

MID-YEAR BUDGET MONITORING

Head of Service / Contact: Brendan Bradley, Chief Accountant
Annexes (attached): Annex 1: Nonsuch Park Mid-year budget

Report summary

This report advises the Nonsuch Park Joint Management Committee of the mid-year financial position for 2018/19 and the forecast outturn

Recommendation

(1) That the Committee notes the mid-year financial position

1 Background

1.1 The budget for the current financial year was agreed at January 2018's meeting of the Joint Management Committee. This report sets out the mid-year position against the agreed budget, which is detailed at Annex 1.

2 Mid-Year Budget Monitoring

2.1 At the mid-year position, an adverse variance of £16,437 is forecast against the agreed net expenditure budget of £195,390. The adverse variance is due to the following reasons:

2.2 Maintenance expenditure is forecast to exceed the combined maintenance budgets by £37,853, partially offset by a £21,115 contribution from the repairs and renewals fund, as detailed in the separate Planned Maintenance agenda item.

2.3 Flat three at Nonsuch Mansion has still to generate an income and is unlikely to for the rest of this financial year, resulting in a £12,080 adverse variance. There is also the associated £1,636 council tax cost incurred for the unoccupied flat.

Nonsuch Park Joint Management Committee

29 October 2018

- 2.4 The service charge income from Bovingdons is forecast to be £4,000 under budget. This is mainly because the income accrued from Bovingdon's during 2017/18 exceeded the qualifying costs, which were only agreed following further discussions with Bovingdons Catering Ltd after the year-end.

The noteworthy favourable variances relate to:

- 2.5 An insurance claim pay out of £4,200 for the lead flashings that were stolen.
- 2.6 The £5,000 budget for any management charges incurred by Sutton BC to support any capital bids is forecast to remain unspent.
- 2.7 At London Road Lodge, an electricity and gas refund of £2,500 is expected now that actual meter readings have been supplied.
- 2.8 An extra £3,000 above budget on hire charges, relating to Military Fitness and Classic Events, neither of which are actively marketed.

3 Conclusion and Recommendations

- 3.1 The current forecast shows a £16,437 deficit against the agreed budget, which would reduce the working balance from £155,956 to £139,519 at year-end. The working balance is an essential reserve for the JMC to be able to meet any unbudgeted or unforeseen expenditure items.
- 3.2 Nonsuch Park Joint Management Committee are asked to note this mid-year monitoring position.

Ward(s) affected: Nonsuch Ward; (EEBC)