

BUDGET 2018/19

<u>Report of the:</u>	Treasurer to the Conservators
<u>Contact:</u>	Brendan Bradley, Richard Appiah-Ampofo
<u>Annexes/Appendices</u> (attached):	Annexe 1 – Detailed Estimates for 2018/19
<u>Other available papers</u> (not attached):	None

REPORT SUMMARY

This report seeks approval to the 2018/19 budget and to the amounts to be recovered from the constituent bodies.

RECOMMENDATION (S)

That the budget for 2018/19 be agreed as set out in Annexe 1 to this report, with a request for a 3.1% increase in precept from the constituent bodies as follows:-

- (1) Epsom and Ewell Borough Council: £234,960**
- (2) Epsom Downs Racecourse: £117,470**
- (3) Epsom & Walton Downs Training Board: £39,160**

1 Background

1.1 As a basis for agreeing a budget and contribution levels for 2018/19, this report provides:-

- A latest forecast of income and expenditure in 2017/18
- Estimates for 2018/19

2 Revised Forecast for 2017/18

2.1 The Conservators received a mid-year monitoring report at the meeting on 4 October 2017. A detailed update of forecast income and expenditure for 2017/18 is included in **Annexe 1**.

2.2 The latest forecast for the current financial year anticipates net expenditure of £383,127 compared to the original budget of £380,080.

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- 2.3 There is a forecast £3,317 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 £49,499.

3 Budget Estimates 2018/19

- 3.1 The detailed estimates for 2018/19 are attached at **Annexe 1**.
- 3.1.1 At the meeting on 4 October 2017, the Conservators agreed to support a 2.0% increase in precept contributions for 2018/19 in order to achieve a balanced budget.
- 3.1.2 However, a subsequent need has arisen to increase the budget further to reflect increased car park maintenance costs. The costs of sourcing the road planings required to maintain the car parks has increased by an estimated £3k and supply is limited. The increased budget is required to keep sufficient stock of the materials used to keep the car park in its current condition.
- 3.1.3 To meet this cost, a 3.1% increase in precepts is now proposed for 2018/19. This is in line with the latest CPI inflation figure for November 2017.
- 3.2 The budget position for 2018/19 detailed at **Annexe 1** is summarised below:-

	£'000
Grounds Maintenance	53
Keepers Hut	6
Staffing and central expenses	314
Derby Gypsy Caravan Site	6
Tattenham Corner Conveniences	21
Miscellaneous Income	(8)
Net Expenditure	392
Contribution from EEBC/EDR/TB	(392)
Budget Surplus	0

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- 3.3 Net Expenditure is estimated at £391,590, this is £11,510 (3.0%) higher than the current year's budget.
- 3.4 A budget of £4,000 has been included in Grounds Maintenance for car park repairs.
- 3.4.1 The costs of sourcing the road planings required to maintain the car parks has increased in recent years and this budget is required to keep sufficient stock of the materials used to keep the car park in its current condition.
- 3.4.2 An alternative approach for future consideration would be to enhance the car parks using tarmac to repair the entrances. This would require a further estimated one-off contribution from the three preceptors of £30,000 (£18,000 from the Borough Council, £9,000 from Epsom Racecourse and £3,000 from the Training Board). Enhancing the car parks would also result in increased annual maintenance costs, requiring further increases in the precepts. Should the conservators wish to explore this approach, a further report will be brought forward at a future meeting.
- 3.5 Variations in income can be calculated at £3,900 for each 1% increase or decrease in contribution levels.

4 Repairs and Renewals Fund

- 4.1 The repairs and renewals fund balance was £35,860 as at 31 March 2017. This is forecast to be £30,860 at 31 March 2018 following the approved repairs to the water main near the Downskeepers' Hut on Epsom Downs.
- 4.2 The budget for 2018/19 allows for a contribution into this reserve of £4,700. This is considered prudent given the potential for future repairs at the car parks.

5 Financial and Manpower Implications

- 5.1 **Chief Finance Officer's comments:** All financial implications are reflected in the body of this report.

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

- 6.1 **Monitoring Officer's comments:** There are no legal implications directly arising from this report.

7 Risk Assessment

- 7.1 The working balance is approximately 13% of net expenditure which provides financial cover for unforeseen costs. Further withdrawals from the working balance will need to be carefully assessed to ensure sufficient funds are available to cover future unforeseen increases.

8 Conclusion and Proposal

8.1 The draft estimates have been based on a 3.1% increase in contributions.

8.2 It is proposed that:-

8.2.1 The budget for 2018/19 is approved as set out in the detailed estimates attached at **Annexe 1**.

8.2.2 Total contributions of £391,590 are approved and allocated 60% to Epsom and Ewell Borough Council, 30% to Epsom Racecourse and 10% to the Training Board

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