

## **NONSUCH PARK JOINT MANAGEMENT COMMITTEE FINAL ACCOUNTS 2017/18**

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**Annexes/Appendices (attached):** Annexe 1: Final Revenue Account 2017/18  
Annexe 2: Financial Statement 2017/18

**Other available papers (not attached):**

### **Report summary**

**This item presents the Joint Management Committee's final accounts for the financial year 2017/18**

### **Recommendation**

**That the final accounts for 2017/18 be received**

*Notes*

## **1 Background**

- 1.1 The final revenue account for the year ended 31 March 2018 is attached at Annexe 1. The revenue account compares income and expenditure for the year against the original budget. Annexe 2 contains the financial statements, which show the financial position at 31/03/2018.

## **2 Revenue account for 2017/18**

- 2.1 In overall terms, there was a surplus of £21,669 that will be transferred to the working balance. The following paragraphs detail the key variances that make up the net surplus:
- 2.2 Gross expenditure was £9.6k less than budgeted for the following main reasons:
- 2.2.1 The planned maintenance budget was £17.6k underspent because of works being delayed until May 2018. For full details, please see the planned maintenance report.
- 2.2.2 The provision for any management charges incurred by Sutton BC to support any capital bids remained unspent, creating a £5k underspend.

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- 2.2.3 The external audit is no longer conducted by BDO leading to a £900 underspend. A change in legislation (Local Audit and Accountability Act 2014) deemed that joint committees are no longer required to have a separate external audit. Instead, they may be reviewed as part of the external audit of the funding authorities.
  - 2.2.4 The maintenance of roads was overspent by £6.6k due to an increase in potholes in 17-18, along with £4.3k of surveyor fees for the Heritage Assessment Report and London Road Lodge: both had no budget but still needed completing.
  - 2.2.5 At Mansion House, electricity was £4.4k over budget, although 41.5% of this has been recharged to Bovingdons. For the grounds, the water bill was £4k over-budget and electricity was £3k overspent.
  - 2.2.6 The electricity overspends occurred because from 2014 to 2017, billing had been based on estimated usage. During 2017/18, billing was updated with actual meter readings, which were higher than the estimates, resulting in a one-off adjustment in 2017/18. Smart meters will soon be installed, which will ensure actuals are charged rather than estimates.
  - 2.2.7 The water budget was overspent mainly due to a prior year under-accrual, as reported in October 2017. Utilities will be monitored regularly to ensure the correct amounts are billed.
- 2.3 Income was £13k higher than expected at £176,684 against a budget of £163,350. The variances contained within this are:
- 2.3.1 An extra £18k income was achieved through the lease to Bovingdons Catering Ltd, of which £5k is towards structural repairs and has been transferred to the Repairs & Renewals Fund.
  - 2.3.2 £5k of windfall filming income was received and hire charges were £5k above budget owing to Classic Events. Neither of these activities were actively marketed and so no budget existed for them.
  - 2.3.3 The rent review of Nursery Lodge achieved rental income of £5k above budget.
  - 2.3.4 The only major shortfall of income was on the rental of flats; with one flat being empty leading to an adverse variance of £9.4k.

### **3 Nonsuch Reserves**

- 3.1 The Repair and Renewals fund has a balance of £21,749 after interest of £106 and Bovingdon's £5,157 contribution were added to it.
- 3.2 The working balance now sits at £155,956 after the 2017/18 surplus of £22k has been added to it.

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### **4 Conclusion**

- 4.1** Total reserves equate to £178k, which represents approximately 49% of the JMC's annual gross expenditure. These reserves are considered above the minimum threshold deemed adequate for the JMC's operations, which would be approximately £33,000 at 9% of gross expenditure.
  
- 4.2** A 2018/19 budget monitoring report will be prepared for the JMC later in the financial year.