as set out below.

| | Final Budget | Outturn | Variation Better/(Worse) |
|----------------------------------------|---------------------|----------------|-------------------------------------|
| | £000 | £000 | £000 |
| Local Risk | | | |
| Interim Executive Director Environment | (658) | (636) | 22 |
| City Surveyor | (109) | (146) | (37) |
| Total Local Risk | (767) | (782) | (15) |
| Central Risk | (25) | (33) | (8) |
| Recharges | (394) | (433) | (39) |
| Total | (1,186) | (1,248) | (62) |

The Interim Executive Director Environment had an overall local risk underspend of £22k (excluding City Surveyor) for your Committee. The Interim Executive Director Environment also had a net local risk underspend totalling £15k on activities overseen by other Committees within his remit, after adjusting for unspent carry forwards from 2022/23. The Interim Executive Director Environment has requested a carry forward into 2024/25 of £37k, none of which relates to activities overseen by your Committee.

Recommendation(s)

It is recommended that the revenue outturn report for 2023/24 is noted.

Main Report

Budget Position for 2023/24

1. The 2023/24 original budget for services overseen by your Committee (received in December 2022) was (£1.133m) net expenditure. This budget was endorsed by the Court of Common Council in March 2023 and was subsequently updated for approved net increases of (£53k), resulting in a final budget of (£1.186m) net expenditure. These adjustments primarily consisted of the following:
 - (£53k) central funding to cover cost of living pay rises to staff effective from July 2023 as well as backdated agency costs;
 - (£44k) additional repairs and maintenance and cleaning costs following implementation of new Integrated Facilities Management contract managed by City Surveyor's;
 - (£25k) funding from the Natural Environment Directorate to meet the cost of extra casual staffing requirements;
 - (£16k) funding for centrally funded apprenticeships;
 - £78k net reductions to your Committee's local risk resource base following implementation of the new staffing structure within the Natural Environment Division; and £10k net decrease in Natural Environment Directorate and Learning Team recharges following changes to the division's Target Operating Model (TOM).
2. Movement of the original budget to the final budget is provided in Appendix A.

Revenue Outturn 2023/24

3. Actual net expenditure for your Committee's services during 2023/24 totalled (£1.248m), an unfavourable budget variance of (£62k) compared with the final budget of (£1.186m).
4. A summary comparison with the final 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 2023/24 Revenue Outturn with Final Budget

| | Original | Final | Revenue | Better/(Worse) | Reason |
|----------------------------------------------------------------|----------------|----------------|----------------|----------------|----------|
| | £000 | Budget | £000 | £000 | Para |
| | | £000 | | | |
| LOCAL RISK | | | | | |
| Interim Executive Director | | | | | |
| Environment | | | | | |
| West Ham Park | (639) | (658) | (636) | 22 | |
| City Surveyor | | | | | |
| City Surveyors Repairs and Maintenance | (65) | (109) | (115) | (6) | |
| Cyclical Works Programme | 0 | 0 | (31) | (31) | |
| Total City Surveyor Local Risk | (65) | (109) | (146) | (37) | 5 |
| TOTAL LOCAL RISK | (704) | (767) | (782) | (15) | |
| TOTAL CENTRAL RISK | (25) | (25) | (33) | (8) | |
| RECHARGES | | | | | |
| Insurance | (18) | (18) | (16) | 2 | |
| Support Services | (139) | (139) | (155) | (16) | |
| Surveyor's Employee Recharges | (39) | (39) | (38) | 1 | |
| IT Recharges | (29) | (29) | (49) | (20) | |
| Recharges Within Fund (Directorate, Democratic Core, Learning) | (179) | (169) | (175) | (6) | |
| TOTAL RECHARGES | (404) | (394) | (433) | (39) | 6 |
| OVERALL TOTAL NET EXP | (1,133) | (1,186) | (1,248) | (62) | |

Reasons for Significant Variations

- The (£37k) overspend on budgets managed by the City Surveyor is largely explained by Cyclical Works Programme (CWP) expenditure being (£31k) higher than expected due to the rephasing of projects managed by the City Surveyor such as works at Park Cottage to carry out damp and ceiling repairs. The CWP is a three-year rolling programme reported to the Projects and Procurement Sub Committee 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.
- The net cost of recharges were overspent by (£39k) for 2023/24 compared with the final budget. This is largely explained by additional recharges from the IT Division (£20k) as well as recharges for the cost of other corporate departments (£16k) being higher than anticipated. Members should note that during 2023/24, a review of central support services recharges was carried out. This involved updating the

basis of apportionment for all recharges following the TOM and Governance Review along with trying to make them more transparent and fairer across all services. The updated basis has led to several variations to the original budget across committees, but overall total recharges have remained within the total original envelope: City Fund Original Budget (£29.9m) vs Outturn (£27.9m), and City's Estate Original Budget (£24.2m) vs Outturn (£22.9m). Consultation has been held with areas where recharges are funded from local reserves, i.e. HRA and Police, any variation/increase in costs across other services are met from the deficit funding and have no effect on front-line services. The full review has not yet been formally approved by Members as work is ongoing as to how the new basis will affect 2024/25 budgets. Once the review is fully adopted, the 2024/25 budget will be reviewed and updated where necessary and the paper on the review made available.

Local Risk Carry Forward to 2024/25

7. Chief Officers can generally request underspends of up to 10% or £500k (whichever is the lesser) of the final 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 2024/25 budgets.
8. The Interim Executive Director Environment had a local risk underspend of £22k for 2023/24 on the activities overseen by your Committee. The Interim Executive Director Environment also had a net local risk underspend totalling £15k on activities overseen by other Committees within his remit, after adjusting for unspent carry forwards from 2022/23. The Interim Executive Director Environment is proposing that his maximum eligible underspend of £37k be carried forward, none of which relates to activities overseen by your Committee.

Conclusion

9. This report presents the revenue outturn position for 2023/24 for West Ham Park for Members to note.

Appendices

- Appendix A – Movement between 2023/24 Original Budget and 2023/24 Final Budget

Niranjan Shanmuganathan

Finance Business Partner (Natural Environment)

Chamberlain's Financial Services Division

E: Niranjan.Shanmuganathan@cityoflondon.gov.uk

Appendix A

Movement between 2023/24 Original Budget and 2023/24 Final Budget

| West Ham Park | £000 |
|---------------------------------------------------------------------------------------------------------------------|----------------|
| Original Budget (All Risks) | (1,133) |
| | |
| Original Net Local Risk Budget (Interim Executive Director Environment & City Surveyor) | (704) |
| Interim Executive Director Environment | |
| Adjustments to local risk resource base following implementation of TOM2 staffing structure | 78 |
| Central contingency funding for July 2023 Pay Award and backdated pay rises for agency staff | (53) |
| Funding from Natural Environment Directorate to meet casual staffing requirements | (25) |
| Uplift for centrally funded apprenticeships | (16) |
| Central budget uplift for increased energy costs | (3) |
| City Surveyor | |
| Additional Planned & Reactive Works following implementation of new Integrated Facilities Management contract | (44) |
| Final Net Local Risk Budget (Interim Executive Director Environment & City Surveyor) | (767) |
| | |
| Central Risk | |
| Original Central Risk Budget (Interim Executive Director Environment) | (25) |
| Final Central Risk Budget (Interim Executive Director Environment) | (25) |
| | |
| Recharges | |
| Original Recharges Budget | (404) |
| Reduction in Directorate recharges due to budget adjustments arising from TOM 2 staffing restructure | 19 |
| Additional recharges from Learning Team following staff pay rises and adjustments arising from staffing restructure | (9) |
| Final Recharges Budget | (394) |
| | |
| Final Budget (All Risks) | (1,186) |