

Tunbridge Wells Commons Conservators

Finance Report for the meeting on 19th October 2023

The external audit of last year's accounts has been completed and the necessary documents were placed on the website by 30th September.

In this report I present the financial accounts for the six months to 30th September 2023 and comments thereon.

Financial Accounts for the Six Months to 30th September 2023

Tunbridge Wells Commons Conservators					
Income & Expenditure Statement Estimate					
Q2	Actual	Budget		Actual	Prior
	Period ending	Period ending	Variance	Period ending	Year
	30/09/2023	30/09/2023		30/09/2022	Variance
	£	£	£	£	£
Income					
Tunbridge Wells Borough Council Precept	99,026.00	99,026.00	0.00	87,945.00	11,081.00
Planning agreement income	50,687.68	0.00	50,687.68	0.00	50,687.68
Interest	899.70	300.00	599.70	25.61	874.09
Other	1,025.00	0.00	1,025.00	0.00	1,025.00
Total Income	151,638.38	99,326.00	52,312.38	87,970.61	63,667.77
Expenditure					
Salaries and administrative expenses					
Salaries, NI, pension, parking and payroll	28,730.65	28,629.30	-101.35	32,552.62	3,821.97
Uniform and storage	963.72	1,500.00	536.28	600.00	-363.72
Insurances	1,080.00	1,200.00	120.00	1,080.00	0.00
Audit - internal and external	1,104.00	1,200.00	96.00	600.00	-504.00
Other	1,279.28	2,245.00	965.72	3,280.28	2,001.00
	33,157.65	34,774.30	1,616.65	38,112.90	4,955.25
Maintenance of Commons					
Short grass - grasscutting contract	4,889.90	9,242.10	4,352.20	5,703.74	813.84
Grass and cleared areas	5,318.93	15,000.00	9,681.07	12,641.00	7,322.07
Trees including annual survey	19,421.60	26,000.00	6,578.40	13,300.00	-6,121.60
Ditches & drainage	0.00	1,000.00	1,000.00	0.00	0.00
Paths and Tracks	0.00	1,000.00	1,000.00	0.00	0.00
Litter control	13,457.96	15,952.10	2,494.14	16,662.77	3,204.81
Furniture	421.65	1,500.00	1,078.35	2,090.77	1,669.12
Barriers	305.97	1,500.00	1,194.03	855.00	549.03
Depreciation of Ranger's Tools	378.36	372.16	-6.20	0.00	-378.36
Other	319.71	9,050.00	8,730.29	1,934.25	1,614.54
	44,514.08	80,616.36	36,102.28	53,187.53	8,673.45
Contingency		2,250.00	2,250.00		0.00
Total expenditure	77,671.73	117,640.66	39,968.93	91,300.43	13,628.70
Net income/expense	73,966.65	-18,314.66	92,281.31	-3,329.82	77,296.47

This quarter's main actions have remained with trees in mind, with little financial activity elsewhere other than routine work on litter and latterly on grass.

On the revenue side the money agreed to be received from the s106 and other receipts for the Eridge Road building works of £50k has now been received and placed on deposit. While £8K is s106 money and therefore somewhat restricted the £42k is not. We have set up spreadsheets to monitor expenditure and proposed expenditure for the two s106 amounts and the £42k. A proposed spend

of £750 has been allocated, but not yet spent, to the Union House s106, but the use of the other funds is being discussed.

Interest on our cash is now being paid at various percentages, depending on the amount deposited and the length of the deposit ranging from 1.1% to 3%. All better than the 0.01% we were receiving last year so I am happy to say that we have already bettered the full budgeted annual amount of £600.

On 30th September 2023, the Conservators had £142,000 in cash at bank of which all but £250 was on deposit. This is £68,000 more than this time last year, due to the Eridge Road money and the delays in grass cutting.

Comparisons to Budget

Income was **above** budget this quarter with the increase in bank interest, plus the £50,000 from s106 money mentioned above.

Admin Expenses

Salaries costs remain close to budget, the only expense over budget is that of mileage, which I guessed too low when budgeting.

All other Admin expenses are on or **below** budget.

Maintenance of the Commons

I have made accruals of £7.5k for invoices not yet received and a few other small amounts.

- **Short Grass Cutting** Contract – as we have had 5 cuts rather than 9, we have a **positive** variance to budget on 30th September of £4.3k.
- **Grass and cleared areas** – with the trial of reducing the cutting of the grass and cleared areas there has been little major activity leaving us with a **positive** variance to budget on 30th September of £9.6k and with the Ranger's current plans the lower spend is likely to remain for the financial year.
- **Trees** – as before most of the cost has been because of Ash Die Back, we spent £5.5k this quarter, leaving us £6.6k **under** budget. However, work planned in Q3 will amount to £21k against a budget of £10k, likely to leave us at least £5k **over** Budget on 31st December. That is before the autumn tree survey and any emergency storm work. The Ranger has said that it is likely that, before the financial year end, he will need to ask permission to make use of the under-budget amounts in the two above categories to meet the ensuing work.
- **Ditches & Drainage and Paths & Tracks** – the Ranger has not used contractors on these matter in this quarter leaving the budget of £1,000 untouched. However, £3k of work is planned in Q3, £750 of which is from the Union House s106, but will leave us at least £1.5k **over** budget on 31st December.
- **Litter Control** – the main contracts continue to be within budget and there have been fewer extras like fly tipping etc, which leaves us **below** budget on 30th September by £2.4k. Countrystyle, who collect the litter for disposal, have notified us of a 10% increase in their work from 1st October, having obtained quotes from two other suppliers it was evident that

using another supplier would only save £2-300 and as such it was decided to stay with Countrystyle and we are likely to be still **below** budget at 31st March.

- **Furniture** – because of a more proactive approach by volunteers, we are £1k **under** budget.
- **Barriers** – as above, because of a more proactive approach by the Ranger, we are £1k **under** budget.
- **Depreciation of Ranger's Tools** – what assets we should be capitalising is the subject a paper also being presented today, which has been requested by our Internal Auditors who believed that we should have capitalised the Ranger's iPhone and iPad please see below.
- **Other** – We had budgeted £7,200 in this quarter for making repairs to the steps at 11 & 12 London Road, but this has been put off to next quarter as the contractor who quoted £3,720 has let us down and the Ranger is looking for alternative contractors. At this time, it seems likely we will still be able to find a contract that will keep us **under** the annual budget.

We are therefore currently showing that these Maintenance of the Commons expenditures are £36k **under** budget and expenditure in total is £40k **under** budget including the contingency budget.

Draft Balance Sheet on 30th September 2023

Tunbridge Wells Commons Conservators		
Balance sheet as at	23/09/2023	31/03/2023
	£	£
Fixed Assets		
Ranger machinery	2,824.34	3,140.70
Current assets		
Debtors and prepayments	540.00	1,620.00
Accrued income	297.00	20.00
Total	837.00	1,640.00
Cash at bank	142,190.29	75,884.67
Total Assets	145,851.63	80,665.37
Current liabilities		
Creditors	100.00	100.00
Accruals and deferred income	19,638.83	28,419.22
Total	19,738.83	28,519.22
Net current assets	126,112.80	52,146.15
Reserves		
General account	65,573.85	42,294.88
Planning contribution from Union House s106	9,851.27	9,851.27
Planning contribution from Eridge Road s106	8,687.68	-
Planning contribution from Eridge Road other	42,000.00	-
	126,112.80	52,146.15

Fixed Assets

There is a paper on the agenda today "Financial Regulations & Procedures", that has been drafted in response to an Internal Audit comment One of the matters for discussion is at what cost should we consider an asset a "Fixed Asset" for reporting purposes. On 31st March we capitalised all the Ranger's new tools, but the Internal Auditors questioned why we had not capitalised the Ranger's iPhone & iPad, my answer to those items was that such devices change so quickly, I did not consider them as assets. We agreed that we would produce the regulations and procedures mentioned above and therefore we need to define at what level we should include an item as an asset. The amount for discussion is whether we should capitalise amounts of £100 and above or £500 and above, I believe the higher amount should be acceptable, but I would like your approval. Either amount would mean adding the iPhone and iPad to the register, but if the lower amount it would also mean that most of the tools bought would not be included as only one item, the chainsaw would need to be included. Either way this expense line will change next quarter, but unlikely to be by a material amount and does not affect cash flow as the money has already been spent.

I also understand that the Clerk uses her own PC/Apple, and I would recommend considering purchasing one for that position.

Alan Leale-Green FCCA
Treasurer
10th October 2023