

COMMONS CONSERVATORS
MEETING 10 DECEMBER 2020
BUDGET AND PRECEPT 2021/22

General Background and inflation

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 Tunbridge Wells Borough and the Rusthall Parish Council areas.

RPI showed an annual increase of 1.1% in September 2020. CPI showed an annual increase of 0.7% in October 2020.

Basis of Financial Projections

The financial projections have been prepared in order to achieve a nil net income or expense. Cost estimates for this year and next are realistic targets to manage to for each of the years rather than mechanically applying percentage uplifts on what has gone before. It is recognised that some expenditure will be necessary to deal with events that are outside management control and a level of contingency has been provided in next year's budget to try to allow for these.

Budget Expenditure for 2021/22

The budget shows a net nil income balance for the year to March 2022. This carries more risk principally around the precept, recruitment, and litter management as well as the vagaries of the weather. There is a contingency of £4,500 to allow for unexpected events.

Income

The main income for the Conservators is the **Precept which** has been agreed at a level of £165,850 for the current year and has now all been received. In recent years this income has been adjusted in accordance with the annual change in the Retail Price Index for the year to the previous September. noted above the RPI for September 2020 was 1.1%. On this basis the Precept income for next year should be £167,674 and this is the amount that has been included in the budget for 2021/22.

In the past the Conservators have received additional income by way of a **grant from Natural England**. No cash has been received to date however we have received confirmation that we will receive an award of £1,102 this year which is less than the current year budget figure of £1,475. As we do not have any confirmation of future receipts after this the budget has not assumed any and so any successful application for a further award will represent an upside for the budget next year.

Interest rates have fallen considerably during the year and so interest income is only expected to be £75 for the current year against a budget of £350 and has been reduced further to £50 for next year's budget.

Expenditure

Administration

The **Salaries** and headcount in the expected forecast for 2020/21 and the budget for 2021/22 reflect the impact of the recent restructure approved by the Conservators. The Clerk and Assistant Clerk roles have been combined from December 2020.

Allowing for certain costs of enabling the restructure the forecast payroll cost for 2020/21 is expected to be £64,372 compared to the budget of £60,478.

Based on the above assumptions the payroll cost for 2021/22 is budgeted to be £54,916 compared to the current year budget of £60,478.

Current year **storage costs** have been paid and it has been assumed that we can provide the necessary **workwear** for the new warden from the balance of £400 left for the year. The £1,000 budget is considered adequate for next year.

The **insurance** premium estimate for the calendar year 2021 has been received and the forecast for this year has been left at the budget level of £2,650 with a 2% increase next year to £2,700.

The current year **audit** charge has not yet been received and so the forecast remains as budget for this year with a 2% increase to £1,050 budgeted for next year.

Other administrative costs to date include a £1,680 initial payment for the new web site. The Freehold Tenants and Friends have agreed to provide £4,000 toward this project which should cover the remainder of the costs. After allowing for £500 of professional fees and further sundry expenditure the forecast is expected to be £2,800 for the year with the web site accounting for the overspend against budget. This will not recur next year and so £1,200 budget should be sufficient for 2022/22.

Management Plan and Maintenance

Grass Cutting – There have been no costs on this contract to date, but this is based on a fixed price of £11,735 for the year and so we expect the current year cost to be in line with budget. The structure of this contract has been changed for next year and we hope to be able to make some savings as a result and so the budget for next year has been reduced to £11,000.

Cleared Areas and Other Maintenance – Only £3,464 has been invoiced here so far but we are expecting an invoice of over £17,000 shortly. This should account for most of the expected expenditure

and the Warden hopes to manage this cost for the remainder of the year and so keep this cost below budget at £24,000. A budget allowance of £25,000 has been made for next year.

Tree Maintenance – Although expenditure to date on tree maintenance has only been £5,165 on an annual budget of £13,546, we are only just entering the time of year when most of this budget is spent. This is an area that is under pressure, especially with the continuing effects of ash die back and the uncertainties of the weather and it is felt that more headroom is needed in the current year and so the forecast has been increased to £15,000. It is hoped that for next year the cost of ash die back will reduce and so has been budgeted for £14,000 in 2021/22.

Drainage and Ditches - £650 of the current budget of £2,040 has been spent to date but now that leaf fall is largely complete the balance of the work can start, and the forecast is just under budget at £2,000. This level should be sufficient for next year.

Paths – No major problem areas here and so with £1,325 spent to date it is expected that we can come in slightly under budget here at £3,500 and this should remain the budget for next year.

Litter Control – The Conservators are already aware that this is a significant cost risk area and proposals of how we deal with it are still under discussion. The current contract runs through to the end of this financial year and while the quality of service may be questionable the price is largely known. It will be necessary to replenish the stock of dog waste bags before the end of this year and with the new bins we have purchased and with a reasonable allowance for the cost of dealing with camps and fly tipping we are forecasting an expenditure of £30,940 for this year compared to the £29,225 budgeted.

For next year the assumption has been made that we retain Oakbourne for a 12 month roll over on the same financial terms. It is assumed that the work to prepare the sites for the new collection bins will be carried out in the current year and the Friends have offered to fund this and so this cost has been excluded from the projections. The cost of emptying these bins has yet to be confirmed but an annual allowance of £4,000 has been included in the budget.

In addition to the usual estimate for camps and fly tipping a further £2,500 contingency has been included in these costs as this is seen as a high risk area where we may need to spend more, particularly given the recent performance of Oakbourne. This brings the budget litter collection cost next year to £38,180 compared to the latest forecast of £30,940 for the current year.

The **Furniture** budget covers the maintenance of park benches. Most of the work for this year has already been carried out costing £2,415 and we expect to manage this expenditure to £3,000 for the full year, slightly under budget. A budget level of £3,200 is proposed for next year.

Barriers - As well as the cost of replacement posts that protect various access points to the Commons this cost centre also includes repairs necessary to Fir Tree car park. Both these areas have suffered from the increased use of the Commons this year and while expenditure to date is under £1,000 the car park does require urgent repairs; however, we should be able to still come in under budget at £3,500 for this

year. One of the Freehold Tenant projects for next year is to replace some of the perimeter bollards around the car park with a ditch and bund which will require much less maintenance. It may be possible to use this method of protection in other areas and so ease the pressure on this budget. With winter coming and if we get continued high usage in the car park further repairs may be necessary after the winter and so the budget has been set at £4,000.

Other Repairs – covers sundry repairs not dealt with under other budget heads. This has been £410 for the year to date and should be no more than £1,500 for the full year which should also be adequate for next year's budget.

Based on the above forecasts for 2020/21 there is no headroom to have any **contingency** if we are to achieve a nil net income result. Given that the current year has only a few months to run we should have greater visibility of our costs and the ability to control expenditure in line with the forecast, this will be a challenge, however. A contingency of £4,500 has been provided in the budget for 2021/22 which is the same as last year. Given the uncertainties around next year a higher figure would be preferable but this could not be accommodated if we are to have a break even budget. It should be noted however that there is an additional £2,500 contingency within the litter budget for next year.

S. Lacey
Conservator

December 2020