

NEW FOREST NATIONAL PARK AUTHORITY
AUTHORITY MEETING – 18 AUGUST 2005

NATIONAL PARK AUTHORITY BUDGET

Report by: Alison Parker, Interim Director, Corporate Services

Summary:

This paper and Annexes describe the financial framework the Authority operates within, the Authority's overall budget for 2005/6 and the Quarter 1 position, and the Defra financial reporting requirements.

Recommendation:

To **note** the financial report and the accounts for Q1.

Resources:

None

Other major considerations:

None

Background

1. The report at **Annex 1** explains the Authority's accounting and control framework and, the financial position of the Authority, and comments on the budgetary control report at **Appendix 1** to the report which shows the overall budget for 2005/6 and the Quarter 1 outturn. The budgetary control report shows an under spend against profile for the first quarter. That is unsurprising since at the beginning this financial year, the actual spend profile was unknown. In order to ensure adequate funding available to the Authority, there was significant loading of estimates into Quarter 1. The balance of budgets between the various functions – the rows in Appendix 1 – will also shift as the year progresses. "Central Services" includes provision eg for staff, yet to be recruited. Once appointments are made, their costs will be allocated to the appropriate functions head eg "Natural Environment". So the budget will change and become firmer as the year progresses and predictions of spend become more certain.
2. Defra has been kept fully informed about our approach and understands the limitations of our ability to predict accurately at this stage.
3. NFDC is providing the National Park Authority with its finance and accounting functions, to run on the NFDC new Aggresso accounting system. Since before the beginning of the financial year, work has been taking place on setting up banking and payment processes for the authority, drawing down funds from Defra and putting in place the Authority's accounting framework. This has now reached the stage where members can be shown the overall position as of the end of Q1.
4. Defra requires National Park Authorities to draw down funds and report spending against certain functional headings, which are shown on a blank example of an end-year reporting form for another national park at **Annex 2** and defined in **Annex 3**. The accounting framework has therefore to meet the everyday needs of the Authority in managing its forecasting and budgets, and also to be able to respond to Defra in the format required.

Future years

5. In association with the business planning activities later in the autumn, members will also need to take decisions on the budget framework for 2006/7.

Recommendation: Members are asked to note the financial framework report and the first budgetary control report for the Authority and the requirements for reporting to Defra.

Alison Parker
9 August 2005