

Epsom and Walton Downs Conservators

27 January 2020

BUDGET 2020/21

Head of Service/Contact: Lee Duffy, Treasurer to the Conservators
Annexes/Appendices (attached): Annex 1 – Recommended Budget for 2020/21

Other available papers (not attached):

Report summary

This report seeks approval for the 2020/21 budget and the recommended precepts on the constituent bodies. Conservators are also asked to consider the budget savings options set-out in the report.

Recommendation (s)

That the Conservators:

- (1) Note the latest income and expenditure position for 2019/20**
- (2) Agree the recommended budget for 2020/21 as set out in Annex 1 to this report, with a request for a 7.7% increase in precepts from constituent bodies as follows:**
 - **Epsom and Ewell Borough Council: £263,118**
 - **Epsom Downs Racecourse: £131,559**
 - **Epsom and Walton Downs Training Board: £43,853**
- (3) Consider the savings options at paragraph 3.6 and advise whether any options should be taken forward by officers for further review.**
- (4) Should any of the savings options be supported, to delegate authority to the Treasurer to agree the final budget and precept for 2020/21.**

1 Background

- 1.1 As a basis for agreeing a budget and contribution levels for 2020/21, this report provides:

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- 1.1.1 A forecast of income and expenditure for 2019/20
- 1.1.2 A recommended budget for 2020/21 at Annexe 1
- 1.1.3 Savings options for the Conservators to consider, which could reduce future annual precepts.

2 Revised Forecast for 2019/20

- 2.1 The Conservators received a mid-year monitoring report at the meeting on 28th October 2019. A detailed update of forecast income and expenditure for 2019/20 is included in **Annex 1**.
- 2.2 Net expenditure for 2019/20 is now forecast at £410,582, which would result in a small overspend of £3,322 against the budget of £407,260. This represents a £6,221 reduction in forecast expenditure compared to October 2019, principally because the EAFRD grant funding bid has unfortunately been unsuccessful.
- 2.3 The working balance stood at £66,224 at 31 March 2019. The latest forecast of the working balance at 31 March 2020 is £62,902.

3 Budget Estimates 2020/21

- 3.1 The recommended budget estimates for 2020/21 are attached at Annex 1. An initial draft budget had been presented to Conservators at the October meeting, however, the recommended budget at Annex 1 has been updated to reflect proposed charges that were presented to the subsequent Conservators workshop in November 2019.
- 3.2 The workshop involved a review of all costs, including the time and cost of Council officers undertaking both strategic and operational tasks for EWDC. Support costs were assessed – including transport, insurance, contract payments, maintaining the conveniences – to compare the services and goods provided to the actual recharges made, with any discrepancies highlighted. The main variances identified were:
 - The salaries cost of downskeepers
 - Operational management costs
 - Central management costs such as legal and finance
 - Cost of providing project or ad hoc work
 - Cost of cleaning and maintaining the downskeepers' hut.

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- 3.3 The workshop formed the basis to develop a Service Level Agreement/specification which will be reported to a future meeting of the Conservators.
- 3.4 The recommended budget for 2020/21 addresses the variances identified at the workshop and is summarised below:

Budget Summary 2020/21	£'000
Grounds Maintenance	56
Keepers Hut	11
Central and staffing expenses	353
Derby Travellers Caravan Site	6
Tottenham Corner Conveniences	23
Miscellaneous Income	-10
Net Expenditure	439
Contribution from EEBC/EDR/TB	-439
Budget Surplus	0

- 3.5 Net expenditure for 2020/21 is estimated at £438,530; this is £31,270 (7.7%) higher than the current year's budget.
- 3.6 Should the Conservators wish to consider alternative means of reducing the level of precepts in future, the following options are listed for consideration:
- 3.6.1 **Option A – Remove budget for project work.** The recommended budget for 2020/21 includes a sum of £4,200 for ad-hoc project work, which provides a resource for service improvements. Removing this budget could save £4,200 per annum in the short term. However, there is a risk that should the Conservators wish to reapply for EAFRD funding or undertake other project work, funding would have to be identified from reserves or future budgets.
- 3.6.2 **Option B – A review of fees and charges.** There is scope to review fees and charges to increase income from events on the Downs. However, there is a risk that should fees and charges be increased by too much, some events may not continue to be held on the Downs, with an adverse impact on overall income levels. Currently, the Conservators generate circa £6,000 per annum from hire charges on the Downs.
- 3.6.3 **Option C – Downskeepers' Hut.** Undertake a review on the increased cost of cleaning and maintenance of the Hut, as a result of changes to contracts. The current cleaning and maintenance contract costs £6,060 per annum.
- 3.7 Conservators are asked to consider the above savings options and advise whether any options should be taken forward by officers for further review.

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4 Repairs and Renewals Fund

- 4.1 The repairs and renewals fund balance was £36,001 as at 31 March 2019. The budget for 2020/21 allows for a contribution of £2,000 into this reserve, which is prudent given the potential need for future repairs to car parks.

5 Financial and Manpower Implications

- 5.1 **Chief Finance Officer's comments:** All financial implications are reflected in the body of this report.

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

- 6.1 There are no legal implications arising from this report.
- 6.2 **Monitoring Officer's comments:** None for the purposes of this report.

7 Risk Assessment

- 7.1 The estimated working balance of £62,902 for 2020/21 is approximately 14% of net expenditure which, along with the R&R fund, provide cover for unforeseen expenditure. Further withdrawals from the working balance will need to be carefully assessed to ensure sufficient funds are available and provide a stable level of contribution.

8 Conclusion and Recommendations

- 8.1 The Conservators are asked to note the latest income and expenditure position.
- 8.2 The Conservators are asked to agree the recommended budget for 2020/21 as set out in Annex 1 to this report, with a request for 7.7% increase in precept from constituent bodies as follows:
- Epsom and Ewell Borough Council: £263,118
 - Epsom Downs Racecourse: £131,559
 - Epsom and Walton Downs Training Board: £43,853
- 8.3 The Conservators are asked to consider the above savings options and advise whether any options should be taken forward by officers for further review.
- 8.4 Should any of the savings options be supported, to delegate authority to the Treasurer to agree the final budget and precept for 2020/21.

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