

## **NJMC FINANCE REPORT & BUDGET 2025/26**

<b>Head of Service:</b>	Kevin Hanlon, Interim Chief Finance Officer
<b>Report Author</b>	Mitra Hagh-Shenas
<b>Wards affected:</b>	Nonsuch Ward;
<b>Urgent Decision?</b>	No
<b>If yes, reason urgent decision required:</b>	N/A
<b>Appendices (attached):</b>	Appendix 1 -2024/25 Forecast and 2025/26 Proposed Budget

### **Summary**

This report provides a forecast for 2024/25 and seeks the Joint Management Committee's approval of both the 2025/26 budget and the recommended contributions to be sought from the constituent authorities.

### **Recommendation (s)**

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

- (1) Note the latest 2024/25 forecast position;**
- (2) Agree the revenue budget for 2025/26 as set out in Appendix 1;**
- (3) Agree to seek contributions of £114,330 from both Epsom and Ewell Borough Council and the London Borough of Sutton for the financial year 2025/26, as set-out in section 4.**

#### **1 Reason for Recommendation**

- 1.1 To make the JMC aware of the current financial position for 2024/25 and to agree a budget for 2025/26.

#### **2 Background**

- 2.1 This report provides the latest estimate of income and expenditure for the current financial year 2024/25 and a recommended budget for 2025/26.

#### **3 Forecast for 2024/25**

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- 3.1 The latest forecast of expenditure and income for the current year is shown at Appendix 1, which is the standard accounts format for NJMC.
- 3.2 The forecast at Q3 shows a surplus of £589. The main individual variances to note are as follows:
- 3.3 Adhoc Building Works – Overspend of £11,900 which is mainly due to replacement of boilers. Sparrow Farm Lodge’s boiler has been replaced at a cost of £2,400. The Castlemaine Lodge’s boiler and piping system also has to be replaced. The order has been placed for the replacement at a cost of £8,300. Both boilers were c.25 years old.
- 3.4 Demand for memorial benches in Nonsuch has increased, leading to an overspend of £1,380 against the budget. However, as a result of higher demand for memorial benches, there is a favourable income variance of £5,500.
- 3.5 Mansion House and Café rents are reviewed every 5 years. The last review took place in June 2024 which has resulted in increased rents for both Mansion House and café, with a favourable variance of £15,535.
- 3.6 Nursery Lodge rent has increased from £22,000 to £26,000 creating a favourable variance of £4,000.
- 3.7 Event and Fitness Group activity increased resulting in a favourable income variance of £6,350.
- 3.8 Donation units have been ordered for a total of £680 as a part of Grounds’ equipment.
- 3.9 The estimates for 2025/26 are also attached in Appendix 1.
- 3.10 A proposed 3% increase on 2024/25 contribution has been agreed by LB Sutton. This will increase the contribution to £114,330.
- 3.11 The proposed 2025/26 budget is detailed at Appendix 1 and summarised in the following table:

<b>2025/26 Budget</b>	<b>£,000</b>
Grounds	<b>135</b>
Mansion House	<b>181</b>
Staffing and General Expenses	<b>208</b>
Less: Rent and Other Income	<b>(295)</b>
Net Expenditure	<b>229</b>

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Contributions from LBS/EEBC	<b>229</b>
Budget Surplus/Deficit	<b>0</b>

- 3.12 The 2025/26 budget has been prepared using the following key assumptions:
- 3.13 General operational costs of maintaining and managing Nonsuch park have been increased with inflation where appropriate.
- 3.14 A budgeted contribution of £7,735 to the working balance reserve has been introduced in order to replenish this reserve. The working balance is used to finance small annual variances to budget, providing a crucial contingency for unforeseen, unavoidable expenditure.
- 3.15 The budgeted contribution for the Repairs and renewals reserve has been increased from £3,000 to £7,735 to replenish this reserve. The repairs and renewals balance is used to cover unforeseen maintenance expenditure.
- 3.16 The Tree Maintenance budget of £15,900 has not been increased for several years. To align to current costs, this budget has been updated to £20,000.
- 3.17 Dog-walking licence will be issued for commercial dog-walkers from April 2025. It is estimated that 15 licences at £200 per licence will be issued in 25/26 generating £3,000 income. There are some expenses associated with the dog-walking scheme. Each licence holder will receive armband and car sticker costing a total of £20 per licence. The remaining £180 per licence will be contributed towards the administration and enforcement of the scheme costs. The estimated income and expenses are included in the Appendix 1.
- 3.18 A property Update report is regularly brought to the Committee. This sets out the commercial aspects of NonSuch Park. Bovingdons rents have increased by PRI year on year reflecting a 33% (and the Patry Café) increase over five years which is very favourable considering the operating environment for a hospitality business. Mansion House is grade 2 listed and expensive to maintain hence the Bovingtons contract is VfM comparing to market.

#### **4 Contributions**

- 4.1 The budget estimates for next year show a balanced budget, factoring in contributions of £114,330 from each Council. These contributions are subject to confirmation by both Councils.

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### 5 Working Balance/Reserves

- 5.1 The NJMC's holds a working balance of £65,798 which is forecast to increase as at 31 March 2025 to £69,387 owing to a budgeted contribution into the reserve of £3,000 and a forecast surplus of £589.
- 5.2 The Repair and Renewals fund as at 31 March 2025 is forecast to increase from £24,230 to £27,230 following a budgeted contribution into the reserve of £3,000. This balance is used for small unavoidable maintenance expenditure.

### 6 Risk Assessment

Legal or other duties

- 6.1 Equality Impact Assessment
- 6.1.1 None arising from the contents of this report.
- 6.2 Crime & Disorder
- 6.2.1 None arising from the contents of this report.
- 6.3 Safeguarding
- 6.3.1 None arising from the contents of this report.
- 6.4 Dependencies
- 6.4.1 None arising from the contents of this report.
- 6.5 Other
- 6.5.1 None arising from the contents of this report.

### 7 Financial Implications

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

### 8 Legal Implications

- 8.1 **Legal Officer's comments:** None arising from the contents of this report.

### 9 Policies, Plans & Partnerships

- 9.1 **Council's Key Priorities:** The following Key Priorities are engaged: Green & Vibrant, Effective Council.
- 9.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

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9.3 **Climate & Environmental Impact of recommendations:** None arising from the contents of this report.

9.4 **Sustainability Policy & Community Safety Implications:** None arising from the contents of this report.

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

### 10 Background papers

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

#### **Previous reports:**

- Mid-Year Budget Monitoring Report - 14 October 2024
- Finance Report and Budget 2024/25 – NJMC Committee - 25 March 2024

#### **Other papers:**

- None