

Committee(s)	Dated:
Epping Forest and Commons	21/11/2016
Subject: Revenue & Capital Budgets – ‘The Commons’ 2016/17 & 2017/18	Public
Report of: The Chamberlain Director of Open Spaces	For Decision
Report author: Derek Cobbing - Chamberlains	

Summary

This report updates the Committee on its latest approved revenue budget for 2016/17 and seeks your approval for a provisional revenue budget for 2017/18, for subsequent submission to the Finance Committee. The budgets have been prepared within the resources allocated to the Director and the table below summarises.

Summary of Table 1	Latest Approved Budget	Original Budget	Movement
	2016/17 £000	2017/18 £000	£000
Expenditure	2,149	2,545	396
Income	(341)	(343)	(2)
Support Services	340	337	(3)
Total Net Expenditure	2,148	2,539	391

Overall the provisional Original budget for 2017/18 totals £2,539M, an increase of £391,000 compared with the latest approved budget for 2016/17. The main reasons for this increase is a £403,000 increase in the City Surveyor’s additional works programme off-set by minor variances which can be found in Table 1.

A breakdown is also provided in Appendix 3 of the movement between the 2016/17 Local Risk Original Budget and the 2016/17 Local Risk Latest Approved Budget.

Recommendation

The Committee is requested to:

- Review the provisional 2017/18 revenue budget to ensure that it reflects the Committee's objectives and, if so, approve the budget for submission to the Finance Committee;
- Authorise the Chamberlain, in consultation with the Director of Open Spaces, to revise these budgets to allow for any further implications arising from Corporate Projects, departmental reorganisations and other reviews, and changes to the Additional Works Programme. Any changes over £50,000 would be reported to Committee.
- If specific service based review proposals included with this budget report are rejected by the Committee, or other Committees request that further proposals are pursued, that the substitution of other suitable proposals for a corresponding amount is delegated to the Town Clerk in discussion with the Chairman and Deputy Chairman of the relevant Committee. If the substituted saving is not considered to be straight forward in nature, then the Town Clerk shall also consult the Chairman and Deputy Chairmen of the Policy and Resources Committee prior to approving an alternative proposal(s).

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 Ashted Common & West Wickham (City Commons), and Burnham Beeches & 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 income from charges.
2. This report sets out the proposed revenue budget for 2017/18. 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 2016-2019 which was approved in April 2016. For The Commons these include :-
 - To Implement the Stoke Common Management Plan
 - To Conserve the heritage associated with Kenley Airfield (Kenley Revival Project).
 - Progress delivery of the Burnham Beeches Pond Embankments Project.

Proposed Revenue Budget for 2017/18

6. The proposed detailed Revenue Budget for 2017/18 is shown in Table 1 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 2017/18 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. A saving of £17,000 has been made in 2017/18 further to the re-alignment of the Service Based Review savings which are also found in Appendix 4. The savings will be achieved through a review of fleet and equipment, a reduction in grounds maintenance, and increases in donations through ‘promoting our services programme’. An allowance was given towards any potential pay and price increases of 1% in 2017/18. The budget has been prepared within the resources allocated to the Director.

It should also be noted that the corporate Building Repairs and Maintenance contract is currently being re-tendered and the new contract will commence on the 1st July 2017. Original estimates for 2017/18 are based on the latest available asset price from the current contractor. Any changes to these budgets arising from the new contract will be reported to Committee in due course.

TABLE 1 BURNHAM BEECHES, STOKE COMMON & CITY COMMONS SUMMARY – ALL FUNDS						
Analysis of Service Expenditure	Local or Central Risk	Actual 2015-16 £'000	Latest Approved Budget 2016-17 £'000	Original Budget 2017-18 £'000	Movement 2016-17 to 2017-18 £'000	Paragraph Reference
EXPENDITURE						
Employees	L	1,154	1,269	1,310	41	
Premises Related Expenses	L	414	343	319	(24)	
Premises Related Expenses	C	12	0	0	0	
R & M (City Surveyor's Local Risk inc cleaning)	L	429	255	658	403	11
Transport Related Expenses	L	58	82	63	(19)	
Supplies & Services	L	198	149	145	(4)	
Third Party Payments	L	31	33	32	(1)	
Transfer to Reserves	L	40	0	0	0	
Transfer to Reserves	C	8	0	0	0	
Capital Charges	C	18	18	18	0	
Total Expenditure		2,362	2,149	2,545	396	
INCOME						
Government Grants	L	(158)	(163)	(165)	(2)	
Other Grants, Reimbursements and Contributions	L	(27)	(20)	(20)	0	
Other Grants, Reimbursements and Contributions	C	(20)	0	0	0	
Customer, Client Receipts	L	(201)	(158)	(158)	0	
Investment Income	L	(1)	0	0	0	
Transfer from Reserves	L	(23)	0	0	0	
Recharges to Capital Projects	L	(2)	0	0	0	
Total Income		(432)	(341)	(343)	(2)	
TOTAL EXPENDITURE/ (INCOME) BEFORE SUPPORT SERVICES		1,930	1,808	2,202	394	
SUPPORT SERVICES						
Central Support		306	308	302	(6)	
Recharges within Fund		37	32	35	3	
Total Support Services		343	340	337	(3)	
TOTAL NET EXPENDITURE/(INCOME)		2,273	2,148	2,539	391	

8. Income and favourable variances are presented in brackets. An analysis of this Revenue Expenditure by Service Managed is provided in Appendix 1. Generally only significant variances greater than £50,000 are commented on.

9. Overall there is an increase of £391,000 between the 2016/17 latest approved budget and the 2017/18 original budget. The main reason for this increase is due to costs within the City Surveyor's Additional Works Programme (£403,000).
10. The increase in estimated costs within the Manpower statement in Table 2 below is due to an allowance of 1% towards any potential pay and price increases from 1st April 2017, increments within pay scales during 2017/18, and a full year adjustment for two staff who commenced work partly through the last financial year.

Table 2 - Manpower statement	Latest Approved Budget 2016/17		Original Budget 2017/18	
	Manpower Full-time equivalent	Estimated cost £000	Manpower Full-time equivalent	Estimated cost £000
Burnham Beeches/Stoke Common	13.87	473	13.87	483
City Commons	20.70	796	20.87	827
TOTAL BURNHAM & CITY COMMONS	34.57	1,269	34.74	1,310

11. The increase of £403,000 from the 2016/17 Latest Approved Budget to the 2017/18 Original Budget in the City Surveyor (see Table 3 below) is mainly within the additional works programme. The original 2017/18 budgets reflect the balances phased from continuing approved live programmes (2015/16 & 2016/17) and the new 2017/18 bids (£12.1m across the Corporate Estate) endorsed by Corporate Asset Sub Committee in October 2016.

TABLE 3 - CITY SURVEYOR LOCAL RISK	Latest Approved Budget 2016/17 £'000	Original Budget 2017/18 £'000
Repairs and Maintenance (including cleaning)		
Additional Works Programme		
City Commons	49	310
Burnham Beeches	14	156
	63	466
Planned & Reactive Works (Breakdown & Servicing)		
City Commons	100	100
Burnham Beeches	73	73
	173	173
Cleaning		
City Commons	15	15
Burnham Beeches	4	4
	19	19
Total City Surveyor	255	658

Potential Further Budget Developments

12. The provisional nature of the 2017/18 revenue budget recognises that further revisions may be required, including in relation to:
- budget reductions to capture savings arising from the on-going Service Based Reviews;
 - decisions on funding of the Additional Work Programme by the Resource Allocation Sub Committee.

If specific service based review proposals included with this budget report are rejected by the Committee, or other Committees request that further proposals are pursued, that the substitution of other suitable proposals for a corresponding amount is delegated to the Town Clerk in discussion with the Chairman and Deputy Chairman of the relevant Committee. If the substituted saving is not considered to be straight forward in nature, then the Town Clerk shall also consult the Chairman and Deputy Chairmen of the Policy and Resources Committee prior to approving an alternative proposal(s).

Revenue Budget 2016/17

13. The 2016/17 latest approved budget includes funding for contribution pay of £7,000. There were no agreed carry forwards for The Commons. Details of the movement between the 2016/17 Original Budget and the 2016/17 Latest Approved Budget can be found in Appendix 3. The forecast outturn for the current year is in line with the latest approved budget of £2.148m

Draft Capital and Supplementary Revenue Budgets

14. The latest estimated costs for the Committee's draft capital and supplementary revenue projects are summarised in the Table below.

Capital & Supplementary Revenue projects - latest estimated costs						
Service Managed	Project	Exp. Pre 01/04/16 £'000	2016/17 £'000	2017/18 £'000	Later Years £'000	Total £'000
	<u>Authority to start work granted</u>					
City Commons	Kenley Revival	95	400	572	113	1,180
TOTAL CITY COMMONS		95	400	572	113	1,180

15. There is one capital scheme in progress at Kenley, largely funded by HLF grant.
16. The latest Capital and Supplementary Revenue Project budgets will be presented to the Court of Common Council for formal approval in March 2017.

Appendices

- Appendix 1 - Analysis by Services Managed
- Appendix 2 - Analysis of Support Services
- Appendix 3 - Movement of Local Risk Budgets 2016/17 OR to 2016/17 LAB
- Appendix 4 - Service Based Review update

Derek Cobbing

Chamberlains Department

T: 020 7332 3519

E: derek.cobbing@cityoflondon.gov.uk