

Nonsuch Park Joint Management Committee
(24th June 2019)

NJMC FINAL ACCOUNTS 2018-19

Head of Service / Contact: Brendan Bradley, Chief Accountant

Annexes/Appendices (attached): Annexe 1

Other available papers (not attached):

Report summary

This item presents the Joint Management Committee's final accounts for the financial year 2018/19

Recommendation (s)

(1) That the final accounts for 2018/19 be received

1 Background

1.1 The final revenue account for the year ended 31 March 2019 is attached at Annexe 1, showing income and expenditure against budget. The financial position at 31 March 2019 is shown at Annexe 2.

2 Revenue Account for 2018/19

2.1 Overall there was a net deficit of £54,570 on the revenue account for 2018/19, which is in line with the forecast position reported at Q3. The following paragraphs detail the key variances that make up the net deficit.

2.2 Gross expenditure was £49,180 above budget due to:

2.2.1 Urgent pothole repairs that could lead to liability claims if not rectified created a £26,370 overspend, as reported in February 2019.

2.2.2 A £38,380 overspend occurred on other building and maintenance budgets, as detailed in the Planned Maintenance report presented to Committee in October 2018.

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- 2.2.3 Unbudgeted legal fees of £5,150 for agreeing a new lease with Bovingdons for the Mansion House's first floor. These costs are unavoidable if a lease is to be signed.
- 2.2.4 Council Tax payable at vacant Flat Three of £1,640.
- 2.2.5 Underspends occurred on utilities totalling £9,620, following rebates received after actual meter readings were taken following a period of billing based on estimated readings, including at London Road Lodge.
- 2.2.6 Other notable underspends included the £5,000 provision, management charges should a bid for capital funds materialise, remained unused. This provision has been lowered to £3,000 in the 2019-20 budget.
- 2.2.7 Purchases of plants were £3,580 under budget and operational equipment and tools were £1,870 under budget. The nature of this spend means that in some years these budgets can be used and in other years they may not be required.
- 2.3 Income was £8,800 below budget principally due to the ongoing £12,080 shortfall on rental income from the vacant Mansion House flat.
- 2.4 Countering this shortfall was a £4,200 favourable variance on an insurance pay-out regarding the stolen lead flashings.

3 Nonsuch Reserves

- 3.1 At 31 March 2019, the Repair and Renewals fund holds a balance of £28,900 following interest and a budgeted contribution of £7,000.
- 3.2 The working balance now stands at £101,390 following a contribution to the revenue account to cover the 2018/19 deficit of £54,570.

4 Conclusion

- 4.1 The deficit seen in 2018/19, if regularly repeated, would not be sustainable over the longer term. The deficit was mainly due to one-off factors as identified in section 2 and the JMC has set a balanced budget for 2019/20.
- 4.2 A 2019/20 budget monitoring report will be prepared for the JMC later in the financial year.
- 4.3 The reserves now total £130,000 (compared to £178,000 at 31 March 2018) and are required principally to cover any material one-off expenses such as unforeseen repairs and maintenance, or other annual variances against the revenue budget. The reserves can also assist with funding applications for grants.