

COMMONS CONSERVATORS
MEETING 1 DECEMBER 2016
BUDGET AND PRECEPT 2017/18

General Background, Inflation

1. The Government is once again expecting low council tax increases for the coming year.
2. The RPI showed an annual increase of 2.0 % in September 2016. The Consumer Price Index, which is the Bank of England's preferred target measure of the general level of goods and services, was an annual change of 1.0 % in September and 0.9% in October. However, the Bank of England expects inflation to increase to between 2.5% and 3% by the end of 2017.

Revised Estimate of Net Expenditure and Revenue Balance for 2016/17

3. The revised estimate of net expenditure for the current year is a surplus of £4,598 (this excludes expenditure from the Hospital Site Planning Payment and the Dandara Maintenance Payment). The actual general revenue balance brought forward to 2016/17 was £27,284. However, the balance carried forward to 2017/18 is estimated to be £31,882 (excluding the Planning Income and Dandara Maintenance contribution carried forward).

Estimated Expenditure for 2017/18

4. Estimated gross expenditure for 2017/18 (excluding expenditure from planning and maintenance contributions) is £151,303; an increase of £3,827 on the 2016/17 budget. Estimated net expenditure (excluding planning and maintenance contribution expenditure but before precept income) is £149,743 (2016/17 budget £145,116). Further details of the proposed budget are set out below.

Administration

5. Salaries of the Warden and the part time Administration Assistant are determined by the Commons Conservators. For 2016/17 the Conservators had regard to the Government's position on public sector pay, the national local government settlement (which agreed a 1% increase for both 2016/17 and 2017/18) and decided at the March 2016 meeting there would be a 1% increase. This was met from the contingency. For 2017/18 the Government is again seeking low increases for public sector employees. It is proposed that the salaries budget includes provision for a 1% increase. The March 2017 meeting will consider the latest background and determine the increase. Any additional percentage which may be agreed would have to be met from the Contingency for 2017/18.

6. For a further year there will be no increase in the expense allowances paid to the Clerk and the Treasurer to cover their costs and they will remain at the 2008/9 cash levels. They were previously linked to the increase in RPI at the end of March.
7. Provision is made for the Travellers Protocol contribution of £500 which will be paid to the Borough Council.
8. Other administration costs are increased where appropriate.

Maintenance

9. **Litter** – A 3 year contract to commence in April 2015 was agreed in December 2014. The budget for 2017/18 is £22,200. There is a 1% increase in the litter collection contract which is linked to the CPI at September. Once again there is an additional provision of £1000 for the increasing problem of fly tipping and the removal of illegal camps. There is a separate provision of £2,500 for the estimated cost of dog litter bags next year.
10. **Grass cutting** – A 2 year extension of this contract was agreed in December 2014. A further 1 year extension was agreed at the September 2016 meeting. The budget of £9,345 for 2017/18 is the same as the current year. No provision is made for additional work.
11. **Tree Maintenance etc** – The provision of £18,800 is the current year increased by approximately 2% for expected inflation and is considered sufficient to ensure an appropriate level of work and management of the risks. A separate provision of £720 is now included for the cost of the Roadside Tree Survey
12. **Maintenance of Cleared Areas and Other Maintenance** – The proposed budget for the maintenance of cleared areas £25,000 is an increase of 2% for inflation. Unchanged provisions have been made for the maintenance and replacement of litter bins, posts, barriers and signs and footpath maintenance. Drainage and seat maintenance provisions have small inflationary increases.

Projects and other expenditure funded by Grants, Contributions and Donations

13. The proposals agreed as part of the Hospital Site Planning contribution agreement are being implemented in the current year with some expenditure taking place in 2017/18. Annual expenditure from the Dandara Maintenance contribution also commenced in 2016/17.
14. The annual grant of £1,485 from Natural England, which commenced in 2010/11, will continue for the remaining part of the 10 year agreement. At this stage no other external funding has been agreed for next year. Consequently, no projects with specific external funding have been identified for inclusion in the proposed budget. No provision is made this year for general donations because of their uncertainty.

Interest Income

15. The interest income earned on the revenue balance and net cash flow remains significantly reduced as bank base rate and savings rates continue at a very low level.

Revenue Balance

- 16 The actual and projected balances are:

	Actual 31 March 2016	Projected 31 March 2017	Projected 31 March 2018
	£	£	£
General	27,284	31,882	32,139
Hospital Site Payment	18,882	3,902	0
Union House Maintenance Payment	2,000	1,500	1,000
Total	48,166	37,284	33,139

If there is no increase in the precept then the projected general revenue balance will fall to £27,139. When considering the appropriate level of the balance the following should be taken into account:-

1. The Conservators do not have a power to borrow to meet capital expenditure. Therefore, any capital expenditure would have to be met from current income and reserves. There are no current plans for capital expenditure.
2. Although precept income is paid on 30 April and 31 October a working balance, equivalent to at least one month's gross expenditure should be maintained.
3. A small contingency is included in the budget to deal with unavoidable differences in the cost or volume of work. A balance should also be maintained to meet unexpected expenditure or liabilities arising in the year which would need to be met before the following year's precept request could be considered and, if approved, paid by the Borough Council. Having regard to the potential financial impact of all the risks it is now recommended that an overall minimum balance of £30,000 to £35,000 should be maintained.

Precept

17. The County of Kent Act 1981 sets a limit on the precept which may not be exceeded without the approval of the Borough Council. An increase in the limit was approved by the Council in November 1983. On the abolition of the old rating system in 1990/91, and similarly on the change to council tax, the limit was to be adjusted each year in accordance with the annual changes in the Retail Price Index as measured by the change in the index for the September prior to the financial year. The index change at September 2016 was an increase of 2.0% and will result in a limit of £150,975 for 2017/18.

18. The 2016/17 precept of £145,000 was an increase of 1.4 %.Changes in the immediate preceding years were:

2015/16	7.4%
2014/15	2%
2013/14	2%
2012/13	NIL
2011/12	2.7%
2010/11	NIL

19. Therefore, taking into account the above limit, the estimated net expenditure for next year and the estimated reserve position it is proposed that the precept for 2017/18 should be £150,000; an increase of £5,000 (3.5 %).

RECOMMENDED

1. That the proposed budget for 2017/18 be approved; and
2. That the precept requirement for 2017/18 be £150,000.

G. Levitt
Treasurer

TUNBRIDGE WELLS COMMONS CONSERVATORS
2015/16

ACTUAL Previous Year £	Income and Expenditure for the year	BUDGET CURRENT YEAR £	ACTUAL TO DATE £	PROJECTION FOR YEAR £	PROPOSED BUDGET 2017/18 £
EXPENDITURE					
SALARIES AND EXPENSES					
47,408	Warden and Admin Support- Salary/NI/Pension	47,408	23,932	47,900	48,400
2,228	General Expenses Allowances	2228	1,114	2228	2228
0	Uniform and Protective Clothing	105	0	105	105
600	Garage/storage Rental	600	600	600	600
0	Car Mileage	50	0	50	50
17	Office Equipment	100	126	126	120
320	Telephone	350	171	300	300
2,273	Insurances	2300	2,477	2477	2550
420	Audit Fees	750	480	900	900
341	Printing, Stationery, Newspapers etc	250	99	250	250
0	Postages	0	15	45	60
72	Meetings	90	38	75	75
0	Travellers Protocol Contribution	0	0	0	500
209	Miscellaneous	0	0	0	0
<hr/> 53888		<hr/> 54231	<hr/> 29051	<hr/> 55056	<hr/> 56138

MAINTENANCE OF COMMONS ETC

21,984	Litter/Dog Clearance - Contract/Bags	22,000	12,824	22,000	22,200
1,525	Other Litter Collection and Clearance	1000	170	1000	1000
9,344	Grasscutting Contract	9345	0	9345	9345
2,369	Replacement/maintenance of Litter bins	1000	0	500	1000
1,320	Seat Provision Replacement and Repairs	1600	0	0	1700
15,591	Tree Maintenance/Storm Damage/Stump Cl	18500	2,185	18500	18,800
26,972	Maint of Cleared Areas	24500	11,847	24500	25,000
2,250	Dog Fouling Clearance -Bags	2500	2,400	2400	2500
2,335	Posts/Barriers etc- provision/repair/replacement	3300	790	4400	3300
300	Signs - provision/repair/replacement	500	0	500	500
1,970	Repair/Reconstruction of Paths/Surfaces	3000	840	3000	3000
1,582	Maintenance of Drainage	1900	120	1900	2000
750	Other Works	0	0	0	0
0	Roadside Tree Survey	0	0	0	720
0	Maintenance -Dandara Union House Contrib'	0	0	500	500
54	Equipment Purchase/Repair	100	63	100	100

TUNBRIDGE WELLS COMMONS CONSERVATORS
2015/16

ACTUAL Previous Year £	Income and Expenditure for the year	BUDGET CURRENT YEAR £	ACTUAL TO DATE £	PROJECTION FOR YEAR £	PROPOSED BUDGET 2017/18 £
	Work/purchases funded by contributions etc				
110	Purchase/ repair/placement of seats	0	110	410	0
2,500	Tarry path Rusthall Common -Freehold Ten'	0	0	0	0
500	Brighton Lake replace duck house etc - Freehold Tenants	0	0	0	0
660	Clear path Spa Round' to Fir Tree Rd - Freehold Tenants	0	0	0	0
2,400	Wetland Sunnyside Rd Rusthall - Freehold Tenants	0	0	0	0
408	Bulls Hollow repair - Preston	0	0	0	0
94924		89245	31349	89055	91665
	NON RECURRING				
0	Planning Contribution Expenditure	0		0	0
	Litter bins - Hosp' Site Contr'	1700	0	1700	0
	Dispensers - Hosp' Site Contr'	1900	0	0	1900
	Racecourse Clearance - Hosp' Site Contr;	7000	0	7730	0
	St Helena Clearance - Hosp' Site Contr'	0	0	1800	1252
	Bench Renovation - Hosp' Site Contr'	4500	1,560	3750	750
0		15,100	1,560	14,980	3,902
	0 CONTINGENCY	4,000	0	2000	4000
148812	TOTAL EXPENDITURE	162576	61960	161091	155705
	INCOME				
710	Contributions-Seats	0	0	760	0
7,713	Contributions- Works and Purchases (see note)	0	1,344	1344	0
1,120	Other Contributions-General	800	1,195	1195	0
40	Interest	75	62	75	75
40	Miscellaneous Income	0	350	350	0
143,000	Tunbridge Wells Borough Council Precept	145,000	145,000	145,000	150,000
1,474	Natural England - Higher Level Stewardship	1485	0	1485	1485
18,882	Planning Agreement Income	0	0	0	0
2,000	Future Maintenance Income	0	0	0	0
174979	TOTAL INCOME	147360	147951	150209	151560
-26167	NET EXPENDITURE (Surplus -)	15216	-85991	10882	4145
21,999	RESERVE BROUGHT FORWARD	40910		48,166	37284
48166	RESERVE CARRIED FORWARD	25694		37284	33139