

Committee(s):	Date(s):
Open Spaces and City Gardens	17 February 2014
Subject: CONSOLIDATED REVENUE AND CAPITAL BUDGETS – 2013/14 AND 2014/15	
Report of: The Chamberlain The Director of Open Spaces	Public For Information

Summary

This report is the annual submission of the consolidated revenue and capital budgets overseen by your Committee. In particular, it updates the Committee on the latest approved revenue budget for 2013/14 and the proposed revenue budget for 2014/15, as approved by the relevant Open Spaces Committees. Details of the draft capital and supplementary revenue budgets are also provided.

Summary of Table 1 (All Committees)	Latest Approved Budget	Original Budget	Movement
	2013/14 £000	2014/15 £000	£000
Expenditure	19,259	20,636	1,377
Income	(6,441)	(5,930)	511
Support Services and Capital Charges	2,932	2,923	(9)
Total Net Expenditure	15,750	17,629	1,879

Summary of Table 1 (By Committee)	Latest Approved Budget 2013/14 £000	Original Budget 2014/15 £000	Movement £000
<u>West Ham Park</u>			
Expenditure	1,327	1,506	179
Income	(573)	(521)	52
Support Services and Capital Charges	249	241	(8)
Total	1,003	1,226	223
<u>Epping Forest & Commons</u>			
Expenditure	7,370	7,964	594
Income	(2,561)	(2,395)	166
Support Services and Capital Charges	1,629	1,665	36
Total	6,438	7,234	796
<u>Hampstead Heath, Queens Park and Highgate Wood</u>			
Expenditure	8,360	8,974	614
Income	(2,967)	(2,674)	293
Support Services and Capital Charges.	1,152	1,118	(34)
Total	6,545	7,418	873

<u>Open Spaces & City Gardens</u>			
Expenditure	2,202	2,192	(10)
Income	(340)	(340)	0
Support Services and Capital Charges.	(98)	(101)	(3)
Total	1,764	1,751	(13)
Total Net Expenditure	15,750	17,629	1,879

Overall the provisional Original budget for 2014/15 totals £17.629M, an increase of £1.879M compared with the latest approved budget for 2013/14. The overall movement in net expenditure of £1.879M comprises an increase of £1.377M in expenditure, a decrease of £511,000 in income, off-set by a £9,000 decrease in Support Services & Capital Charges. The main reasons contributing to this overall increase as reported to each Open Space Committee are :-

West Ham Park:

- An increase of £169,000 in expenditure within the City Surveyor's Local Risk Additional Works Programme.
- A £75,000 decrease in Central Risk income due to the City Bridge Trust (CBT) funding for 2011-14 coming to an end.

Epping Forest and Commons:

- An increase of £590,000 in expenditure within the City Surveyor's Local Risk Additional Works Programme.
- A reduction of £166,000 in income, most of which relate to a reduction in Grant income of £177,000 (Heritage Lottery Funding and CBT).

Hampstead Heath, Queens Park and Highgate Wood:

- An increase of £708,000 in expenditure within the City Surveyor's Local Risk Additional Works Programme.
- A reduction of £545,000 in Central Risk 'Other Grants' as the 3 year CBT funding programme comes to an end, this will be replaced by new CBT funding for £252,000 and credited to Local Risk.

Recommendations

The Committee is requested to note the latest approved revenue and capital budgets for 2013/14 and the provisional revenue and capital budgets for 2014/15, as approved by the relevant Open Spaces Service Committees.

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, Stoke Common, Hampstead Heath, Queens Park, Highgate Wood, and West Ham Park, which are all 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. City Gardens is funded from the City Fund as part of the City Corporation's local authority functions, whilst the Open Spaces Directorate which is funded from City Cash, co-ordinates the management of the department and works in co-operation with other departments on cross service projects and corporate initiatives.
2. This report sets out the proposed revenue budget and capital budgets for 2014/15. 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.
 - Apply a cash limit policy to Chief Officers' budgets.
3. The budget has been analysed by the service expenditure and compared with the latest approved budget for the current year.
4. The report also compares the current year's budget with the forecast outturn.

Business Planning Priorities

5. The key Projects for each Open Space for the next three years were included in the Open Spaces Department Business Plan for 2013-2016 which was approved in April 2013. These include :-
- Deliver phase two of the grazing expansion plan (2013) leading to grazing to approx. 95% of the site in 2015. (Burnham Beeches)
 - Deliver projects detailed in the Stoke Common Heathland regeneration plan for year's five to eight. (Stoke Common)
 - Deliver Business Plan priorities to achieve key performance indicators. (City Commons)
 - Continue working in partnership with English Heritage, Kenley Airfield Friends Group, to fund conservation and interpretation re Kenley Revival Project. (City Commons)
 - Provide Conservation Management Plan in respect of the dam project at Highams Park. (Epping Forest)
 - Support funding events and secure woodland grant funding re Gifford Wood Appeal. (Epping Forest)
 - Management Plan (development) – draft tender document, commission consultants, and form working groups to deliver new plan. (Epping Forest)
 - Seek improvements to City Gardens through Section 106 funding and the Community Infrastructure Levy and, where possible, address deficiencies highlighted in the City of London Open Space Strategy. (City Gardens)
 - Deliver approved actions set down in the Biodiversity Action Plan in order to protect and enhance Sites of Local Importance for Nature Conservation. (City Gardens)
 - Provide site related input at Project board meetings and report to members on an annual basis with regard to the Crossrail project. (City Gardens)
 - Apprenticeships - Using funding already secured to engage 3 young people to undertake horticultural training across a range of sites. (West Ham Park)
 - Environment - Seek to reduce water usage by undertaking a full audit of water utilities. (West Ham Park)
 - Implement educational and biodiversity projects using CBT funding secured for 2011-14. (West Ham Park)
 - Continue to support the Hampstead Heath Ponds project at Hampstead Heath. (Hampstead Heath)
 - Implement a Tree Risk Management project at Hampstead Heath. (Hampstead Heath)
 - Undertake the Conservation Management Plans at Queens Park. (Queens Park)
 - Monitor woodland sustainability at Highgate Wood.(Highgate Wood)

Proposed Revenue Budget for 2014/15

6. The proposed Revenue Budget for 2014/15 is shown in Table 1 below analysed between:

- Local Risk Budgets – these are budgets deemed to be largely within the Chief Officer’s control.
- Central Risk Budgets – 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).
- Support Services and Capital Charges – 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. Further analysis can be found in Appendix 2.

7. The provisional 2014/15 budgets, under the control of the Director of Open Spaces being presented to your Committee, have been prepared in accordance with guidelines agreed by the Policy & Resources and Finance Committees. These include continuing the implementation of the required budget reductions across both local and central risks, as well as the proper control of transfers of non-staffing budgets to staffing budgets. The 2% efficiency savings to be achieved by 2014/15 comprise 1% saving in 2013/14 and a further 1% saving in 2014/15. An allowance towards any potential pay and price increases of 1% for 2013/14 and 2% for 2014/15 have been included. Furthermore, following the end of the 3 year CBT grants (2011-14) it was proposed that grant funding for a further three years be sought for the following Committees :-

- Epping Forest & Commons - £237,000 per annum; and
- Hampstead Heath, Queens Park & Highgate Wood - £252,000 per annum.

New CBT funding has been secured to support three apprentices to undertake horticultural training at West Ham Park - £39,000 in 13/14, £61,000 in 14/15, £23,000 in 15/16.

In addition the Town Clerk and Chamberlain have agreed to a base budget increase for both Epping Forest & Commons and Hampstead Heath, Queens Park and Highgate Wood Committees of £43,000 and £80,000 respectively, to mitigate the reduction in grant funding, these are reflected in the 2014-15 budget.

The budget has been prepared within the resources allocated to the Director.

TABLE 1

OPEN SPACES SUMMARY – ALL FUNDS

Analysis of Service Expenditure	Local or Central Risk	Actual 2012-13 £'000	Latest Approved Budget 2013-14 £'000	Original Budget 2014-15 £'000	Movement 2013-14 to 2014-15 £'000	Paragraph Reference
EXPENDITURE						
Employees	L	11,815	12,071	12,183	112	12
Employees – Olympic & Paralympic Games	C	37	0	0	0	
R & M (City Surveyor's Local Risk)	L	2,122	2,705	4,160	1,455	10
Transport Related Expenses	L	700	638	551	(87)	13
Transport Related Expenses – Olympic & Paralympic Games	C	2	0	0	0	
Supplies & Services	L	2,766	1,931	1,864	(67)	14
Supplies & Services – Olympic & Paralympic Games	C	5	0	0	0	
Third Party Payments	L	137	103	78	(25)	
Transfer to Reserves – Capital & Nursery	C	564	8	9	1	
Transfer to Reserve – HLF and Metropolitan Police Contribution	L	297	75	100	25	
Total Expenditure		20,764	19,259	20,636	1,377	
INCOME						
Government Grants	L	(530)	(479)	(479)	0	
Other Grants, Reimbursements and Contributions – Section 106/Rechargeable Works, HLF, CBT and Metropolitan Police Contribution	L	(615)	(479)	(944)	(465)	15
Other Grants, Reimbursements and Contributions – CBT & Capital	C	(1,760)	(986)	0	986	16
Customer, Client Receipts	L	(2,985)	(2,787)	(2,739)	48	
Recharges to Capital Projects	L	(39)	(40)	(40)	0	
Investment Income	L	(2)	0	0	0	
Investment Income	C	(1,258)	(1,212)	(1,212)	0	
Transfer from Reserves – City Bridge Trust & Section 106	L	(237)	0	0	0	
Transfer from Reserve – Capital & Nursery	C	(275)	(458)	(516)	(58)	17
Total Income		(7,701)	(6,441)	(5,930)	511	
TOTAL EXPENDITURE/ (INCOME) BEFORE SUPPORT SERVICES AND CAPITAL CHARGES		13,063	12,818	14,706	1,888	
SUPPORT SERVICES AND CAPITAL CHARGES						
Central Support and Capital Charges		3,091	3,267	3,258	(9)	
Recharges within Fund		(151)	(151)	(151)	0	
Recharges Across Funds		(91)	(76)	(76)	0	
Recharges to Finance Committee (Corporate & Democratic Core)		(108)	(108)	(108)	0	
Total Support Services and Capital Charges		2,741	2,932	2,923	(9)	
TOTAL NET ENDITURE/(INCOME)		15,804	15,750	17,629	1,879	

8. Income and favourable variances are presented in brackets. An analysis of this Revenue Expenditure by Service Managed is provided in Appendix 1. Only significant variances (generally those greater than £50,000) have been commented on.
9. Overall there is an increase of £1.879M in the overall budget between the 2013/14 latest approved budget and the 2014/15 original budget. This movement is explained by variances in the following paragraphs.
10. The 2013/14 Latest Approved Budget reflects the re-allocation of the full programme to reflect the expenditure that is anticipated will be incurred in the year. The budget increase of £1.455M for Repairs & Maintenance relates to the re-phasing and level of new bids within the Additional Works Programme.

The 2014/15 Additional Works Programme is based on the bids detailed in reports to the appropriate committee in 2013 which for all open spaces totalled £1,637,500, which was endorsed by the Corporate Asset Sub Committee in July 2013 and by the Resource Allocation Sub Committee in January 2014. The anticipated balance of remaining Additional Works Programme schemes of £1,925,829 has also been incorporated.

Following the implementation of the MITIE contract in July 2012, budgets have been re-aligned to reflect the tendered cost of the new contracts (See Table 2 below).

TABLE 2 - CITY SURVEYOR LOCAL RISK	Latest Approved Budget 2013/14 £'000	Original Budget 2014/15 £'000
Repairs and Maintenance		
Additional Works Programme		
West Ham Park	155	324
Bunhill Fields	167	157
City Gardens	38	36
Burnham Beeches	36	85
Epping Forest	646	983
City Commons	95	299
Hampstead Heath	870	1,397
Queens Park	20	99
Highgate Wood	80	182
	2,107	3,562
Planned & Reactive Works (Breakdown & Servicing)		
West Ham Park	33	33
Bunhill Fields	16	16
Nursery	5	5
City Gardens	13	13
Open Spaces Directorate	1	1
Burnham Beeches	32	32
Epping Forest	188	188
City Commons	28	28
Hampstead Heath	193	193
Queens Park	15	15
Highgate Wood	25	25
	549	549
Cleaning		
West Ham Park	3	3
Burnham Beeches	3	3
City Commons	14	14
Epping	21	21
Hampstead Heath	8	8
	49	49
Total City Surveyor	2,705	4,160

11. Analysis of the movement in manpower and related staff costs are shown in Table 3 below.

Table 3 - Manpower statement	Latest Approved Budget 2013/14		Original Budget 2014/15	
	Manpower Full-time Equivalent	Estimated cost £000	Manpower Full-time equivalent	Estimated cost £000
Directorate	5.00	336	5.00	338
City Gardens/Bunhill Fields	32.00	1,100	32.00	1,125
West Ham Park/Nursery	22.10	782	22.70	810
Epping, Wanstead, Chingford, HLF, CBT	82.43	2,795	79.78	2,839
Burnham Beeches/Stoke Common	13.33	450	13.33	469
City Commons	22.31	764	22.91	798
Hampstead Heath	132.34	5,078	129.92	5,056
Queens Park	12.80	426	11.80	434
Highgate Wood	8.44	340	7.44	314
TOTAL	330.75	12,071	324.88	12,183

12. The increase of £112,000 in Employees Local Risk is mainly due to a number of vacancies across Open Spaces which will be filled in 2014/15 and a provision for a 1.0% pay award, partially offset by reduction in posts at Queens Park and Highgate Wood and reduction in temporary agency staff at Hampstead Heath.
13. The £87,000 reduction in Transport related expenditure is mainly due to the reduced vehicle purchase requirement within the Assets Team at Epping.
14. The £67,000 decrease in Supplies & Services is mainly due to a reduced requirement in equipment at Queens Park, and professional fees at Epping (HLF).
15. The increase of £465,000 in Other Grants, Reimbursements and Contributions (Local Risk) is mainly due to the new CBT funding for Hampstead Heath, Queens Park, Highgate Wood, and Epping Forest being applied to Local Risk as opposed to Central Risk. (see also para. 16 below)
16. The £986,000 decrease in Other Grants, Reimbursements and Contributions (Central Risk) is mainly due to the fallout of the CBT funding for Hampstead Heath, Queens Park, Highgate Wood, and Epping Forest. The 3 year schemes 2011/12-2013/14 totalling £896,000 per annum (£336,000 for Epping Forest, and £560,000 for Hampstead Heath, Queens Park, & Highgate Wood) end in March 2014. However, bids of £237,000 (Epping

Forest) and £252,000 (Hampstead Heath, Queens Park, & Highgate Wood) for 2014/15 have been submitted and will be credited to Local Risk.

17. The increase of £58,000 in Transfer from Reserves (Central Risk) is income transferred from the Capital Reserve Account to cover the increase in depreciation charges for HLF 'Branching Out' projects at Epping Forest.

Larger Variances in Services Managed (Appendix 1)

18. The £223,000 increase in West Ham Park is mainly due to an increase of £169,000 in the City Surveyors Additional Works Programme and a decrease of £56,000 in Central Risk non government grant income relating to the old CBT which has come to an end.
19. The £532,000 increase in Epping Forest is mainly due to an increase of £337,000 in the City Surveyor's Local Risk Additional Works Budget and an increase in employee costs due to vacant posts in 2013/14 being filled in 2014/15.
20. The £52,000 increase in Burnham Beeches is mainly due to the increase of £49,000 in the City Surveyor's Additional Works Programme.
21. The £211,000 increase in City Commons relates mainly to the £204,000 increase in the City Surveyor's Additional Work Programme.
22. The £678,000 increase in Hampstead Heath is mainly due to the £527,000 increase in the City Surveyor's Additional Works Programme.
23. The £81,000 increase in Queens Park is mainly due to the £79,000 increase in the City Surveyor's Additional Works Programme.
24. The £114,000 increase in Highgate Wood is mainly due to the £102,000 increase in the City Surveyor's Additional Works Programme.
25. The £57,000 increase in Capital Charges mainly relate to depreciation on HLF 'Branching Out' Capital Schemes at Epping.

Potential Further Budget Developments

26. The provisional nature of the 2013/14 and 2014/15 revenue budgets recognises that further revisions may be required, including in relation to:
 - budget reductions to capture savings arising from the on-going PP2P reviews.

Table 6 - City Fund Draft Capital Budget

	Exp. Pre 01/04/13	2013/14	2014/15	2015/16	2016/17	2017/18	Later Years	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
St Botolph churchyard improvements	65	22						87
Playbuilder, Peter's Hill	41	8						49
Seething Lane Garden S.106			140					140
Total	106	30	140	0	0	0	0	276

29. In addition to the approved budget items above, the implementation phases of the Great Gregories Farm overwintering of the cattle scheme and the Baldwin's Pond and Deer Sanctuary Ponds scheme are due to be carried out within the next two years.
30. The latest Capital and Supplementary Revenue Project budgets will be presented to the Court of Common Council for formal approval in March 2014.

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APPENDIX 1

Analysis by Service Managed	Actual 2012-13 £'000	Latest Approved Budget 2013-14 £'000	Original Budget 2014-15 £'000	Movement 2013-14 to 2014-15 £'000	Paragraph(s) Reference
<u>CITY CASH</u>					
DIRECTORATE*	0	0	0	0	
BUNHILL FIELDS	210	332	325	(7)	
WEST HAM PARK	913	1,003	1,226	223	18
CBT**	0	0	0	0	
NURSERY***	0	0	0	0	
EPPING FOREST	4,397	4,138	4,670	532	19
EPPING FOREST – CBT**	0	0	0	0	
HLF	3	7	7	0	
CHINGFORD GOLF COURSE	16	(64)	(65)	(1)	
WANSTEAD FLATS	179	174	176	2	
WOODREDON & WARLIES****	0	0	0	0	
BURNHAM BEECHES	676	624	676	52	20
STOKE COMMON	20	22	22	0	
CITY COMMONS	1,675	1,537	1,748	211	21
HAMPSTEAD HEATH	5,261	5,384	6,062	678	22
HAMPSTEAD HEATH – CBT**	0	0	0	0	
QUEENS PARK	657	648	729	81	23
QUEENS PARK – CBT**	0	0	0	0	
HIGHGATE WOOD	435	513	627	114	24
HIGHGATE WOOD – CBT**	0	0	0	0	
TOTAL	14,442	14,318	16,203	1,885	
<u>CITY FUND</u>					
CITY GARDENS	1,414	1,292	1,272	(20)	
CITY OPEN SPACES (ENV SERVICES)	162	140	154	14	
TOTAL	1,576	1,432	1,426	(6)	
TOTAL (ALL FUNDS)	16,018	15,750	17,629	1,879	

Reasons for zero budget lines:-

* The Directorate expenditure is recharged to all the Open Spaces and nets to zero.

** City Bridge Trust (CBT) expenditure is funded from Local Risk (Previously Central Risk), it is a restricted fund which nets to zero.

*** The Nursery is a trading account where any surplus or shortfall go to reserve and nets to zero.

**** Woodredon and Warlies are fully rechargeable.

APPENDIX 2

Support Services & Capital Charges to/from Open Spaces Committees.	Actual 2012-13 £'000	Latest Approved Budget 2013-14 £'000	Original Budget 2014-15 £'000	Movement 2013-14 to 2014-15 £'000	Paragraph Reference
Support Services & Capital Charges					
Central Recharges-					
City Surveyor's Employee Recharge	642	620	604	(16)	
Admin Buildings	56	60	60	0	
Insurance	232	198	191	(7)	
I.S.Recharges - Chamberlain	611	657	636	(21)	
Capital Charges	309	468	525	57	25
Support Services-					
Chamberlain (including CLPS Recharges)	413	410	403	(7)	
Comptroller and City Solicitor	166	176	170	(6)	
Town Clerk	331	338	326	(12)	
City Surveyor	272	278	281	3	
Other Services*	59	62	62	0	
Total Support Services & Capital Charges	3,091	3,267	3,258	(9)	
Recharges Within Fund					
Corporate and Democratic Core	(259)	(259)	(259)	0	
Total Recharges Within Fund	(259)	(259)	(259)	0	
Recharges Across Funds					
Directorate Recharges to Cemetery and Crematorium	(102)	(90)	(90)	0	
Woodredon & Warlies	11	14	14	0	
Total Recharges Across Funds	(91)	(76)	(76)	0	
Total Support Services & Capital Charges	2,741	2,932	2,923	(9)	

* Various services including central heating, corporate printing, occupational health, union costs, environmental and sustainability section.