

MID-YEAR BUDGET MONITORING REPORT

Head of Service/Contact: Lee Duffy, Treasurer to the Conservators
Annexes/Appendices (attached): **Annex 1** – Mid-year monitoring 2018/19
Annex 2- Risk Register 2018/19
Other available papers (not attached): None

Report summary

This item reports on the income and expenditure as at 31 August 2018 and seeks guidance on the preparation of the budget and precept for 2019/20. It also provides an updated Risk Register for 2018/19.

Recommendation (s)

- (1) That the Conservators note the mid-year income and expenditure position as at 31 August 2018.**
- (2) That the Conservators provide guidance on the preparation of the budget for 2019/20.**
- (3) That the Conservators note the 2018/19 Risk Register for the Downs.**

1 Background

1.1 The Conservators budget for 2018/19 was agreed at the meeting of 22 January 2018.

1.2 This report:

- Informs the Conservators of income and expenditure at 31 August 2018;
- Provides the Conservators with the opportunity to give guidance on the preparation of 2019/20's budget;
- Provides an updated Risk Register for the Downs for 2018/19

Epsom and Walton Downs Conservators

8 October 2019

2 Mid-Year Income and Expenditure

- 2.1 The attached budget monitoring statement at **Annex 1** shows income and expenditure from 1 April 2018 to 31 August 2018 and provides a forecast outturn position for 2018/19.
- 2.2 Net expenditure is forecast at £394,967, which would result in an overspend of £3,377 against the budget of £391,590. A separate report on the same agenda is seeking funding of £6,300 in 2018/19 to support an application for external funding. This £6,300 is included in the forecast and is the main reason for the projected overspend.
- 2.3 The working balance stood at £49,585 at 31 March 2018. The latest forecast of the working balance at 31 March 2019 is £46,209.

3 Budget Estimates 2019/20

- 3.1 The final column of **Annex 1** provides an indicative budget position for 2019/20. This has been prepared ahead of the Council finalising its service estimates and the figures are provisional.
- 3.2 The main provisional changes from 2018/19 are:
 - A 13% increase in the fuel budget from £9,000 to £10,200 to reflect both the current rate of fuel consumption and the increased average price of fuel.
 - An increase in the Operational Services SLA recovery of 3% or £6,790 to reflect the cost of work carried out by the Downskeepers and Operational Services staff.
 - A £6,580 annual contribution to the working balance, which over four years would fund a bid to participate in the Rural Development Growth Programme, as set-out in a separate agenda item to this Committee.
- 3.3 The forecast provides a useful basis to identify the main issues that should be addressed in the budget report in January 2019, and early consideration of the recommended precepts for 2019/20 and the options the Conservators would like to have included in the budget report.
- 3.4 The total provisional increase in the budget from 2018/19 to 2019/20 is £15,670.
- 3.5 A decision will be required in January 2019 on the requested increases in contributions to cover this amount across the three preceptors.
 - An increase in each preceptor's contribution of 2.5% would create a balanced budget but with no funds set aside to participate in the Rural Development Growth Programme.

Epsom and Walton Downs Conservators

8 October 2019

- A 4% increase would create a balanced budget and provide an annual contribution to the working balance of £6,580, which over four years could fund participation in the Rural Development Growth Programme.

3.6 Inflation is currently at 2.4% (August 2018 consumer price index). The Government's current inflation target is 2%.

4 Financial and Manpower Implications

4.1 **Chief Finance Officer's comments:** Precept contributions totalling £391,590 in 2018/19 are met by the Borough Council (60%), Epsom Racecourse (30%) and the Training Board (10%).

4.2 A 4% increase, if approved by the Conservators and the preceptors, would provide additional contributions of £15,670 in 2019/20 to be met by the Borough Council (+£9,400), Epsom Racecourse (+£4,700) and the Training Board (+£1,570). These contributions would enable the Conservators to fund a bid to participate in the Rural Development Growth Programme.

4.3 The Repairs and Renewals Fund for vehicles and equipment stood at £31,057 as at 31 March 2018.

5 Legal Implications (including implications for matters relating to equality)

5.1 There are no legal implications arising from this report.

5.2 **Monitoring Officer's comments:** None for the purposes of this report.

6 Risk Assessment

6.1 An updated Risk Register is attached at **Annex 2**.

6.2 The forecast working balance of £46,209 for 2018/19 is considered adequate for the purpose of meeting unforeseen expenditure and providing a stable level of contribution.

7 Conclusion and Recommendations

7.1 The Conservators are requested to note the latest income and expenditure position.

7.2 The Conservators are asked to provide guidance on the preparation of the 2019/20 budget, including any options on precepts needed to maintain a balanced budget and any other options they would like covered in the budget report.

Epsom and Walton Downs Conservators
8 October 2019

- 7.3 The Conservators are also asked to note the updated Risk Register for 2018/19.

Ward(s) Affected: College Ward; Woodcote Ward;