

MID-YEAR BUDGET MONITORING REPORT

<u>Report of the:</u>	Treasurer to the Conservators
<u>Contact:</u>	Richard Appiah-Ampofo
<u>Annexes/Appendices</u> (attached):	Annexe 1 – Mid-year monitoring 2017/18 Annexe 2 – Risk Register 2017/18
<u>Other available papers</u> (not attached):	None

REPORT SUMMARY

This report advises the Conservators of the latest income and expenditure in 2017/18 as at 31 August 2017 and seeks guidance on the preparation of the budget and precept for 2018/19. It also provides an updated Risk Register for 2017/18.

RECOMMENDATION (S)

- (1) That the Conservators note the mid-year income and expenditure position as at 31 August 2017.**
- (2) That the Conservators provide guidance on the preparation of the budget for 2018/19.**
- (3) Note the 2017/18 Risk Register for the Downs.**

1 Background

- 1.1 The Conservators budget for 2017/18 was agreed at the meeting in January 2017.
- 1.2 This report:
 - Informs the Conservators of income and expenditure at mid-year;
 - Provides the Conservators with the opportunity to give guidance on the preparation of the 2018/19 budget; and
 - Provides an updated Risk Register for the Downs for 2017/18

2 Mid-Year Income and Expenditure

- 2.1 The attached budget monitoring statement at **Annexe 1** shows income and expenditure at five months into the financial year (1 April 2017 to 31 August 2017) and provides a forecast of the outturn position for 2017/18.
- 2.2 Net expenditure is forecast at £384,081 compared to the budget of £380,080.
- 2.3 There is a forecast £4,271 use of the working balance.
- 2.4 The working balance stood at £52,816 at 31 March 2017. The latest forecast of the working balance at 31 March 2018 is £48,545.

3 Budget Estimates 2018/19

- 3.1 The final column of **Annexe 1** provides a forecast position for 2018/19. This has been prepared ahead of the Council finalising its service estimates and the figures are provisional.
- 3.2 The indicative budget position for 2018/19 is detailed line by line in **Annexe 1**, the main changes from 2017/18 are:
 - 3.2.1 No anticipated other government grant income in 2018/19, (£11,100) so this income has been removed from the budget. As no applications are due to be made, the budget for Warren Woodlands improvement expenditure has also been removed (£11,100). This has a net nil effect on the net expenditure.
 - 3.2.2 An increase in the budget for VAT payments from £15,000 to £18,000 to reflect ongoing costs.
- 3.3 The forecast should provide a useful basis to:
 - Identify the main issues that should be addressed in the budget report in January 2018, and
 - Provide early consideration to the recommended precepts for 2018/19 and the options the Conservators would like to have included in the budget report.
- 3.4 The total provisional increase in the budget between 2017/18 and 2018/19 is £6,062. This would result in a total drawdown of £6,332 from the reserves should the current precept levels remain the same. The balance at the end of 2018/19 would therefore be estimated at £42,213
- 3.5 This leaves a decision in January 2018 on whether or not there should be an increased contribution to cover this amount across the three preceptors. A 2% increase in each preceptor's contribution would create a balanced budget with no budgeted drawdown from balances.

3.6 Inflation is currently at 2.7% (August 2017 consumer price index).

4 Financial and Manpower Implications

4.1 **Chief Finance Officer's comments:** Precept contributions totalling £379,810 in 2017/18 are being met by the Borough Council (60%), Epsom Racecourse (30%) and the Training Board (10%)

4.2 A 2% increase would provide additional contributions of £7,600 in 2018/19 being met by the Borough Council (+£4,560), Epsom Racecourse (+£2,280) and the Training Board (+£760)

4.3 The Repairs and Renewals Fund for vehicles and equipment stood at £35,860 as at 31 March 2017. This is forecast to be £30,860 as at 31 March 2018 following the approved repairs to the water main near the Downkeepers' Hut on Epsom Downs.

5 Legal Implications (including implications for matters relating to equality)

5.1 There are no legal implications arising from this report.

6 Risk Assessment

6.1 An updated Risk Register is attached at **Annexe 2**.

6.2 The forecast working balance of £48,545 for 2017/18 is considered adequate for the purpose of meeting unforeseen expenditure and providing a stable level of contribution.

7 Conclusion and Recommendations

7.1 The Conservators are requested to note the latest income and expenditure position.

7.2 The Conservators are asked to provide guidance on the preparation of the 2018/19 budget, including any options on precepts needed to maintain a balanced budget and any other options they would like covered in the budget report.

7.3 The Conservators are also asked to note the updated Risk Register for 2017/18.

WARD(S) AFFECTED: College Ward; Woodcote Ward;