

Epsom and Walton Downs Conservators

25 January 2021

BUDGET 2021/22

Head of Service:	Lee Duffy, Chief Finance Officer
Wards affected:	College Ward; Town Ward; Woodcote Ward;
Appendices (attached):	Appendix 1 – Recommended Budget for 2021/22

Summary

This report seeks approval for the 2021/22 budget and the recommended precepts on the constituent bodies.

Recommendation (s)

The Conservators are asked to:

- (1) Note the latest income and expenditure position for 2020/21;**
- (2) Approve the 2021/22 budget, as set out in Appendix 1 to this report, with a request for a 2.4% increase in precept from the constituent bodies as follows:-**
 - i. Epsom and Ewell Borough Council: £260,140**
 - ii. Epsom Downs Racecourse: £130,070**
 - iii. Epsom & Walton Downs Training Board: £43,360**
- (3) Note the conclusion of the 2019/20 external audit of the accounts.**

1 Reason for Recommendation

- 1.1 To inform the Conservators of the financial position and forecast outturn for 2020/21, and seek approval for the 2021/22 budget.

2 Background

- 2.1 As a basis for agreeing a budget and contribution levels for 2021/22, this report:
 - 2.1.1 Informs the Conservators of the current year income and expenditure position and forecast outturn as at 31 March 2021;

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- 2.1.2 Seeks approval of the recommended budget for 2021/22 as set out in Appendix 1, with a request for 2.4% increase in precepts from constituent bodies as follows:

Epsom and Ewell Borough Council: £260,140

Epsom Downs Racecourse: £130,070

Epsom and Walton Downs Training Board: £43,360

- 2.1.3 Informs the Conservators of the audit conclusion of the 2019/20 accounts.

3 Forecast for 2020/21

- 3.1 The Conservators received a mid-year monitoring report at the meeting on 9 November 2020. A detailed update of forecast income and expenditure for 2020/21 is included in Appendix 1.
- 3.2 Net expenditure for 2020/21 is now forecast at £419,474 which would result in an underspend of £3,916 against the budget of £423,390. This forecast is slightly improved on the November 2020 position, due to a reduction in anticipated grounds maintenance running costs as a result of reduced activities on the Downs.
- 3.3 The net underspend is mainly due to the closure of the Tattenham Conveniences (since the start of the Covid-19 outbreak in March 2020) and savings on the associated running costs. These savings are offset by a £6,780 reduction in events income, a £3,000 cost for consultant fees in support of the revised EAFRD bid, and a £5,000 contribution to the working balance to cover the future revenue costs of the bid.
- 3.4 The working balance stood at £56,021 at 31 March 2020. The latest forecast of the working balance at 31 March 2021 is £64,938, which includes the £5,000 contribution from the revenue budget to fund the external grant bid.

4 Budget Estimates 2021/22

- 4.1 The recommended budget estimates for 2021/22 are attached at Appendix 1. An initial draft budget had been presented to Conservators at the November 2020 meeting, which showed an indicative increase in precepts of 2.8%. Following further review of the budget, the recommended increase has reduced to 2.4%, mainly because the typical cost of managing the Travellers Site on Derby day has reduced from c.£5,500 to c. £4,000 in recent years (2018/19 and 2019/20), and the budget has been adjusted accordingly.
- 4.2 The budget position for 2021/22 is summarised in the following table:

	£'000
Grounds Maintenance	57

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Keepers Hut	7
Central and staffing expenses	360
Derby Travellers Caravan Site	4
Tattenham Corner Conveniences	19
Events and Other Income	(14)
Net Expenditure	434
Contribution from EEBC/EDR/TB	(434)
Budget Surplus	0

4.3 The 2021/22 budget includes provision for the continued operation of Tattenham Corner Conveniences. Should any decision be taken to subsequently change the conveniences' operation, the current budget provision for 2021/22 could be re-purposed as a contribution towards any upfront costs of change, with any ongoing savings realisable in the budget from 2022/23 onwards. As such, it is recommended that the 2021/22 budget be approved as proposed.

4.4 Net Expenditure is estimated at £433,570, this is £10,180 (2.4%) higher than the current year's budget.

5 Repairs and Renewals Fund

5.1 The repairs and renewals fund balance was £41,386 as at 31 March 2020. The budget for 2021/22 allows for a contribution of £2,000 into this reserve, which is prudent given the potential need for future repairs to car parks or at Tattenham Corner Conveniences.

6 Audit of the Accounts 2019/20

6.1 The external auditors, PKF Littlejohn LLP, have completed the audit of the account for the year ended 31 March 2020.

6.2 The auditors concluded that the accounts had been prepared in accordance with proper practices and raised no matters of concern. As such, no changes are required to the financial position for 2019/20 as reported in June 2020.

6.3 The accounts and audit documents have been published on the Council's website in accordance with the requirements of the Accounts and Audit Regulations 2015.

7 Risk Assessment

Legal or other duties

7.1 Impact Assessment

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7.1.1 The estimated working balance of £64,938 for 2021/22 is approximately 14% of net expenditure which, along with the Repairs and Renewals fund, provide cover for unexpected expenditure. Any withdrawals from the working balance will need to be carefully assessed, to ensure sufficient funds are retained in reserves to cover unexpected expenditure and maintain a stable level of contribution from preceptors.

7.2 Crime & Disorder

7.2.1 None arising from the contents of this report.

7.3 Safeguarding

7.3.1 None arising from the contents of this report.

7.4 Dependencies

7.4.1 None arising from the contents of this report.

7.5 Other

7.5.1 None arising from the contents of this report.

8 Financial Implications

8.1 Precepts contributions totalling £433,570 in 2021/22 are met by the Borough Council (60%), Epsom Racecourse (30%) and the Training Board (10%).

8.2 **Section 151 Officer's comments:** An increase, if approved by the Conservators and the preceptors, would provide additional contributions of £10,180 in 2021/22 to be met by the Borough Council (+£6,110), Epsom Racecourse (+£3,050), and the Training Board (+£1,020).

8.3 The Repairs and Renewals Fund for vehicles and equipment stood at £41,386 as at 31 March 2020. There has been no use of this fund to date during 2020/21.

9 Legal Implications

9.1 There are no legal implications arising from the contents of this report.

9.2 **Monitoring Officer's comments:** none arising from the contents of this report.

10 Policies, Plans & Partnerships

10.1 **Council's Key Priorities:** The following Key Priorities are engaged: Effective Council, Green & Vibrant.

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- 10.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 10.3 **Climate & Environmental Impact of recommendations:** None.
- 10.4 **Sustainability Policy & Community Safety Implications:** None.
- 10.5 **Partnerships:** The Jockey Club, Training Board and Epsom and Ewell Borough Council are represented by Members on the Conservators committee.

11 Background papers

- 11.1 The documents referred to in compiling this report are as follows:

Previous reports:

- Mid-Year Budget Monitoring Report, 9 November 2020

Other papers:

- None.