

## **NJMC BUDGET MONITORING REPORT**

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**Annexes/Appendices (attached):** Annex 1: Nonsuch Park Mid-Year Budget

**Other available papers (not attached):** None

### **Report summary**

This report advises the Nonsuch Park Joint Management Committee of the mid-year financial position for 2019/20 and the forecast outturn.

### **Recommendation (s)**

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

## **1 Background**

1.1 The budget for the current financial year was agreed at February 2019's meeting of the Joint Management Committee. This report sets out the mid-year position against the agreed budget, which is detailed in Annex 1.

## **2 Mid-Year Budget Monitoring**

2.1 At the mid-year position, a small favourable variance of £305 is forecast against the agreed net expenditure budget of £202,800. Although the overall forecast is close to budget, there are a number of compensating budget variances, which are set-out in the following paragraphs:

2.1.1 Following a competitive tendering exercise, the new maintenance contract is expected to exceed the budget by £6,470, however a virement will be processed to cover the additional cost from a compensating underspend on the planned maintenance budget, as set-out in the planned maintenance report on this agenda.

2.1.2 Asbestos works at London Road Lodge pushed the spend over budget by £4,810 as there were many associated works involved such as the removal of the porch ceiling, repairs to the artex ceilings and the decontamination of the area.

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2.1.3 Council Tax at London Road Lodge is now at full price as it has been vacant for so long, creating a £1,495 overspend.

2.1.4 The rent review at Bovingdons will achieve £1,750 additional income than budgeted. This includes a £1,000 annual fee for boiler maintenance and £5,000pa for the coffee shop lease (starting in Q4). A further £1,295 backdated income has been received from Bovingdons regarding the lease of the flats.

2.1.5 The £3,000 budget for any management charges incurred by LB Sutton to support any capital bids is forecast to remain unspent this year.

### 3 Risk Assessment

3.1 The main risks that the JMC manages are:

- Funding for repairs and maintenance, particularly at buildings and for potholes on roads
- Vacant properties / loss of rent
- Lack of resource to fund management plan

3.2 The JMC mitigates these risks through the monitoring of buildings and roads by officers, and by managing relationships with tenants. The JMC also holds a working balance and a repairs and renewals reserve, which can be used to fund one-off, unexpected budget variances.

### 4 Conclusion and Recommendations

4.1 A favourable variance of £305 would marginally increase the working balance reserve to £101,690 at year-end. The repairs and renewals reserve is forecast to increase from £29,000 to £36,260, as the 2019/20 budget includes a £7,260 contribution into this reserve.

4.2 Nonsuch Park Joint Management Committee are asked to note this mid-year monitoring position.

4.3 An updated 2019/20 forecast and draft 2020/21 budget will be presented to the JMC in January 2020.

**Wards affected:** Nonsuch Ward (EEBC);