

Nonsuch Park Joint Management Committee  
19 June 2023

## **FINAL ACCOUNTS 2022-23**

<b>Head of Service:</b>	Brendan Bradley, Head of Finance
<b>Wards affected:</b>	Nonsuch Ward;
<b>Appendices (attached):</b>	Appendix 1 – Final 2022/23 Revenue Account Appendix 2 – Financial Position at 31 March

### **Summary**

This item presents the Joint Management Committee's final accounts for financial year 2022/23.

### **Recommendation (s)**

#### **The Committee is asked to:**

- (1) Receive the final accounts for 2022/23**

## **1 Background**

- 1.1 This report presents the final accounts for the year ended 31 March 2023.

## **2 Revenue Account for 2022/23**

- 2.1 The final revenue account is attached at Appendix 1, which shows income and expenditure against budget. The balance sheet, which shows assets, liabilities and reserves at 31 March 2023 is shown at Appendix 2.
- 2.2 Overall, there was a net deficit of £13,460 on the revenue account at year end, which was mainly due to the following factors:
- 2.3 Gross expenditure was £24,299 above budget, mainly due to:
  - 2.3.1 Mansion House engineer and fabric maintenance costs are nearly £8,000 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. For 2023/24, any excess expenditure will need to be met by the agreed £84,160 building maintenance budget. The engineer and fabric maintenance budget was updated to reflect latest charges and will continue to be monitored.

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2.3.2 Council tax for London Road Lodge is £6,790 over budget as the prospective tenant's planning application took longer to conclude than expected, which extended the JMC's liability to the empty property council tax premium. Going forward, once the lease is agreed, council tax will no longer be the JMC's liability.

2.3.3 Property agency fees amounted to £5,830 for interim legal and letting fees, plus an additional £1,287 for lease drafting work. These one-off costs related to the prospective London Road Lodge letting.

2.3.4 At Mansion House, electricity and gas were a combined £9,300 over budget due to global energy price increases. To mitigate increased costs in 2023/24, the budgets for electricity and gas were broadly doubled. A recharge of 59% of increased utility costs will be passed on to Bovingdons as part of the property lease. Utility costs will continue to be closely monitored.

2.4 Gross income was £11,430 higher than budgeted at £231,530 against a budget of £220,100, primarily due to:

2.4.1 Hire charges exceeded the income budget of £8,250 by £2,000. A large part of this income was generated by the Town and Country Festival event last summer. There are two Town and Country Festival events scheduled to happen this summer, expected to generate c.£5,000 net income each.

2.4.2 A contribution of £1,500 was received from Friends of Nonsuch towards Nonsuch pathways maintenance.

2.5 The overall deficit of £13,460 will be met by a contribution from the Working Balance Reserve.

## 3 Nonsuch Reserves

3.1 At 31 March 2023, the Repair and Renewals fund held a balance of £14,101. This balance will increase by £7,642 to £21,744, following the budgeted contribution of £7,260 and interest received of £382.

3.2 At 31 March 2023, the Working Balance Reserve held a balance of £79,179. This balance will decrease to £65,719 following a contribution to cover the 2022/23 deficit of £13,460.

## 4 Risk Assessment

Legal or other duties

4.1 Equality Impact Assessment

4.1.1 None arising from the contents of this report.

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- 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
  - 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:** The JMC's budget for 2023/24, which was set in January 2023, addresses the adverse budget variances identified in this report. However, 2022/23's outturn has caused the working balance reserve to decrease by £13,460 to £65,719, thereby reducing the JMC's financial resilience.
- 5.3 When setting 2024/25's budget later this year, consideration will be given to how the working balance reserve can be replenished. For example, when London Road Lodge becomes income generating, a proportion of the income may need to be earmarked for this purpose to ensure the JMC's financial resilience is maintained.
- 5.4 Budgets will continue to be closely monitored; the next finance update is due to be reported to the JMC on 16th October 2023.

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### 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:**

- NJMC Finance Report and Budget 2023/24 – 27 January 2023

**Other papers:**

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