

## Bath & North East Somerset Council

MEETING/DECISION MAKER:	<b>Alice Park Trust Sub-Committee Meeting</b>
MEETING/DECISION DATE:	<b>28<sup>th</sup> September 2023</b>
TITLE:	<b>Alice Park Trust – Financial Update September 2023</b>
WARD:	<b>Lambridge</b>
<b>AN OPEN PUBLIC ITEM</b>	
<b>List of attachments to this report: N/A</b>	

### 1 THE ISSUE

- 1.1 The purpose of this report is to update the Alice Park Trust Sub-Committee on its financial position.
- 1.2 The report will cover the financial performance during financial year 2022/23 and provide an update on expenditure and income to date in 2023/24.

### 2 RECOMMENDATIONS

- 2.1 The Alice Park Trust Sub-Committee is asked to note and consider the report, including recommendations laid out in Section 5.

### 3 2022/23 FINANCIAL PERFORMANCE

- 3.1 Total expenditure for the financial year ending 31<sup>st</sup> March 2023 was £40,383. Total income received was £20,398, resulting in an operating deficit of £19,985.

- 3.2 In previous years, Bath and North Somerset Council have funded the Trust's deficit through its Parks revenue budgets. For context, recent years' operating deficits were as follows:

2019/20     £29,192 (*which was higher due to one-off improvement costs*)

2020/21     £21,402

2021/22     £22,291

- 3.3 The 2022/23 deficit of £19,985 equates to a decrease of £2,306 when compared to the previous year.
- 3.4 At the beginning of financial year 2022/23, the estimated deficit for the Trust was budgeted at £21,800, which was broadly in line with the 2021/22 deficit from the year before. The outturn position was £1,815 below this estimate, primarily due to 'other grounds expenditure' being less than budgeted. Investment income was

also higher than anticipated due to the increase in interest rates nationally. Events income of £1,025 fell short of the budgeted target of £2,000 and was also less than achieved the previous year (£1,598 was received in 2021/22).

3.5 The financial performance for Alice Park for financial year ending 31<sup>st</sup> March 2023 is detailed in the table below:

	<b>22/23 Budget</b>	<b>22/23 Outturn</b>	<b>22/23 Variance</b>
<b>EXPENDITURE</b>	<b>£</b>	<b>£</b>	<b>£</b>
Ground Maintenance SLA	11,766	11,766	0
Play Equipment SLA	8,921	8,921	0
Tree Management/Maintenance SLA	2,486	2,486	0
Public Conveniences	16,710	16,710	0
Independent Examination Fees	500	500	0
Other grounds/parks expenditure	2,500	0	(2,500)
	<b>42,883</b>	<b>40,383</b>	<b>(2,500)</b>
<b>INCOME</b>	<b>£</b>	<b>£</b>	<b>£</b>
Investment Income - Dividends	(31)	(294)	(263)
Investment Income - Interest	(2)	(29)	(27)
Rental Income	(19,050)	(19,050)	0
Events Income	(2,000)	(1,025)	975
	<b>(21,083)</b>	<b>(20,398)</b>	<b>685</b>
<b>Trust Operating (Surplus) / Deficit</b>	<b>21,800</b>	<b>19,985</b>	<b>(1,815)</b>
<i>Additional income subsidy from B&amp;NES</i>	<i>(21,800)</i>	<i>(19,985)</i>	<i>(1,815)</i>
<b>Trust (Surplus) / Deficit after subsidy to be recorded in annual accounts</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 4 2023/24 FINANCIAL PERFORMANCE TO DATE

- 4.1 Using an incremental approach to budgeting (*i.e., using the previous year's budget and making minor adjustments to reflect revised expectations*), the following budget has been drafted to act as a baseline for the Sub-Committee to measure income received and expenditure incurred against. The 2023/24 draft budget is as follows:

<b>2023/24 Alice Park Trust Budget</b>	<b>£</b>
<b>Expenditure</b>	
Grounds Maintenance SLA	12,000
Play Equipment SLA	9,098
Tree Management SLA	2,536
Public Convenience Maintenance	17,070
Other grounds/parks expenditure	1,800
Independent Examination Fees	500
<b>Total Expenditure</b>	<b>43,004</b>
<b>Income</b>	
Investment Income	(704)
Events Income	(1,250)
Rental Income	(19,050)
<b>Total Income</b>	<b>(21,004)</b>
<b>Surplus / Deficit</b>	<b>22,000</b>
<i>B&amp;NES Contribution to Alice Park</i>	<i>(22,000)</i>

- 4.2 SLA expenditure, public convenience maintenance, the independent examination fee and rental income are all known values as contracts/agreements are already in place. This means that the main variable income/expenditure is any grounds and parks maintenance over and above the SLAs, investment income (*subject to market conditions*), and events income.
- 4.3 Events income received as at the start of September was £965. No additional parks expenditure over and above the SLAs has been incurred to date, nor are there any agreed commitments from the sub-committee to note.

## 5 FUTURE BUDGET CONSIDERATIONS

- 5.1 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.
- 5.2 In order to facilitate this, it is recommended that the Sub-Committee continues to focus on and/or review on its 10-year plan, which focuses on expanding income generation within the park. The plan should also consider the people resource required to support the park, which to date has been provided free of charge.

5.3 It is recommended that the Service Level Agreements (SLAs) with the council's Parks department are reviewed and formalised, which in turn will allow for a more transparent and robust financial planning process. This is scheduled to occur during 2023/24.

5.4 It should also be noted that historically B&NES officer time has not been charged to the Trust. The baseline for staff time has been broadly as follows:

- Democratic Services Support – to administer meetings of the Alice Park Sub-Committee.
- Legal support – to ensure the Alice Park Trust sub-committee acts in compliance with the LGA 72 and charitable guidance rather than supporting the sub-committee in managing the Alice Park.
- Finance support – to provide periodic updates on financial performance, coordinate the independent examination of the Trust's annual accounts, and subsequently submit to the Charity Commission.
- Parks support – to advise on and cost any additional requests for specific park expenditure.

5.5 Any additional officer time necessary to support the Trust over and above this baseline will need to be identified, and officers appointed and charged to the Trust to ensure the accounts are a true and fair reflection of its operational costs. A schedule of charges will be shared with the Sub-Committee in due course.

5.6 Should the Trust expect its operating deficit to materially increase over and above the £22,000 budgeted, it should make formal contact with B&NES, as this would need to be considered as part of its budget setting process.

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