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Meeting	Finance & Policy Committee
Date	18th October 2022
Report Title	Leisure Garden Rents
Agenda Reference	13
Author	Jodie Smart, Finance Officer & Deputy RFO

Officer's Recommendations:

1. **To approve the amendment of the Ventnor Close Leisure Garden Rents.**
2. **To approve the prepayment of the allotment rents from April 2023 to September 2023.**
3. **To earmark any surplus income over expenditure for use on Leisure Gardens.**

Ventnor Close Rents

The Leisure Garden rent notices have now been issued. Unfortunately, a discrepancy was highlighted by plot holders for Ventnor Close shortly afterwards. The Finance Officer investigated the discrepancy and discovered that the 2021/22 rents had been incorrectly set in September 2021 and subsequently reduced. The Finance Officer had used the rents agreed in September 2021 as the starting point for the 4% increase for the current year rents.

The Finance Officer has now reduced the Ventnor Close rents in line with the actual 2021/22 rents charged as follows:

Size	Actual 21/22 Rents	4%
1/2	29.73	31
1/4	15.65	16
1/2 Concession	22.42	23
1/4 Concession	11.99	12

General Leisure Garden Income and Expenditure

Following discussion at Parks and Open Spaces Committee it has been suggested that any surplus income over expenditure be put into an earmarked reserve for future improvements to the Leisure Garden sites. At the moment there is a disparity in the way that the income and expenditure are dealt with for the Leisure Gardens. The income over expenditure is not covering the same period. The income covers October to September (growing season) and the expenditure covers April to March (accounting year).

At the moment, the rents are charged from October to September to fit in with the growing season. This means that the income straddles two accounting years. To account for this correctly the income from April to September should be dealt with as a prepayment and moved into the next years' income during year end close down procedures. This means that for the first year of accounting in this way the income will be showing as half of what it normally is. If this is changed for the current accounting year the income over expenditure for Leisure Gardens is projected to be:

Income	£3108.00
Less: 50% income to prepayments	(£1,554.00)
Less: Projected expenditure	(£1,700.00)
Total Surplus/(Overspend)	(£ 146.00)

At the moment, the projection is to spend or earmark the full £1,500 budget for Leisure Garden Maintenance (4310/305). The Finance Officer recommends that the remaining balance of this budget to earmark at year end can be reduced by the actual overspend to balance the Leisure Garden budgets to net zero for 2022/23 with a view to building an ear marked reserve from 2023/24 when the full year income will show in the accounts.

An alternative to this is to move the invoicing period to match the accounting year. This is not advised as allotment holders will generally decide at the start of growing season/rent time whether to continue for the coming year. April is also a very busy time for the Finance Officer to process the year end accounts and audits etc. so the addition of leisure garden rents and receipts will be too time consuming in conjunction with the other duties.