

Bath & North East Somerset Council

MEETING/DECISION MAKER:	Alice Park Trust Sub-Committee Meeting
MEETING/DECISION DATE:	13 December 2021
TITLE:	Alice Park Trust – 2021/22 Budget and Forecast Update – Q2
WARD:	Lambridge
AN OPEN PUBLIC ITEM	
List of attachments to this report: N/A	

1 THE ISSUE

- 1.1 The purpose of this report is to update the Alice Park Trust Board on the 2021/22 budgets and current year financial position.
- 1.2 The report will also raise considerations for the 2022/23 budget.

2 RECOMMENDATIONS

- 2.1 The Alice Park Trust Sub-Committee is asked to note and consider the report, including recommendations laid out in Section 4.

3 2021/22 FINANCIAL PERFORMANCE

- 3.1 Forecast spend for the financial year ending 31st March 2021 is £41,577. Forecast income is £20,583, resulting in a forecast deficit position for the Trust of £20,994.
- 3.2 In previous years, Bath and North Somerset Council have funded the Trust's deficit through its Parks revenue budgets. In 2018/19 the funded deficit was £23k and in 2019/20 the deficit increased to £30k due to one-off improvement costs. In 2020/21 the funded deficit dropped down to £21k.
- 3.3 The estimated deficit for the Trust in 2021/22 was budgeted at £21,305. This is in line with the deficit for 2020/21, with budgeted increases in maintenance costs being offset by increased property rental income.
- 3.4 Using the latest information available, the current forecast deficit is £311 less than budgeted, with additional grounds/parks forecast expenditure outside of the SLA lower than last year and expected Events income to surplus last year's total.

3.5 It should be noted that whilst most budget lines are straight forward to forecast against, additional parks expenditure outside of the service level agreement and events income are harder to estimate, as they are often reactive and subject to demand levels.

3.6 Forecast financial performance for Alice Park for financial year ending 31st March 2021 is detailed in the table below:

	20/21 Outturn	21/22 Budget	21/22 Forecast	21/22 Variance
EXPENDITURE	£	£	£	£
Ground Maintenance SLA	11,309	11,535	11,535	0
Play Equipment SLA	8,574	8,745	8,745	0
Tree Management/Maintenance SLA	2,390	2,438	2,438	0
Public Conveniences	16,002	16,359	16,359	0
Independent Examination Fees	750	500	500	0
<i>Other costs -</i>				
- other grounds/parks expenditure	2,284	2,284	2,000	(284)
	41,309	41,861	41,577	(284)
INCOME	£	£	£	£
Investment Income - Dividends	(31)	(31)	(31)	0
Investment Income - Interest	(20)	(20)	(2)	18
Property Rental Income	(17,905)	(18,600)	(18,600)	0
Tennis Court Income	(46)	0	0	0
Events Income	(1,905)	(1,905)	(1,950)	(45)
	(19,907)	(20,556)	(20,583)	(27)
Forecast Trust (Surplus) / Deficit	21,402	21,305	20,994	(311)
<i>Additional income subsidy from B&NES</i>	<i>(21,402)</i>	<i>(21,305)</i>	<i>(20,994)</i>	<i>(311)</i>
Revised Forecast Trust (Surplus) / Deficit	0	0	0	0

4 2022/23 BUDGET CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The long-term aim is for the Trust to become financially self-sufficient, reducing and ultimately removing the need to rely on council subsidy to balance its budget.
- 4.2 In order to facilitate this, it is recommended that the Sub-Committee continues to focus on its 10-year plan, which focuses on expanding income generation within the Park. Income generated from events held within the Park continues to increase, a good sign that the Trust is already moving to a more commercial outlook.
- 4.3 The Service Level Agreements (SLAs) with the council's Parks department are still to be reviewed and formalised, which in turn will allow for a more transparent and robust financial planning process. Assessment of these will be communicated to the Trust in due course.
- 4.4 It is also recommended that income and expenditure expectations for 2022/23 are considered so that the Quarter 3 Financial Update to the Sub-Committee can also propose a Trust budget for 2022/23.

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Background papers	None
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