

BUDGET 2020/21 - REVISED

Head of Service/Contact: Lee Duffy – Chief Finance Officer
Gillian McTaggart – Head of Policy,
Performance & Governance

Annexes/Appendices (attached): Annexe 1 – Budget Papers 2020/21

Other available papers (not attached):

Report summary

This report presents proposed savings options and seeks approval for the 2020/21 budget to be agreed as discussed at the previous meeting on 27 January 2020.

Recommendation (s)

- (1) To consider and agree the proposed savings options A, B and C for 2020/21, as set-out in section 2.1 of this report and then agree the recommended budget for 2020/21 as set out in Annex 1 to this report, with a request for a 3.95% increase in precepts from the constituent bodies as follows:**
 - Epsom & Ewell Borough Council: £254,030**
 - Epsom Downs Racecourse: £127,020**
 - Epsom and Walton Downs Training Board: £42,340**
- (2) Should either of savings options A, B or C at recommendation (1) not be approved, to advise which savings options for 2020/21 should be incorporated into the budget and to delegate authority to the Treasurer to agree a final budget and precept for 2020/21.**
- (3) For subsequent years to consider savings options D and E and advise whether they should be progressed further by officers.**

Epsom and Walton Downs Conservators

2 March 2020

1 Background

- 1.1 Workshops have been held to establish and develop a service level agreement/specification which will be reported to a future meeting of the Conservators.
- 1.2 The recommended budget estimates for 2020/21 were initially presented to Conservators on 27 January 2020 and required a 7.7% increase in precepts in order to maintain current service levels agreed at those workshops.
- 1.3 The recommended budget was not approved; instead the Conservators asked officers to return with a revised budget to limit precept increases to 4.0%, with the following savings options to be considered:
 - Removal of the £4,200 budget provision for project work
 - A review of cleaning costs at the Downskeepers Hut
 - A review of fees and charges
 - A review of Tattenham Corner Conveniences.

2 Proposals

- 2.1 The budget proposal has been revisited and a number of options have been given as outlined below both for 2020/21, and future years;
 - 2.1.1 **Option A – Remove budget for project work.** The current budget for project work is £4,200 to provide for any bids, legal work etc, that the Conservators may require. The risk of removing this budget is that it would limit any further work and should the revised EAFRD bid be successful, additional funding will need to be identified. This budget provision could be reinstated in future years as projects are identified.

Potential saving £4,200 for 2020/21

- 2.1.2 **Option B – Review of costs of cleaning and maintenance of Downs keepers Hut.** As a result of changes to contracts the current cleaning, pest control and maintenance contract costs are £6,060 per annum. Removing the costs for cleaning could result in a saving of £3,940. The impact on this would mean that the Downskeepers would be responsible for the cleaning of this facility.

Potential saving £3,940 for 2020/21

Epsom and Walton Downs Conservators

2 March 2020

2.1.3 Option C – Reduction in the SLA/ Recharge. Upon review it is possible to reduce the number of hours for the operational management, supervision and grounds maintenance to produce a saving within the overall budget of £7,000. However the reduction in hours will mean limiting activities currently carried out under the SLA such as the level of tractor usage.

As part of this saving it is proposed that the process for events management be streamlined with a report coming to the Conservators for new events only and the Streetcare Manager administering the pre-approved events, that is, those events previously agreed and/or those that occur each year

In addition, it is recommended that the Conservators reduce the number of meetings held to reduce corporate management costs. There is potential to remove the April meeting from the schedule as no statutory items are reviewed.

Potential saving £7,000 in 2020/21 and further savings as identified in 2021/22

2.1.4 Option D – Close the Tattenham Corner conveniences. The current cost of operating the toilets is £22,560. The closure would result in one-off additional costs to secure and demolish them. Demolition costs would be in the region of £30,000. If the building remained and was not demolished, there would be on-going costs including business rates of £3,210 per year, as relief would only be given for the first 3 months after closure.

Beyond budgeted expenditure, recent condition surveys have identified the need for future maintenance on roofing, flooring, windows, sanitary ware and external decorations. This is estimated at £200,000 to £300,000 over the next 10 years.

There are a number of alternatives that can be costed should the Conservators request, such as alternative types and locations for a toilet facility.

The Conservators will need to consult with users and assess the impact of any proposals before approving a change to provision.

Potential saving £22,560 p.a. from 2021/22.

2.1.5 Option E – A review of fees and charges. The income achieved in 2019/20 was £8,000 and the proposed budget for 2019/20 is £9,600. There is scope to review the fees and charges to generate additional income but this would not be implementable within the 2020/21 financial year as the majority of events are already booked, but which could be considered prior to any future budget setting exercise.

Epsom and Walton Downs Conservators

2 March 2020

Potential additional income £0 in 2020/21, up to £5,000 from 2021/22

- 2.2 If the Conservators agree options A, B and C, this would result in a total saving of £15,140 from 2020/21, which would limit the increase in precepts for 2020/21 to 3.95%.
- 2.3 The recommended budget in Annexe 1 is based on options A, B and C all being agreed, resulting in a 3.95% increase in precepts from the constituent bodies as follows:
- Epsom & Ewell Borough Council: £254,030
 - Epsom Downs Racecourse: £127,020
 - Epsom and Walton Downs Training Board: £42,340

3 Financial and Manpower Implications

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

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

- 4.1 There are no legal implications for the purposes of this report.
- 4.2 Should the Conservators agree to consider the closure of the toilets work would need to be undertaken in terms of impact assessment before a final decision could be made.
- 4.3 **Monitoring Officer's comments:** none for the purposes of this report.

5 Risk Assessment

- 5.1 There are a number risks as set out in the proposed savings options.
- 5.2 The estimated working balance for 2020/21 is £62,902, which represents approximately 14% of net expenditure. Along with the Repairs and Renewals Fund (estimated balance £41,000 at 31 March 2019), these balances 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.

6 Conclusion and Recommendations

- 6.1 Conservators are asked to consider this report, advise on the savings options and agree the 2020/21 budget, as set out in the recommendations.

Epsom and Walton Downs Conservators
2 March 2020

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