

## MID-YEAR BUDGET MONITORING

**Head of Service:** Lee Duffy, Chief Finance Officer  
**Wards affected:** Nonsuch Ward;  
**Appendices (attached):**

### Summary

This report advises the Nonsuch Park Joint Management Committee of the mid-year financial position for 2020/21 and the forecast outturn.

### Recommendation (s)

#### The Committee is asked to:

- (1) **Note the mid-year financial position**

## 1 Reason for Recommendation

- 1.1 To make the JMC aware of the mid-year financial position for 2020/21 and the forecast outturn.

## 2 Background

- 2.1 The budget for the current financial year was agreed at February 2020's meeting of the Joint Management Committee. This report sets out the mid-year position against the agreed budget, which is detailed at Annex 1 in the standard JMC accounts format.

## 3 Mid-Year Budget Monitoring

- 3.1 At the mid-year position, a deficit variance of £11,737 is forecast against the agreed net expenditure budget of £206,860. This is due to the following reasons:
  - 3.1.1 The maintenance of grounds is expected to exceed the budget by £6,648. This is principally due to the £7,448 order being placed for replacement litter bins, as agreed by the JMC on 22 June 2020. This expenditure on replacement litter bins will be funded by the repairs & renewals fund. There has also been £1,323 unbudgeted spend on fencing strainers, which were essential to complete the pinetum fencing project. However, this is covered by the donation of £2,937 (within Miscellaneous income) from Nonsuch Voles.

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- 3.1.2 Council Tax for London Road Lodge is now at full price as it has been vacant for so long, creating a £3,053 overspend. Should the lodge remain vacant, this overspend will be addressed in the 2021/22 budget setting process.
- 3.1.3 Commercial tenanted property insurance has increased from London Borough of Sutton, creating a £4,424 overspend. Officers are investigating the reason for this increase and whether it can be recharged to the tenants.
- 3.1.4 The majority of Building and M&E maintenance works are expected to be completed within budget. However, after receiving tenders for the windows replacement project at Mansion House, costs were substantially higher than budgeted. As such, it is expected that the project will be postponed to next year, with the £30k budget set aside in the repairs and renewals fund to help fund the project in 2021/22. The updated cost of the windows replacement including timber repairs will be approximately £78k, which will be set out in the next Property Maintenance Update report to the JMC, due in January 2021.
- 3.1.5 Nursery Lodge and Bovingdons are open for business and the JMC expects to receive all income that has been budgeted for this year.
- 3.1.6 Due to COVID-19, the £2,000 budgeted filming income is forecast to be zero. It is also unlikely that the £8,000 budgeted hire charges will be achieved in full, the current forecast is for only £368 to be received.

## 4 Risk Assessment

Legal or other duties

### 4.1 Impact Assessment

### 4.2 The principal risks that the JMC manages are as follows:

4.2.1 Funding for repairs and maintenance, particularly at buildings and for potholes on roads.

4.2.2 Vacant properties / loss of rent

4.2.3 Lack of resource to fund management plan

4.3 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.

### 4.4 Crime & Disorder

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4.4.1 None

4.5 Safeguarding

4.5.1 None

4.6 Dependencies

4.6.1 None

4.7 Other

4.7.1 None

### 5 Financial Implications

5.1 **Section 151 Officer's comments:** Financial implications are set-out in the body of the report.

### 6 Legal Implications

6.1 There are no specific legal implications arising from the contents of this report.

6.2 **Monitoring Officer's comments:** None arising from the contents of this report.

### 7 Policies, Plans & Partnerships

7.1 **Council's Key Priorities:** The following Key Priorities are engaged:

7.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

7.3 **Climate & Environmental Impact of recommendations:** None.

7.4 **Sustainability Policy & Community Safety Implications:** None.

7.5 **Partnerships:** Both London Borough of Sutton and Epsom & Ewell Borough Council are represented by Members on the Joint Management committee.

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## **8 Conclusion and Recommendations**

- 8.1 A deficit variance of £11,737 would decrease the working balance reserve to £73,564 at year-end. The working balance is an essential reserve for the JMC to be able to meet any unbudgeted or unforeseen expenditure items. The repairs and renewals reserve is forecast to increase from £36,400 to £66,210, principally due to £30,000 being set-aside into the reserve, from 2020/21's maintenance budget to fund the Mansion House windows replacement project next year. The 2020/21 base budget includes a £7,260 contribution into this reserve, although this will be used to fund the £7,450 cost of the replacement of litter bins.
- 8.2 Nonsuch Park Joint Management Committee are asked to note this mid-year monitoring position.
- 8.3 An updated 2020/21 forecast and draft 2021/22 budget will be presented to the JMC in January 2021.

## **9 Background papers**

- 9.1 The documents referred to in compiling this report are as follows:
  - NJMC Budget Monitoring Report Annex 1