Bath & North East Somerset Council	
MEETING/DECISION MAKER:	**Alice Park Trust Sub-Committee Meeting**
MEETING/DECISION DATE:	**18th August 2022**
TITLE:	**Alice Park Trust – 2022/23 Budget and Forecast Update – Q1**
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 2022/23 budgets and current year financial position.

1.2 The report will also raise considerations for the 2023/24 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   2022/23 FINANCIAL PERFORMANCE

3.1 Forecast spend for the financial year ending 31st March 2023 is £42,883. Forecast income is £21,162, resulting in a forecast deficit position for the Trust of £21,721.

3.2 In previous years, Bath and North Somerset Council have funded the Trust's deficit through its Parks revenue budgets. In 2019/20 the deficit was £30k due to one-off improvement costs followed by the funded deficit in 2020/21 dropping down to £21k. In 2021/22 the deficit was £22k.

3.3 The estimated deficit for the Trust in 2022/23 is budgeted at £21,800. This is in line with the deficit for 2021/22, with budgeted increases in maintenance costs being offset by increased events income.

3.4 Using the latest information available, the current forecast deficit is £79 less than budgeted. The small variance is due to forecasted additional investment income resulting from increases in interest rates.

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 2023 is detailed in the table below:

	21/22 Outturn	22/23 Budget	22/23 Forecast	22/23 Variance
EXPENDITURE	**£**	**£**	**£**	**£**
Ground Maintenance SLA	11,535	11,766	11,766	0
Play Equipment SLA	8,745	8,921	8,921	0
Tree Management/Maintenance SLA	2,438	2,486	2,486	0
Public Conveniences	16,359	16,710	16,710	0
Independent Examination Fees	500	500	500	0
Other costs -				
- other grounds/parks expenditure	4,864	2,500	2,500	0
	44,441	**42,883**	**42,883**	**0**
INCOME	**£**	**£**	**£**	**£**
Investment Income - Dividends	(31)	(31)	(31)	0
Investment Income - Interest	(7)	(2)	(81)	(79)
Property Rental Income	(19,050)	(19,050)	(19,050)	0
Tennis Court Income	(0)	0	0	0
Events Income	(1,598)	(2,000)	(2,000)	0
Ward Councillor Empowerment Fund	(1,464)	0	0	0
	(22,150)	**(21,083)**	**(21,162)**	**(79)**
Forecast Trust (Surplus) / Deficit	**22,291**	**21,800**	**21,721**	**(79)**
Additional income subsidy from B&NES	*(22,291)*	*(21,800)*	*(21,721)*	*(79)*
Revised Forecast Trust (Surplus) / Deficit	***0***	***0***	***0***	***0***

4   2023/24 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 2023/24 are considered so that the Quarter 3 Financial Update to the Sub-Committee can also propose a Trust budget for 2023/24.

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Background papers	None
Please contact the report author if you need to access this report in an alternative format	