

MID-YEAR BUDGET MONITORING REPORT

Head of Service: Brendan Bradley, Head of Finance
Wards affected: Nonsuch Ward;
Appendices (attached): 1. NJMC Mid-year Budget monitor

Summary

This report advises the Nonsuch Park Joint Management Committee of the mid-year financial position for 2023/24 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 NJMC aware of the mid-year financial position for 2023/24 and the forecast outturn.

2 Background

- 2.1 The budget for the current financial year was agreed at 23rd January 2023's meeting of the Nonsuch Joint Management Committee. The budget is set out at Appendix 1 in the standard NJMC accounts format.

3 Mid-Year Budget Monitoring

- 3.1 At the mid-year position, the NJMC is forecast to come in on budget at year end over all. However within the forecast there are a number of compensating variances which are set out in the following paragraphs:
 - 3.1.1 Council tax and rent from London Road Lodge are £3,590 and £3,500 adverse variances respectively, as the lease is due to start later than originally anticipated. Once the lease commences, NJMC's liability for Council tax will cease and rental income will become due following the rent free period.

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- 3.1.2 Filming income is forecast at £90 which is the current income received to date and below the £2,000 budgeted target. This income stream is variable as it depends on demand from production companies. The budget is based on income achieved in previous years. Should opportunities arise to generate additional filming income, these will be explored as appropriate.
- 3.1.3 The contract cost for engineering and fabric maintenance works at Mansion House is forecast to be £1,957 higher than budget. Similarly, the contract cost for the cleaning is forecast to be £1,755 higher than budget. These variances are due to persistent elevated inflation pushing up maintenance costs and will have to be addressed in the 2024/25 budget.
- 3.1.4 The Old Boathouse occupancy licence income is lower than budgeted by £1,958 as the lease expired on 31st May 2023. The Council's property team is currently in discussions about next steps with the occupier.
- 3.1.5 These adverse variances are offset primarily by a higher than budgeted contribution from the Repairs and renewals reserve being an additional contribution of £9,480 as agreed at March's committee meeting to supplement the maintenance budget; in addition £7,568 has been subsequently agreed by the NJMC Chair to support works to the access road at London Road car park.

Maintenance Budgets Update

- 3.2 The cost of roads maintenance currently stands at £15,720 mainly due to increased pothole repairs required due to increased usage of the park. The budget is set at £19,120 and it is expected that the budget will be fully utilised over the winter months.
- 3.3 The museum roof and public toilets works have been completed with the aid of match funding from London Borough of Sutton of £44,000.
- 3.4 The installation of pigeon netting works have also been completed at a cost of £2,024, the budget being £5,000 and we managed to keep the cost down to £2,024 leaving a surplus of £2,976.

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- 3.5 The construction of a new access road at London Road car park is due to finish mid September. The approved budget was £25,000 however, this cost was not achievable due to economic pressures and the lowest quote available was £32,568. This has resulted in a budget deficit of £7,568 which it has been agreed after consultation with the NJMC Chair that this can be funded from the Repairs and Renewals Reserve.
- 3.6 Adhoc maintenance costs have been incurred for Mansion house amounting to £7,485 which has placed an additional pressure on the priority planned maintenance budget; in particular, maintenance to the public toilets.
- 3.7 The scheduled rendering works at Mansion House main building have not yet commenced. The required budget of £20,000 has been impacted by adhoc repairs of £7,485 and it has been decided to reassess the budget in the last quarter and if there is a favourable movement from the mid-year budget forecast, works will proceed. If not, these rendering works are expected to be top priority in the forthcoming financial year.
- 3.8 The pathway between Sparrow Farm car park and Nonsuch Mansion has been completed. These works were funded by Epsom and Ewell's Borough Council's CIL neighbourhood fund. The NJMC therefore did not fund these works itself.

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 NJMC 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 NJMC mitigates these risks through the monitoring of buildings and roads by officers, and by managing relationships with tenants. The NJMC also holds a working balance and a repairs and renewals reserve, which can be used to fund one-off, unexpected budget variances.

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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 The balance of the repairs and renewals reserve as at 31st March 2023 stood at £21,744. It is forecast that this balance will reduce at year end to £20,461. The NJMC also holds a working balance of £65,719 which is forecast to remain unchanged.

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

6 Legal Implications

6.1 None for the purposes of this report

6.2 **Legal Officer's comments:** None for the purposes of this report

7 Policies, Plans & Partnerships

7.1 **Council's Key Priorities:** The following Key Priorities are engaged: Green & Vibrant, Effective Council.

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:** None arising from the contents of this report.

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8 Background papers

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

Previous reports:

[NJMC Finance Update & 2023/4 Budget](#) – Monday 23rd January 2023

[Nonsuch Planned Maintenance Report and New Priority Works for 2023-24](#) – Monday 27th March 2023

[Nonsuch Final Accounts 2022-23](#) – Monday 19th June 2023

Other papers:

- None