

NONSUCH PARK JOINT MANAGEMENT COMMITTEE FINAL ACCOUNTS 2021-22

Head of Service:	Brendan Bradley, Head of Finance
Wards affected:	Nonsuch Ward;
Appendices (attached):	Appendix 1 – Final 2021/22 Revenue Account Appendix 2 – Financial Position at 31 March 2022

Summary

This item presents the Joint Management Committee's final accounts for the financial year 2021/22.

Recommendation (s)

The Committee is asked to:

- (1) Receive the final accounts for 2021/22

1 Background

- 1.1 This report presents the final accounts for the year ended 31 March 2022.

2 Revenue Account for 2021/22

- 2.1 The final revenue account for year ended 31 March 2022 is attached at Appendix 1, which shows income and expenditure against budget. The financial position at 31 March 2022 is shown at Appendix 2.
- 2.2 Overall, there was a net deficit of £4,440 on the revenue account for 2021/22, **after** the application of £23,100 funding from the Repairs and Renewals Fund to meet increased maintenance expenditure.
- 2.3 Gross expenditure was £22,370 above budget, mainly due to:
 - 2.3.1 Total expenditure on the Mansion House windows replacement project was finalised at £97,820, £17,820 over the £80,000 budget. The increased expenditure is mainly due to additional scaffolding required to bridge over the café marquee roof to repair the high level dangerous render, and necessary ornamental stonework repairs. As reported to the JMC in January 2022, this excess will be funded from the repairs and renewals fund.

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- 2.3.2 Mansion House engineer and fabric maintenance costs are nearly £5,000 over budget. This is due to additional maintenance work and costs increasing with inflation. Going forward, it is expected that costs will continue to increase due to inflation, therefore, for 2022/23's budget (which has already been set), any excess expenditure will need to be met by the £79,400 building maintenance budget. Longer term, the engineer and fabric budget will need to be addressed as part of 2023/24 budget setting.
- 2.3.3 Council tax for London Road Lodge is £5,880 over budget, as the prospective tenant's planning application remains pending. Until the letting is complete, the JMC retains liability for council tax.
- 2.3.4 Roads maintenance exceeded the budget by £5,280 due to more essential pot hole works. The excess will be funded from the repairs and renewals fund.
- 2.3.5 Cleaning costs for the estate exceeded the budget by £7,200. The frequency of cleaning had increased in public toilets, to ensure they remain a suitable standard. Officers are looking into whether either the cleaning frequency can be reduced going forward to ensure 2022/23 costs are contained within budget, or whether additional costs can be shared with Bovingdons instead.
- 2.3.6 At Mansion House, electricity and gas were a combined £5,800 over budget, although 59% of these costs are rechargeable to Bovingdons as part of the property lease. Utility costs will continue to be closely monitored, especially in the context of global energy price increases, and future budgets will need address any permanent increases accordingly.
- 2.4 Gross income was £17,930 higher than expected at £225,500 against a budget of £207,580, primarily due to:
 - 2.4.1 The JMC received all budgeted income for this year from Nursery Lodge and Bovingdons, with service charge income and cost recoveries exceeding the budgets by £17,080.
 - 2.4.2 Memorial income has overachieved the budget by £6,250, following an unusually high demand for memorial benches.
 - 2.4.3 Of the £9,180 income budget for Mansion House flat 3, only £5,473 was achieved, as the flat was let-out part way through the year, but a full year's rental income had been budgeted. No filming income was generated in the year, resulting in a further shortfall of £2,000 compared to budget.
- 2.5 The overall deficit of £4,440 is proposed to be met by a contribution from the Working Balance Reserve.

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3 Nonsuch Reserves

- 3.1 At 31 March 2021, the Repair and Renewals fund held a balance of £37,200. This balance has decreased to £14,100 at 31 March 2022, after funding the additional building and roads maintenance costs of £23,100 in 2021/22.
- 3.2 At 31 March 2021, the Working Balance Reserve held a balance of £83,620. This balance has decreased to £79,180 following a contribution to cover the remaining 2021/22 deficit of £4,440.

4 Risk Assessment

Legal or other duties

4.1 Equality Impact Assessment

4.1.1 None arising from the contents of this report.

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 Properties becoming vacant, with the associated loss of rent and exposure to council tax.

4.2.3 Lack of resource to fund management plan

4.2.4 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.

4.3 Crime & Disorder

4.3.1 None arising from the contents of this report.

4.4 Safeguarding

4.4.1 None arising from the contents of this report.

4.5 Dependencies

4.5.1 None arising from the contents of this report.

4.6 Other

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4.6.1 None arising from the contents of this report.

5 Financial Implications

- 5.1 Financial implications are set-out in the body of the report.
- 5.2 **Section 151 Officer's comments:** 2021/22 saw maintenance expenditure on roads and buildings exceed the agreed budgets, as explained in the report. This increased expenditure has placed substantial pressure on the Repairs and Renewals Fund in particular, which now holds a balance of just £14,100. To mitigate this, the 2022/23 budget includes an annual contribution of £7,260 back into the reserve, however, for this contribution to be realised, maintenance spend will need to be contained within agreed budgets going forward.
- 5.3 When London Road Lodge is let, a proportion of the income generated may need to be reinvested back into the park maintenance and utility budgets, to ensure they remain sufficient to meet future service needs.
- 5.4 Budgets will continue to be closely monitored; the next finance update is due to be reported to the JMC in October 2022.

6 Legal Implications

- 6.1 There are no legal implications arising from this report.
- 6.2 **Legal 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: Effective Council, Green & Vibrant.
- 7.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 7.3 **Climate & Environmental Impact of recommendations:** None arising from the contents of this report.
- 7.4 **Sustainability Policy & Community Safety Implications:** None arising from the contents of this report.
- 7.5 **Partnerships:** London Borough of Sutton and Epsom and Ewell Borough Council have shared responsibility for managing Nonsuch Park.

8 Background papers

- 8.1 The documents referred to in compiling this report are as follows:

Previous reports:

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- NJMC Finance Report and Budget 2022/23 – 24 January 2022

Other papers:

- NJMC Final Accounts 2021-22 Appendix 1
- NJMC Final Accounts 2021-22 Appendix 2