

**NONSUCH PARK JOINT MANAGEMENT COMMITTEE
21 NOVEMBER 2016**

MID YEAR BUDGET MONITORING REPORT

Report of the: Treasurer to the Joint Management Committee

Contact: Lee Duffy

Urgent Decision?(yes/no) No

If yes, reason urgent decision required:

Annexes/Appendices (attached): Annexe 1:- Mid-year budget monitoring statement

Other available papers (not attached): None stated

REPORT SUMMARY

This report advises the Nonsuch Park Joint Management Committee of the mid year financial position for 2016/17 and the forecast budget position for 2017/18.

RECOMMENDATIONS

Notes

That the Committee:-

- (1) Notes the mid-year financial position.**
- (2) Provides advice on the preparation of the budget for 2017/18.**

1 Background

- 1.1 The final accounts for 2015/16 were reported to the June meeting of the Joint Management Committee (JMC). The working balance at 31 March 2016 was £123,585. The repairs and renewals fund stood at £16,320.
- 1.2 The Committee's budget for 2016/17 was agreed in January 2016.
- 1.3 This report informs the Committee of the financial position at mid-year and the financial forecast for the JMC for next year.

2 Mid-Year Income and Expenditure

- 2.1 The attached monitoring statement shows income and expenditure at 5

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months (1 April 2016 to 31 August 2016) compared to the 2016/17 budget. Certain costs are recharged at the year end however the statement provides a forecast of the year end position taking this into account.

2.2 The Committee agreed as part of the 2016/17 Budget to:-

2.2.1 Provide £70,000 towards ongoing maintenance of properties in the park, this represents an increase of £10,000 on the previous years' budget funded from anticipated additional rental income from the refurbished Flat 3.

2.2.2 The budget assumes rent income from occupied staff properties the lease of the ground floor of the Mansion House and the rent from Nursery Lodge. It also assumes 9 months of rental income from the newly refurbished Flat 3.

2.3 The latest forecast suggests that net expenditure for the year will be less than budget by £4,000, this is principally due to a reduction in tree maintenance and fuel costs.

2.4 The additional rental income budgeted for Flat 3 is unlikely to be achieved for 2016/17 however this has been offset by increases from other income.

3 Possible Position in 2017/18

3.1 An indicative forecast has been prepared for 2017/18 on the following basis:-

3.1.1 The grounds and garden are maintained at current levels.

3.1.2 Provision has been made for on-going maintenance of properties in the park.

3.2 The indicative budget position for 2017/18 detailed at Annexe 1 is summarised below:-

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2017/18	£,000
Grounds Maintenance	96,470
Mansion House Maintenance	113,330
Staffing and central expenses	160,400
Less: Rent and other Income	(169,950)
Net Expenditure	200,250
Contributions from LBS/EEBC	(198,800)
Budget Deficit	1,450

3.4 It is emphasised that the figures used are provisional and have not yet been subject to finalised estimate calculations.

3.5 Based on this draft budget the forecast for the working balance is £126,611 at 31 March 2018.

4 Funding Position

4.1 Rental income has been incorporated within the forecast together with the revised service charge for Mansion House.

4.2 The budget does not include an increase in Borough contributions for next year. It is recognised that both Councils are under financial pressure due to government spending cuts including reductions in government grants.

4.3 Inflation is currently at 0.6% (July consumer price index) and 1.9% (July retail price index). The government inflation target is 2%.

4.4 The two Boroughs have agreed to ring-fence the receipt from the disposal of the London Road Lodge for future investment in the Park. This income is not reflected in the forecasts.

5 Financial and Manpower Implications

5.1 The indicative budget for the JMC assumes that contributions for both Epsom Borough Council and the London Borough of Sutton will be retained at the same level as 2016/17 with each Council contributing £99,400 next year.

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- 5.2 Neither Council has agreed contribution levels at this stage and will be consulted once the JMC have indicated their preferred funding level for 2017/18.

6 Recommendation

- 6.1 The JMC are asked to note the financial position at mid-year.
- 6.2 The Committee are also asked to provide guidance on Borough contribution levels for the next financial year, taking into account the financial forecast for 2017/18.