

Public Document Pack

To: All Members of the Epsom and Walton Downs Conservators

Dear Member

EPSOM AND WALTON DOWNS CONSERVATORS - WEDNESDAY, 5TH OCTOBER, 2016

Please find attached the following report(s) for the meeting of the Epsom and Walton Downs Conservators to be held on Wednesday, 5th October, 2016. These were not included in the original Agenda pack published previously.

5. **MID-YEAR BUDGET MONITORING** (Pages 3 - 10)


This report advises the Conservators of income and expenditure in 2016/17 as at 30 September 2016 and seeks guidance on the preparation of the budget and precept for 2017/18. It also provides an updated Risk Register for 2016/17.

9. **ANNEXE 3 TO MEMORIAL POLICY FOR THE DOWNS** (Pages 11 - 12)

This presents an amended Annexe 3 to Item 09 of the agenda (Memorial Policy for the Downs) and replaces the copy included on the agenda circulated previously.

For further information, please contact Tim Richardson, 01372 732122 or trichardson@epsom-ewell.gov.uk

Yours sincerely



Head of Legal and Democratic Services

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MID-YEAR BUDGET MONITORING REPORT

Report of the: Treasurer to the Conservators

Contact: Michael Smith

Annexes/Appendices (attached): Annexe 1 – Mid-year monitoring 2016/17
Annexe 2 – Risk Register 2016/17

Other available papers (not attached): None

REPORT SUMMARY

This report advises the Conservators of income and expenditure in 2016/17 as at 30 September 2016 and seeks guidance on the preparation of the budget and precept for 2017/18. It also provides an updated Risk Register for 2016/17.

RECOMMENDATION (S)

That the Conservators:

- (1) Note the mid-year income and expenditure position as at 30 September 2016.**
- (2) Provide guidance on the preparation of the budget for 2017/18.**
- (3) Note the 2016/17 Risk Register for the Downs.**

Notes

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 The Conservators budget for 2016/17 was agreed at the meeting in January 2016.

2 Background

2.1 This report:-

- Informs the Conservators of income and expenditure at mid-year;
- Provides the Conservators with the opportunity to give guidance on the preparation of the 2017/18 budget; and

- Provides an updated Risk Register for the Downs 2016/17.

3 Mid-Year Income and Expenditure

- 3.1 The attached budget monitoring statement at Annexe 1 shows income and expenditure at six months into the financial year (1 April 2016 to 30 September 2016) and provides a forecast of the outturn position for 2016/17.
- 3.2 Net expenditure is forecast at £378,887 compared to the budget of £373,010.
- 3.3 There is a forecast £7,607 use of the working balance.
- 3.4 The working balance stood at £55,628 at 31 March 2016. The latest forecast of the working balance at 31 March 2017 is £48,021.

4 Budget Estimate 2017/18

- 4.1 The final column of Annexe 1 provides a forecast position for 2017/18. This has been prepared ahead of the Council's finalising its service estimates and the figures are provisional.
- 4.2 The indicative budget position for 2017/18 is detailed line by line in Annexe 1, the main changes from 2016/17 are:
- 4.2.1 An increase in pension contributions from £28,000 to £30,000. A triennial review of our Pension Fund is currently being undertaken by our Actuaries. We anticipate this to have an increase in contributions and therefore have built in a £2,000 increase; and
- 4.2.2 £4,440 increase in Grounds Maintenance recharge costs reflective of the amount of work anticipated to be undertaken in 2016/17.
- 4.3 The forecast should provide a useful basis to:-
- Identify the main issues that should be addressed in the budget report in January 2017, and
 - Give early consideration to the recommended precepts for 2017/18 and the options the Conservators would like to have included in the budget report.
- 4.4 The total provisional increase in budget between 2016/17 and 2017/18 is £7,010. This would be a total drawdown of £8,740 from balances should the current precept levels remain the same. The balance at the end of 2017/18 would therefore be estimated as £39,281.

- 4.5 This clearly leaves a decision in January for if there should be an increased contribution to cover this amount across the 3 preceptors. A 2.35% increase in contributions would create a balanced budget with no budgeted drawdown from balances.
- 4.6 Inflation is currently at 0.6% (August consumer price index) and 1.0% (August retail price index).

5 Financial and Manpower Implications

- 5.1 **Chief Finance Officer's comments:** Precept contributions totalling £371,280 in 2016/17 are being met by the Borough Council (60%), Epsom Racecourse (30%) and the Training Board (10%).
- 5.2 A 2.35% increase would provide additional contributions of £8,725 in 2017/18 being met by the Borough Council (+£5,235), Epsom Racecourse (+£2,617) and the Training Board (+£873).
- 5.3 The financial position of the Council is being presented to Strategy Resources on 27 September 2016. These reports outline the urgent need for delivery of savings and efficiencies to help achieve a balanced budget over the 4 financial years. Therefore options to limit increases in contributions should be explored immediately. Indeed, a review of expenditure, works and income generation should be undertaken to potentially reduce future contributions.
- 5.4 The Repairs and Renewals Fund for vehicles and equipment stood at £34,013 as 31 March 2016. This reserve could be used to release funds to cover in year works or overspends.

6 Risk Assessment

- 6.1 An updated Risk Register is attached at Annexe 2.
- 6.2 The forecast working balance of £55,628 for 2016/17 is considered adequate for the purpose of meeting unforeseen expenditures and providing a stable level of contribution.
- 6.3 The external auditors have completed auditing the 2015/16 accounts and a verbal update as to progress will be given at the meeting. There were no significant recommendations or concerns from the Auditor.

7 Conclusion and Recommendations

- 7.1 The Conservators are requested to note the income and expenditure position at six months.
- 7.2 The Conservators are asked to provide guidance on the preparation of the 2017/18 budget, including any options on precepts needed to maintain a balanced budget and any other options they would like covered in the budget report.

- 7.3 The Conservators are also asked to note the updated Risk Register 2016/17.

WARD(S) AFFECTED:

AGENDA ITEM 5
ANNEXE 1

	2015/16 Actual	2016/17 Budget	2016/17 Actual	Current Forecast 2016/17	Variances	2017/18 Estimates
	£	£	£			£
Grounds Maintenance						
Maintenance of Grounds	671	600	2,204	2,204	1,604	600
Maintenance of Notice Boards	0	0	0	0	0	0
Car Park Repairs	300	1,000	0	500	-500	1,000
EWDC Grounds/Warren Woodland	10,356	11,100	0	11,100	0	11,100
Tree Maintenance Schedule	4,842	4,180	0	4,180	0	4,180
Transport and Plant repairs & mntce.	0	1,000	0	1,000	0	1,000
Fuel	8,308	9,000	4,254	9,000	0	9,000
Spot hire of vehicles	1,311	0	741	1,000	1,000	0
Transport Insurance recharge	2,000	2,400	0	2,400	0	2,500
Hire of paladins	2,507	2,560	2,657	2,657	97	2,560
EWDC Grounds/Transport fleet SLA NJMC	26,500	27,030	27,030	27,030	0	28,000
Sub-Total	56,795	58,870	36,887	61,071	2,201	59,940
Keepers Hut						
Kier engineering and fab	1,448	1,240	564	1,506	266	1,240
Building and M&E maintenance	17	500	0	500	0	500
Electricity	1,646	1,500	362	1,500	0	1,500
Rates	720	730	726	726	-4	730
TV Licence	146	150	146	150	0	150
General office expenses	644	0	0	0	0	0
Insurance recharges	900	900	0	900	0	900
Sub-Total	5,521	5,020	1,797	5,282	262	5,020
Central Expenses						
Additional pension contribution	24,000	28,000	14,000	28,000	0	30,000
Contribution to Repairs& Renewals Fund	2,500	1,500	0	1,500	0	1,500
Clothing & uniforms	618	600	377	600	0	600
External Audit	1,014	1,000	0	1,000	0	1,000
Conservation expenses	0	0	486	486	486	0
Miscellaneous Expenses	398	1,000	776	1,000	0	1,000
General Office Expenses	37	2,400	747	2,000	-400	2,400
VAT payments	18,741	15,000	0	15,000	0	15,000
OS SLA recovery EWDC	222,000	222,000	226,440	226,440	4,440	226,440
Management costs SLA rec	27,548	28,150	5,100	28,150	0	28,150
Insurance	1,100	1,100	0	1,100	0	1,100
Internal audit	508	500	0	500	0	500
Sub-Total	298,464	301,250	247,927	305,776	4,526	307,690
Derby Gypsy Caravan Site						
Contract Payments	5,335	6,300	5,530	5,330	-970	6,300
Sub-Total	5,335	6,300	5,530	5,330	-970	6,300
Tattenham Corner conveniences						
Kier Engineering and fabric recharges	782	670	305	670	0	670
Building and M&E maintenance	1,727	2,000	48	2,000	0	2,000
Kier Cleaning contract recharges	10,220	10,070	3,983	10,070	0	10,070
Electricity	576	1,000	708	1,000	0	1,000
Business Rates	3,360	3,430	3,388	3,388	-42	3,430
Water Charges	293	400	66	300	-100	400
Insurance recharges	1,500	1,500	0	1,500	0	1,500
Sub-Total	18,732	19,070	8,498	18,928	-142	19,070
				0		
Gross Expenditure	384,847	390,510	300,639	396,387	5,877	398,020
Income:				0		
Other government grant income	-10,635	-11,100	0	-11,100	0	-11,100
Hire charges	-5,383	-3,500	-3,115	-3,500	0	-4,000
Interest on Balances	-2,360	-2,400	0	-2,400	0	-2,400
Misc. income	-875	-500	0	-500	0	-500
Income	-19,252	-17,500	-3,115	-17,500	0	-18,000
Net Expenditure	365,595	373,010	297,524	378,887	5,877	380,020
Precepts:						
Borough Council	-214,200	-222,770	-222,770	-222,770	0	-222,770
Training Board	-35,700	-37,130	-37,130	-37,130	0	-37,130
Epsom Racecourse	-107,100	-111,380	-111,380	-111,380	0	-111,380
	-357,000	-371,280	-371,280	-371,280	0	-371,280

Surplus (-) / Deficit in Year

	8,595	1,730	-73,756	7,607	5,877	8,740
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Balance b/fwd 1 April

	64,223	55,628		55,628		48,021
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Balance c/fwd 31 March

	55,628	53,898		48,021		39,281
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**EPSOM AND WALTON DOWNS CONSERVATORS
5 OCTOBER 2016**

EPSOM AND WALTON DOWNS RISK ANALYSIS

Ref	DESCRIPTION OF RISK	RISK LEVEL	FURTHER ACTION/ MITIGATION ACTION	RESP OFFICER	Direction of Travel
EWDC1	Failure to maintain standards of maintenance affecting public safety on the Downs in line with the Habitat Action Plan.	Medium	Continue to implement Habitat Management Action Plan and review on an annual basis. Regular monitoring to address matters of public safety. Golf club management plan agreed by all parties and reviewed regularly.	Samantha Whitehead, Streetcare Manager (EEBC)	No change 
EWDC2	EWDC has a budget shortfall and there is insufficient funding to maintain the Downs	Medium	A budget was agreed for 2016/17 based on contributions of £371,280. Need to manage increasing costs including pension costs through regular monitoring A Charging Protocol is in place for events to increase income. Monthly monitoring by Treasurer. Half-yearly finance reports to EWDC.	Kathryn Beldon Treasurer to the Conservators	No change 
EWDC3	There are insufficient funds for the replacement of vehicles and plant used to maintain the grounds	Low	An annual contribution is put aside for repairs and renewals. Review rationalisation of the fleet utilised by EWDC in line with EEBC proposal to tender out all Transport Fleet. Assets have been reviewed as required for close of accounts 2015/16.	Samantha Whitehead, Streetcare Manager (EEBC)	No change 
EWDC4	Loss of key staff and knowledge	Low	Integration of the workforce into Streetcare.	Samantha	No change

**EPSOM AND WALTON DOWNS CONSERVATORS
5 OCTOBER 2016**

Ref	DESCRIPTION OF RISK	RISK LEVEL	FURTHER ACTION/ MITIGATION ACTION	RESP OFFICER	Direction of Travel
	of procedures to maintain Downs		Staff training and development linked to the Council's appraisal system. Business Continuity Plans/ Work Manuals.	Whitehead, Streetcare Manager (EEBC)	
EWDC5	Risk that decisions or operations within EWDC are not consistent with legal powers	Low	Advice being given by Legal & Democratic Services on key issues. Clarity on responsibility for the Hack Sand Track has been clarified and Jockey Club are responsible for the cost of repairs although repairs have not yet commenced and further action may be required.	Frances Rutter (Clerk to the Conservators)	No change 
EWDC6	Risk of major disruption due to disaster or risk of injuries to users of the Downs	Low	The Council are part of a multi- disciplinarian team which meet regularly throughout the year to review safety requirements of the Derby. The Council have in place Business Continuity and emergency Planning arrangement should an emergency occur. Risk Assessment are completed for any major events and the events.	Held on the Downs are reviewed annually by EWDC	No change 
EWDC7	Meet the requirements of the various Stakeholders and multi-uses of the Downs	Low	Updated risk assessments and suitable signage for users. Review of incidents and events held to improve safety.	Kathryn Beldon Treasurer to the Conservators	No change 

Memorial Bird and Bat Box Options

Box Style	Supplier	Cost	Species Suitability
Apex Classic Nest box with hole plate 32mm	RSPB	£17.49 plus £18.95 delivery & installation	Blue Tit, Coal Tit, Tree Sparrow, Nuthatch.
Apex Open Fronted Nest box	RSPB	£14.99 plus £18.95 delivery & installation	Robins, Wrens, Pied Wagtails.
WoodCrete Tit Box Extra Durable	RSPB	£26.99 plus £18.95 delivery & installation	Blue Tit ,Coal Tit , Tree Sparrow, Nuthatch

Kestral Nest Box	RSPB	£69.99 plus £63.95 delivery & installation	Kestral
Tawny Owl Nest Box	RSPB	£94.99 plus £63.95 delivery	Tawny Owl
Wooden Bat Box	RSPB	£19.99 plus £18.95 delivery	Resident Bat Species
2f Bat Box (Extra Durable)	Living With Birds	£29.95 plus £18.70 delivery	Resident Bat Species
2FN Special Bat Box (Extra Durable)	Living With Birds	£37.95 plus £18.70 delivery	Resident Bat Species