

## MID-YEAR BUDGET MONITORING REPORT

<b>Head of Service:</b>	Brendan Bradley, Chief Finance Officer
<b>Report Author</b>	Mitra Hagh-Shenas, Accountant
<b>Wards affected:</b>	Nonsuch Ward;
<b>Urgent Decision?(yes/no)</b>	No
<b>If yes, reason urgent decision required:</b>	N/A
<b>Appendices (attached):</b>	1. NJMC Mid-Year Budget Monitoring 24/25

### Summary

This report advises the Nonsuch Park Joint Management Committee of the mid-year financial position for 2024/25 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 2024/25 and the forecast outturn.

### 2 Background

- 2.1 The budget for the current financial year was agreed at Nonsuch Joint Management Committee meeting on 25th March 2024. 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, a deficit variance of £2,790 is forecast against the agreed net expenditure budget of £222,000. Within the forecast there are a number of compensating variances, the main reasons for the forecast adverse variance are set out in the following paragraphs:

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- 3.1.1 Filming income is forecast at nil as no income has been received to date, compared to a budget target of £1,000. This income stream is variable as it depends on demand from production companies. Should opportunities arise to generate additional filming income, these will be explored as appropriate.
- 3.1.2 Mansion House and Café rent are reviewed every 5 years. The last review took place in June 2024 and rent for both Mansion House and cafe have increased. As a result, forecast income for 2024/25 is £137,204 which is £17,204 higher than the set income budget of £120,000.
- 3.1.3 Actual hiring income to date from events and fitness groups is £14,436. This figure includes two regular annual festivals and some ad hoc bookings. Based on the previous months' bookings, £3,000 more income is anticipated until the end of March 2025. The forecast is £17,436 against £10,700 budget, showing a favourable variance of £6,736.

The budget for Nonsuch Mansion House fuel is set at £1,760. The actual cost to date is amounting to £2,995 with a overspend of £1,240. The variance is due to the service of a fuel tank in Nonsuch and purchase of diesel to fill the tank.

## Maintenance Budgets Update

- 3.2 Building and maintenance budget for Nonsuch Grounds is set at £10,160. The forecast expenditure for the Grounds maintenance is £15,050 which is £4,890 higher than the budget, owing to the following:
  - 3.2.1 At Sparrow Farm Car Park, the flooded access road had to be repaired and a drain has been made to get rid of the excess rainwater. The work completed at a cost of £9,840.
  - 3.2.2 Other unplanned urgent ad hoc maintenance works in Nonsuch Grounds amounted to £5,210.
- 3.3 Building and maintenance budget for Nonsuch Mansion House is set at £90,160. This budget includes £60,000 for render repair to Mansion House, £30,000 for Mansion boundary wall and £160 budgeted for ad hoc maintenance. A total spend of £96,700 is forecast for Nonsuch Mansion House maintenance which is £6,540 higher than the budget.
  - 3.3.1 Render repairs to Mansion House started in August 2024 with the highest priority on the Nonsuch planned works for 24/25 due to concerns with loose high-level turrets and render. The budget is set at £60K and it is expected that the budget will be fully utilised for the project.

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3.3.2 Nonsuch Mansion House boundary wall restoration project is completed at a cost of £30,990. Project budget is set at £30,000 including £15,000 match funding from London Borough of Sutton. Overall cost of the restoration has been £990 higher than the set budget due to the unexpected issues with the high-level wall and structural engineer's fees. Due to the issue, two additional buttresses had to be built to support the wall.

3.3.3 The cost of the various repair and maintenance works completed in Mansion House amounts to £5,710 which is £5,550 higher than the set budget of £160.

3.4 Sparrow Farm Lodge's boiler has had to be replaced. The cost is estimated at approximately £4,000. Castlemaine Lodge boiler and piping system also had to be replaced with an estimated cost of £7,000. Both boilers were c.25 years old.

3.5 Members will receive a more comprehensive property maintenance update from the Senior Building Surveyor at the January committee.

## 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.

4.3 Crime & Disorder

4.3.1 None arising from the contents of this report.

4.4 Safeguarding

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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 2024 stood at £24,230. It is forecast that this balance will increase at year end to £27,230, following a budgeted contribution into the reserve of £3,000.

5.2 The NJMC also holds a working balance of £65,798 which is forecast to increase at year end to £66,008 owing to a budgeted contribution into the reserve of £3,000, partially offset by the forecast deficit of £2,790.

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

### 6 Legal Implications

6.1 **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.

### 8 Background papers

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

**Previous reports:**

- Finance Report and Budget 2024/25 - NJMC Committee. 25 March 2024.

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**Other papers:**

- None.