

NONSUCH JMC FINANCE REPORT AND BUDGET 2018-19

Report of the: Treasurer to the Committee
Contact: Tony Wainwright, Brendan Bradley
Annexes/Appendices (attached): Revenue Budget 2018/19 - Annexe1
Other available papers (not attached):

REPORT SUMMARY

This report seeks the Joint Management Committee's approval of both the 2018/19 budget and the recommended precept to be levied on the constituent authorities.

| <u>RECOMMENDATION (S)</u> | <i>Notes</i> |
|--|--------------|
| <p>It is recommended that the Joint Management Committee:-</p> <p>(1) Notes the latest 2017/18 forecast position</p> <p>(2) Agrees the revenue budget for 2018/19 as set out in Annexe 1</p> <p>(3) Agrees to seek contributions of £99,400 from both Epsom and Ewell Borough Council and the London Borough of Sutton for the financial year 2018/19.</p> | |

1 Background

1.1 This report provides a latest estimate of income and expenditure for the current financial year 2017/18 and a recommended budget for 2018/19.

2 Forecast for 2017/18

2.1 The latest forecast of expenditure and income for the current year is included at Annexe 1.

2.2 The forecast at Q2 had been for a deficit at year-end of £9,152.

2.3 Updated projections at Q3 show a reduced, forecast deficit of £396, principally because the £5,000 provision for management recharges from Sutton BC (to support any capital bids) is now forecast to remain unused, and £4,750 windfall filming income has been received.

NONSUCH PARK JOINT MANAGEMENT COMMITTEE
29 JANUARY 2018

2.4 Based on this forecast, the year-end working balance will be approximately £133,891.

3 Budget for 2018/19

3.1 The Committee's detailed estimates for 2018/19 are also attached in Annexe 1.

3.2 Net expenditure is budgeted at £195,390, a decrease of £4,710 on the 2017/18 budget.

3.3 The budget position for 2018/19 is summarised as follows:-

| | £'000 |
|--------------------------------------|--------------|
| Grounds Maintenance | 94 |
| Mansion House Maintenance | 116 |
| Staffing and central expenses | 168 |
| Less: Rent and other income | (183) |
| Net expenditure | 195 |
| Contributions from LBS/EEBC | (198) |
| Budget Surplus | (3) |

3.4 The estimates have been prepared using the following assumptions:-

3.4.1 Grounds Maintenance: General maintenance and patrolling are carried out by the Epsom and Ewell Borough Council's operational services division.

3.4.2 The building and maintenance budget is £72,000.

3.4.3 The budget retains a provision of £5,000 for contribution to LB Sutton staffing costs, should LBS lead on any bids for external grant funding.

3.4.4 It has been assumed that flat three in the Mansion House will become occupied for 2018-19.

3.4.5 A £7,000 contribution into the repairs and renewals fund has been budgeted.

Contributions

- 3.5 The budget estimates for next year show a budget surplus of £3,410 after no increase in Borough contributions for 2018/19. The JMC will request that unchanged contributions of £99,400 be sought from each Borough for 2018/19.
- 3.6 Variations in income can be calculated at £2,000 for each 1% change in precepts.
- 3.7 Contributions are subject to confirmation by the Boroughs, who are due to finalise their budgets in February 2018.
- 3.8 Price inflation at November 2017 was 3.1% (Consumer Prices Index).

Working Balances

- 3.9 The JMC's estimated working balance at 31 March 2018 is £131,765 and the draft 2018/19 budget expects a £3,410 surplus.
- 3.10 The estimated Repairs and Renewals fund balance at 31 March 2018 is £16,486. The 2018/19 budget includes a £7,000 contribution to the fund during 2018/19.

4 Risk Assessment

- 4.1 The main risks that the JMC has been managing, as previously identified are:-
- Funding needed for major repairs and maintenance
 - Vacant properties / loss of rent
 - Lack of resource to fund Management plan
- 4.2 The Progress Report on Items Exempt from Publication provides an update on the London Road Lodge disposal.

5 Conclusion and Recommendations

- 5.1 The JMC's financial position remains healthy with a budgeted surplus for 2018/19 of £3,410.
- 5.2 The JMC is asked to agree the revenue budget for 2018/19, as set out in Annexe 1
- 5.3 It is recommended that no increase in precept contributions should be requested for 2018/19.

WARD AFFECTED: Nonsuch Ward (EEBC)