

BUDGET 2016/17

Report of the: Treasurer to the Conservators
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Annexes/Appendices (attached):
Other available papers (not attached): Annexe 1 - Detailed Estimates for 2016/17

REPORT SUMMARY

This report seeks approval to the 2016/17 budget and to the amounts to be recovered from the constituent bodies.

RECOMMENDATION (S)

Notes

That the budget for 2016/17 be agreed as set out in Annexe 1 to this report, with a request for a 4% increase in precept from the constituent bodies as follows:-

- **Epsom and Ewell Borough Council: £222,770**
- **Epsom Downs Racecourse: £111,380**
- **Epsom & Walton Downs Training Board: £37,130**

1 Background

1.1 As a basis for agreeing a budget and contribution levels for 2016/17, this report provides:-

- A latest forecast of income and expenditure in 2015/16
- Estimates for 2016/17

2 Revised Forecast for 2015/16

2.1 The Conservators received a mid-year monitoring report at the meeting in October 2015. A detailed update of forecast income and expenditure for 2015/16 is included in Annexe 1.

2.2 The latest forecast for the current financial year anticipates net expenditure of £372,723 compared to the original budget of £377,680.

2.3 The main reason for this difference is the Increase on the hire charges for extra filming and a decrease on the ground maintained charges.

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- 2.4 Additional expenditure has also been incurred on the maintenance, repair and cleaning and the spot hire for vehicles.
- 2.5 There is a forecast £15,723 use of the working balance.
- 2.6 The working balance stood at £64,233 at 31 March 2015. The latest forecast of the working balance at 31 March 2016 will be £48,501.

3 Estimates for 2016/17

- 3.1 The detailed estimates for 2016/17 are attached at Annexe 1. The estimates have been prepared using the guidelines provided at the last meeting.
- 3.2 The budget position for 2016/17 detailed at Annexe 1 is summarised below:-

	£000
Grounds Maintenance	59
Keepers Hut	5
Staffing and central expenses	301
Derby Gypsy Caravan Site	6
Tattenham Corner Conveniences	19
Miscellaneous Income	(17)
Net Expenditure	373
Contributions from EEBC/EDR/TB	(371)
Budget Deficit	2

Net Expenditure

- 3.3 Net expenditure is estimated at £373,010 is £4,670 less than the current year's original budget.

- 3.4 Specific points to note are set out below:-

- 3.4.1 Estimates reflect the increased pension contributions arising from the decision by Surrey County Council to disaggregate the Small Bodies Pension Pool. The cost for 2016/17 is being met from an increase in the precept contributions.

Contributions

- 3.5 As agreed at the last meeting, a 4% increase in contributions is proposed.

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- 3.6 For the purpose of comparison, price inflation at November 2015 was 0.1% (consumer price index).
- 3.7 The increase in contributions will generate £14,280 next year.
- 3.8 Variations in income can be calculated at £3,570 for each 1% increase or decrease in contribution levels.

Working Balance

- 3.9 The working balance as at 31 March 2015 was £64,223 the estimated working balance at 31 March 2017 is £44,053.
- 3.10 There is a forecast use of working balances for 2016/17 of £1,730.

4 Repairs and Renewals Fund

- 4.1 The repairs and renewals fund balance was £31,262 as at 31 March 2015.
- 4.2 The budget for 2016/17 allows for a contribution into this reserve of £1,500.

5 Risk Assessment

- 5.1 The working balance is approximately 12% of net expenditure which provides financial cover for unforeseen costs. Further withdrawals from the working balance will need to be carefully assessed to ensure sufficient funds are available to cover future unforeseen increases.
- 5.2 The overall risk assessment schedule was considered at the last meeting.

6 Conclusions and Proposal

- 6.1 The draft estimates have been based on a 4% increase in contributions which was supported by the Conservators in principle at the last meeting.
- 6.2 It is proposed that:-
 - 6.2.1 The budget for 2016/17 is approved as set out in the detailed estimates attached at Annexe 1.
 - 6.2.2 Total contributions of £371,280 are approved and allocated 60% to the Borough Council, 30% to the Racecourse and 10% to the Training Board.