

COMMONS CONSERVATORS

MEETING 6 DECEMBER 2018

BUDGET AND PRECEPT 2019/20

General Background, Inflation

1. The Conservators are required to approve a budget for the coming financial year and to issue a precept to the Borough Council. The precept will form part of the special expenses charged to council taxpayers in the former Royal Tunbridge Wells Borough area and the Rusthall Parish Council area.
2. The RPI showed an annual increase of 3.3 % in September 2018. 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 2.2 % in September.

Revised Estimate of Net Expenditure and Revenue Balance for 2018/19

3. The revised estimate of net expenditure for the current year is a surplus of £395 (this excludes expenditure from the Hospital Site Planning Payment and the Dandara Maintenance Payment. The budget for 2018/19 projected a general revenue balance of £39,474 at 31 March 2018 but the actual general revenue balance brought forward was £33,291. This was the result of additional spending in 2017/18. The balance carried forward to 2019/20 is estimated to be £33,686 (excluding the Planning Income and Dandara Maintenance contribution carried forward).

Estimated Expenditure for 2019/20

4. Estimated gross expenditure for 2019/20 (excluding expenditure from planning and maintenance contributions) is £167,435; an increase of £6,077 on the 2018/19 budget. Estimated net expenditure (excluding planning and maintenance contribution expenditure but before precept income) is £164,885. The precept for 2018/19 is £156,000

Further details of the proposed budget are set out below.

Administration

5. Salaries of the Warden and the part time Administration Assistant (now re-titled Assistant Clerk) are determined by the Commons Conservators. At the June 2018 meeting the Conservators considered a salary review of both posts which took into account a job evaluation and the cost of living and pay award background reported to the March meeting. The cost in excess of the 2% pay award provision (£775) has been met from the contingency. It is proposed that the salaries budget for 2019/20 includes a provision for a 2.2% increase in line with recent CPI. The March 2019 meeting will be able to consider the latest background and determine the increase. Any additional

percentage which may be agreed would have to be met from the Contingency for 2019/20.

6. The September meeting agreed the way forward for the replacement of the Clerk (now re-titled Director of the Commons and Clerk to the Conservators). The additional cost in a full year will be £3,566. For a further year there will be no increase in the expense allowances paid to the Treasurer.
7. Provision is again made for the Travellers Protocol contribution of £500 which will be paid to the Borough Council.
8. Provision is also made for an increase in the Council's payroll processing charge to £325. Other administration costs are increased for inflation where appropriate.

Management Plan, Maintenance

9. **Litter** – A 3 year contract to commence in April 2018 was agreed in December 2017. The cost in 2018/19 is £24168. The cost will be increased by the change in the CPI to September 2018. The cost next year will be £24650. 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 unchanged provision of £2,500 for the estimated cost of dog litter bags next year. The bags will be ordered this year and received next therefore no cost in 2018/19.
10. **Grass cutting** – A 3 year contract to commence in April 2018 was agreed in December 2017. The cost in 2018/19 is £11,280. This contract will also be adjusted for the change in the CPI to September 2018. The cost next year is £11500.
11. **Tree Maintenance** – The provision of £19,800 is the current year's budget increased for inflation and is considered sufficient to ensure an appropriate level of work and management of the risks. A separate unchanged provision of £720 is included for the cost of the Roadside Tree Survey
12. **Management Plan, Maintenance of Cleared Areas and Other Maintenance** – The proposed budget for the maintenance of cleared areas is £26,300; an increase of approximately 3% for inflation.

The provisions for Tree Maintenance and Maintenance of Cleared Areas need to be aligned with the management plan priorities and the proposed work programme for the year.

An unchanged provision of £1000 is made for the maintenance and replacement of litter bins.

Seat Maintenance and Replacement is reduced from £3500 to £2000.

The budget for posts and barriers is unchanged at £5000.

Footpath maintenance is increased from £3000 to £3500.

Drainage is unchanged at £2000.

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.. Annual expenditure from the Dandara Maintenance contribution also commenced in 2018/19. A Section 106 contribution of £9144 has been agreed with Dandara in respect of the Union Square development. This will be received in 2019/20 or later.
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 including the recommended precept increase are:

	Actual 31 March 2018	Projected 31 March 2019	Projected 31 March 2020
	£	£	£
General	33,291	33,686	30,701
Hospital Site Payment	4,823	NIL	NIL
Union House Maintenance Payment	2,000	1,585	1,085
Total	40,114	35,271	31,786

If there is no increase in the precept then the projected general revenue balance will fall to £24,801. 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 and administration.. 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 recommended that the Conservators should aim towards a minimum general balance of approximately £35,000.

4. The projected balance at the end of 2019/20 will continue to fall below the minimum target. Therefore, the Conservators need to ensure that the detailed work programme for the year is developed and monitored in association with the approved budget. Options to defer or reduce discretionary and non- contractual spending should be identified to provide flexibility in the year.

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 2018 was an increase of 3.3% and will result in a limit of £161,918 for 2019/20.
18. The 2018/19 precept of £156,000 was an increase of 4.0 %. Changes in the immediate preceding years were:

2017/18	3.5%
2016/17	1.4%
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 2019/20 should be £161,900; an increase of £5,900 (3.8%).

RECOMMENDED

1. That the proposed budget for 2019/20 be approved; and
2. That the precept requirement for 2019/20 be £161,900.

G. Levitt
Treasurer

TUNBRIDGE WELLS COMMONS CONSERVATORS
2018/19

ACTUAL Previous Year £	Proposed Budget and Precept 2019/20	BUDGET CURRENT YEAR £	ACTUAL To Date £	PROJECTION FOR YEAR £	PROPOSED BUDGET 2019/20 £
EXPENDITURE					
SALARIES AND EXPENSES					
48,318	Warden and Admin Support- Salary/NI/Pension	49,225	25,036	50,000	51,000
2,228	General Expenses Allowances	2228	1,114	3244	5800
99	Uniform and Protective Clothing	205	140	250	105
600	Storage Rental	600	600	600	600
0	Car Mileage	50	0	50	50
216	Payroll processing charge	216	108	216	325
145	Office Equipment	120	90	120	120
288	Telephone	300	141	300	300
2,231	Insurances	2675	2,521	2521	2600
972	Audit Fees	1000	480	1000	1000
736	Printing, Stationery, Newspapers etc	275	455	550	300
0	Postages	60	8	60	60
72	Meetings	75	36	75	75
500	Travellers Protocol Contribution	500	0	500	500
0	Miscellaneous	0	0	0	0
56405		57529	30729	59486	62835

MAINTENANCE OF COMMONS ETC

22,164	Litter/Dog Clearance - Contract	22,164	14,098	24,168	24,650
1,200	Other Litter Collection and Clearance	1000	295	1000	1000
9,344	Grasscutting Contract	9345	0	11280	11530
125	Replacement/maintenance of Litter bins	1000	720	1000	1000
0	Seat Provision Replacement and Repairs	3500	810	3500	2000
21,069	Tree Maintenance/Storm Damage/Stump Cl	19300	1,910	19300	19,800
28,894	Maint of Cleared Areas	25700	2,931	25700	26,300
0	Dog Fouling Clearance -Bags	2500	0	0	2500
4,369	Posts/Barriers etc- provision/repair/replacement	5000	852	5000	5000
799	Signs - provision/repair/replacement	500	0	500	500
3,810	Repair/Reconstruction of Paths/Surfaces	3000	2,795	3500	3500
530	Maintenance of Drainage	2000	675	2000	2000
0	Other Works	0	0	0	0
720	Roadside Tree Survey	720	0	720	720
0	Maintenance -Dandara Union House Contrib'	500	415	415	500
49	Equipment Purchase/Repair	100	200	200	100

TUNBRIDGE WELLS COMMONS CONSERVATORS
2018/19

6,635	Work/purchases funded by contributions etc				
0	Strangers Ave Clearing etc Amberley	0	480	480	0
0	Racecourse Improvement -new path West -Freehold Tenant:	0	0	2040	0
0	Racecourse Improvement -new path East -Freehold Tenant:	0	0	1800	0
0	Clearance at Fir Tree Pond - Freehold Tenants	0	1,080	2160	0
0	Clearance adjacent to Cabbage Stalk Lane - Freehold Tenar	0	665	665	0
0	Clearance Happy Valley - cherry laurel etc Freehold	0	1,080	1920	0
0	Clearance Happy Valley - remove scrub etc Freeho	0	1,080	1920	0
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99708		96329	30086	109268	101100
	NON RECURRING				
0	Litter bins - Hosp' Site Contr'	1700	0	0	0
0	Dispensers - Hosp' Site Contr'	0	0	1900	0
0	Racecourse Clearance - Hosp' Site Contr;	0	0	0	0
0	St Helena Clearance - Hosp' Site Contr'	1800	660	973	0
1,560	Bench Renovation - Hosp' Site Contr'	1232	1,140	1950	0
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1,560		4,732	1,800	4,823	0
	0 CONTINGENCY	8,000	0	1000	4000
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157673	TOTAL EXPENDITURE	166590	62615	174577	167935
INCOME					
1,464	Contributions-Seats	0	0	0	0
6,300	Contributions- Works and Purchases (see note)	0	679	11185	0
1,113	Other Contributions-General	0	1,000	1000	1000
0	Administration Fees	0	0	0	0
2	Interest	75	23	75	75
0	Miscellaneous Income	0	0	0	0
150,000	Tunbridge Wells Borough Council Precept	156,000	156,000	156,000	161,900
1,106	Natural England - Higher Level Stewardship	1474	0	1474	1475
0	Planning Agreement Income	0	0	0	0
0	Future Maintenance Income	0	0	0	0
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159985	TOTAL INCOME	157549	157702	169734	164450
-2312	NET EXPENDITURE (Surplus -)	9041	-95087	4843	3485
37,802	RESERVE BROUGHT FORWARD	45706		40,114	35271
40114	RESERVE CARRIED FORWARD	36665		35271	31786