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| Committee(s) | Dated: |
| Epping Forest & Commons | 18 July 2024 |
| Subject: Revenue Outturn 2023/24 – Epping Forest and Commons | 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 Natural Environment Director | For Information |
| Report author: Clem Harcourt – 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. Overall, there was an underspend of £50k 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 | (4,883) | (4,886) | (3) |
| City Surveyor | (1,127) | (773) | 354 |
| Total Local Risk | (6,010) | (5,659) | 351 |
| Central Risk | (577) | (585) | (8) |
| Recharges | (2,083) | (2,376) | (293) |
| Total Net Expenditure | (8,670) | (8,620) | 50 |

Explanations for significant budget variances with the final budget are detailed in the report in paragraphs 5 to 9.

The Interim Executive Director Environment had an overall local risk overspend (excluding City Surveyor) of (£3k) for activities overseen by your Committee. The Interim Executive Director also had a net local risk underspend totalling £40k 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 local risk underspend of

£37k be carried forward into 2024/25, none of which relates to your Committee. The Interim Executive Director is also proposing that £36k is carried forward in unspent Priorities Investment Pot (PIP) monies related to your Committee.

Recommendation(s)

Note the report and the proposed carry forward of £36k PIP underspending into 2024/25.

Main Report

Budget Position for 2023/24

1. The 2023/24 original budget for Epping Forest & Commons services overseen by your Committee (received in November 2022) was (£7.482m) net expenditure. This budget was endorsed by the Court of Common Council in March 2023 and was subsequently updated for approved net increases of (£1.188m), resulting in a final net expenditure budget of (£8.67m). This is primarily explained by the following:
 - (£793k) uplift to your Committee's local risk resource base following implementation of the new staffing structure across the Natural Environment Division;
 - (£368k) central contingency funding to meet cost of living pay rises to staff effective from July 2023 and centrally funded apprentices;
 - (£210k) funding from Finance Committee contingencies to support work on known dangerous trees at Epping Forest;
 - (£164k) additional recharges from the Natural Environment Directorate and Learning Team following implementation of the new staffing structure across the division;
 - (£136k) funding from central contingencies to cover the cost of energy price rises;
 - (£72k) increased costs relating to the corporate contract for Integrated Facilities Management overseen by the City Surveyor following implementation of the new contract;
 - (£67k) central risk carry forward funding from 2022/23 relating to unspent Priorities Investment Pot (PIP) monies for projects at Epping Forest and Burnham Beeches;
 - £459k local risk transfer to capital budgets relating to the purchase of a range of vehicles at Epping Forest; and

- £209k contribution from Epping Forest's local risk budget to part fund the Great Gregories Yard Future Proofing Buildings capital project.
2. A reconciliation between the original budget and the final budget is shown in Appendices 1 and 2.

Revenue Outturn 2023/24

3. Actual net expenditure for your Committee's services during 2023/24 totalled (£8.62m), an underspend of £50k compared with the final net expenditure budget of (£8.67m).
4. A summary comparison with the final agreed budget for the year is tabulated below, split between Epping Forest (table 1) and The Commons (table 2). 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 budget can be found in appendices 3 and 4.

Table 1: Comparison between 2023/24 Revenue Outturn and Final Budget – Epping Forest (see Appendix 3)

| | Original Budget | Final Budget | Outturn | Variation Better/ (Worse) | Para Ref |
|----------------------------|------------------------|---------------------|----------------|----------------------------------|-----------------|
| | £000 | £000 | £000 | £000 | |
| Local Risk | | | | | |
| Interim Executive Director | | | | | |
| Environment | (2,534) | (3,248) | (3,248) | 0 | |
| City Surveyor | (896) | (971) | (524) | 447 | 5 |
| Total Local Risk | (3,430) | (4,219) | (3,772) | 447 | |
| Central Risk | (444) | (521) | (511) | 10 | |
| Recharges | (1,448) | (1,598) | (1,841) | (243) | 6, 7 |
| Total | (5,322) | (6,338) | (6,124) | 214 | |

Reasons for Significant Variations

5. The £447k underspend on budgets managed by City Surveyors is largely attributable to a £411k underspend on Cyclical Works Programme (CWP) expenditure due to the rephasing of projects falling under the CWP. This included projects such as works at the Copped Hall Estate. 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. This

was in addition to an underspend of £36k relating to reduced building repairs and maintenance and cleaning costs managed by the City Surveyor compared to budget.

6. The (£243k) net overspend in recharges was largely attributable to increased recharges from the IT Division of (£261k) as well as additional net recharges from other corporate departments (£98k). This overspend was partly offset by increased income for recharges to City Fund for Woodredon and Warlies £91k due to a higher than anticipated net cost for this division of service largely as a result of reduced rental income.
7. 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 Target Operating Model (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). Any variation/increase in costs 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 how to 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.

Table 2: Comparison between 2023/24 Revenue Outturn and Final Budget – The Commons (see Appendix 4)

| | Original Budget | Final Budget | Outturn | Variation Better/ (Worse) | Para Ref |
|----------------------------|------------------------|---------------------|----------------|----------------------------------|-----------------|
| | | £000 | £000 | £000 | |
| Local Risk | | | | | |
| Interim Executive Director | | | | | |
| Environment | (1,471) | (1,635) | (1,638) | (3) | |
| City Surveyor | (159) | (156) | (249) | (93) | 8 |
| Total Local Risk | (1,630) | (1,791) | (1,887) | (96) | |
| Central Risk | (50) | (56) | (74) | (18) | |
| Recharges | (480) | (485) | (535) | (50) | 9 |
| Total | (2,160) | (2,332) | (2,496) | (164) | |

Reasons for Significant Variations

8. There was a total overspend of (£93k) on budgets managed by the City Surveyor at The Commons. This was primarily attributable to an additional (£57k) incurred in extra CWP expenditure, predominantly at Burnham Beeches, due to a rephasing of projects falling under the three-year rolling programme. This was in addition to a (£36k) overspend on budgets

managed by the City Surveyor for repairs and maintenance and cleaning primarily relating to the City Commons.

9. Total net recharges were (£50k) overspent compared with the final budget at The Commons. This was largely due to additional recharges from the IT Division of (£67k) compared with budget, which was partly offset by lower than anticipated recharges from other corporate departments £27k. As stated in paragraph 7, a review of recharges from support services departments was carried out during 2023/24 resulting in variations compared with budget for a number of service areas.

Local Risk and Central Risk Carry Forward to 2024/25

10. Chief Officers can generally request underspends of up to 10% or £500,000 (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 overspends are carried forward in full and are met from the agreed 2024/25 budgets.
11. The Interim Executive Director Environment had a net local risk overspend of (£3k) on the activities overseen by your Committee. The Interim Executive Director Environment also had a net local risk underspend totalling £40k 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 local risk underspend of £37k be carried forward, none of which relates to activities overseen by your Committee.
12. The Interim Executive Director Environment has also submitted the following Priorities Investment Pot (PIP) central risk carry forward requests amounting to £36k which relate to your Committee:
 - £34k unspent expenditure associated with the Epping Forest Licences, Leases and Wayleaves project; and
 - £2k unspent expenditure associated with facilitating the 'Biodiversity net gain' project at Burnham Beeches.

Conclusion

13. This report presents the revenue outturn position for 2023/24 and the carry forward bids relating to unspent PIP budgets into 2024/25 for Members to note.

Appendices

- Appendix 1 - Movement between Original 2023/24 Budget and 2023/24 Final Budget (Epping Forest)
- Appendix 2 - Movement between Original 2023/24 Budget and 2023/24 Final Budget (The Commons)
- Appendix 3 - Comparison between 2023/24 Revenue Outturn and Final Budget – Epping Forest
- Appendix 4 - Comparison between 2023/24 Revenue Outturn and Final Budget – The Commons

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