

MID-YEAR BUDGET MONITORING

Report of the: Treasurer to the
Joint Management Committee

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Contact:

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Annexes/Appendices (attached):

Annexe 1: 2017/18 Q1 and Q2 Actuals and
Forecast

Other available papers (not
attached):

REPORT SUMMARY

This report advises the Nonsuch Park Joint Management Committee of the mid-year financial position for 2017/18 and the forecast outturn

RECOMMENDATION (S)

Notes

- (1) Notes the mid-year financial position, which forecasts a £9,152 deficit and takes action where necessary**
- (2) Notes the budget changes from June's meeting as input into the 2018/19 budget**

1 Background

- 1.1 The final accounts for 2016/17 were reported at June's meeting of the Joint Management Committee along with changes to the 2017/18 budget, to bring it more in line with trends in income and expenditure.
- 1.2 The 2017/18 budget, actuals and current forecast are detailed in annex 1.

2 Mid-Year Budget Monitoring

- 2.1 A deficit of nearly £9,152 is anticipated, against a revised budgeted surplus of £16,815, resulting in a £26k forecast overspend. Prior to June's budget changes, a smaller deficit of £1,300 had been expected.
- 2.2 This adverse £26k forecast variance to the revised budget is explained by the following factors:

- 2.2.1 £4k utility bills relating to 2016-17 that were not accrued for, resulting in a financial pressure for the current year; namely, a £1,800 electricity bill for the final quarter of 2016/17 and a £2,200 water bill for the period 7/11/16 to 22/5/17
- 2.2.2 Actuals and commitments for the purchase of memorials currently total £3,866 against memorial receipts of only £1,500.
- 2.2.3 £4,380 unbudgeted expenditure on surveyor's fees: £3,130 of which was for the Nonsuch Manor Heritage Assessment Report and £1,250 for London Road Lodge. The heritage assessment was to understand the purposes for which the manor could be used in adherence with its listed status. The London Road Lodge survey was to obtain a valuation for its disposal.
- 2.2.4 The commercial tenanted property insurance: this needs to be read in conjunction with the "insurance recovered" row. This cost is mostly recovered from Bovingdons Catering Ltd with the exception of flat one, as per the lease agreement, leaving a net cost to the JMC of £1,655.
- 2.2.5 The rent review at Nursery Lodge is due on 25th November 2017 and this will be raised to £14,750 for Q4 2017-18 and beyond.
- 2.2.6 The rental income from the flats will probably fall c.£9,500 short of budget as one flat remains vacant.
- 2.3 Bovingdons Catering Ltd have paid a £5,157 contribution towards structural repairs. It is recommended that this is allocated to the repair and renewals fund, in adherence with the lease agreement.

3 Conclusion and Recommendations

- 3.1 The current forecast shows a £9,152 deficit, however, there is some uncertainty at this stage. This is because a number of expenditure items can be unpredictable, for example, the level of memorial receipts.
- 3.2 Despite uncertainty around the forecast, the £15,000 surplus needed to support consultants for the HLF bid application seems unlikely to be achieved. The JMC should therefore consider taking mitigating action to reduce expenditure now. Otherwise, it should be anticipated that any such expenditure on consultants would have to be met from reserves.
- 3.3 It is recommended that the budget changes approved at June's meeting are provisionally retained to serve as input for setting the 2018/19 budget. As trends in income and expenditure become more apparent over the course of this year, the budget will be adjusted accordingly (with the exception of building maintenance budget at £76k which was agreed at a prior meeting and has works committed against it).

WARD(S) AFFECTED: Nonsuch Ward; (EEBC)