

NFNPA RAPC 282/16

NEW FOREST NATIONAL PARK AUTHORITY

RESOURCES, AUDIT AND PERFORMANCE COMMITTEE – 1 FEBRUARY 2016

THIRD QUARTER BUDGETARY CONTROL REPORT 2015/16

Report by: Bob Jackson, Chief Finance Officer and Nigel Stone, Finance and Performance Manager.

Purpose:

This report provides a summary of financial and treasury performance up to the end of December 2015, the first nine months of the 2015/16 financial year.

1. Introduction

1.1 This report provides a summary of financial performance in the first nine months of 2015/16, providing detail on potential variances and the responses to them. **Annex 1** sets out the summary financial position, including an indicative split of the 2015/16 budgets across the four aims; further detail is then provided on the Programme Fund (**Annex 2**) and Authority-led Partnership Projects (**Annex 3**).

2. Current Position

2.1 The overall income and expenditure budgets for 2015/16 are £6.81m, as shown in Annex 1. This includes £2.99m from Authority-led partnership projects (externally-funded); this figure has increased since the last report due to the recently approved HLF Our Past, Our Future scheme for which the Authority is the Accountable Body.

2.2 The overall expenditure position shows £3.97m spend over the first nine months of the financial year (58% of budget). Without the partnership projects, spend was £2.76m from a budget of £3.82m (72%).

2.3 The overall income position shows £4.01m received (59% of budget) over the first nine months of the financial year. Without the partnership projects, income was £2.91m from a budget of £3.82m (76%).

3. Budgetary Review Process

3.1 All budget holders were requested to scrutinise their early budgetary position and provide details of potential over- or underspends; key responses and outcomes are detailed below.

4 Budget Analysis

4.1 Potential Savings, Pressures and Other Issues

Following the latest review of the financial position, the following savings and pressures have been identified within the 2015/16 original budgets:

Potential Savings:	£000
Additional Planning Fee Income	20-50
Further Icelandic Investment Payment	20
TOTAL	40-70

Potential Pressures:	£000
None Reported	0
TOTAL	0

4.2 Likely Savings:

4.2.1 Planning Fee Income (£20-50,000)

Planning Fees for the first nine months totalled £210,000 from an annual target of £250,000 (84%). This is some £23,000 higher than would normally be expected at this point in the financial year. It is still estimated that the additional income for the year will be in the range of £20-50,000.

4.2.2 Further Icelandic Investment Payment (£20,500)

Members will be aware that the Authority had an investment with an Icelandic bank back in 2008 and had received 94% of the investment and interest returned previously. In August a further payment was made for £20,500 taking the total repaid to £507,000 (notably more than the original investment of £500,000) which equates to 98% of the total including the expected interest. It is now very unlikely that any further significant payments will be received.

5. Sustainable Communities Fund Monitoring

- 5.1 During 2014/15 the Authority successfully allocated all of the remaining Sustainable Communities Fund monies. The new allocation for 2015/16 is a further £30,000 which has already been earmarked as a contribution towards the Our Past, Our Future Landscape Project.
- 5.2 As well as allocating funding, these monitoring reports must also track the amount claimed from that which has been allocated previously – at the start of this year, the amount ‘allocated but unclaimed’ stood at c£182,000. So far this year, £91,000 (50%) of this funding has been claimed.

6. Developer Contributions

- 6.1 During the first nine months of the financial year, a further £228,000 has been received in respect of developer contributions, the majority of which are for affordable housing. So far this year £24,000 of contributions have been spent and this will increase significantly over the coming months as the Bransgore development is constructed.

7. Projected Outturn Position

- 7.1 As set out above in section four, the current outturn projection is for a significant saving consisting of additional planning fees and the Icelandic repayment. If we also assume a number of smaller net underspends from across the budgets too, the 2015/16 outturn is likely to be a £50-70,000 saving from the original budget. It is proposed that this funding is carried forward to the 2016/17 budget to reduce the required savings for that period; this action is possible as the Authority already has adequate Reserves in place for key eventualities/risks and it would seem erroneous to increase those Reserves whilst making cuts to services.

8. Recommendation

It is recommended that the Committee:

- 1 note the current income and expenditure position, including the potential savings, pressures and issues identified**

Papers:

NFNPA/RAPC 282/16	Q3 Budgetary Control Report 2015-16
NFNPA/RAPC 282/16 Annex 1	Budget Monitoring 2015/15
NFNPA/RAPC 282/16 Annex 2	Programme Fund 2015/16
NFNPA/RAPC 282/16 Annex 3	Authority-led Partnership Projects 2015/16

Equality and Diversity Implications:

There are no specific equality or diversity implications arising out of this report.

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Annex 1

Budget Monitoring 2015/16
Summary Accounts for the period 1 April – 31 December 2015

	Latest Budget	Payments to date	% of Budget Spent
	£000	£000	
<u>Expenditure:</u>			
Authority-led Partnership Projects	2,993	1,207	40%
Employee Costs (Salary, Travel, Pensions etc)	2,600	1,955	75%
Programme Fund	316	207	66%
Sustainable Communities Fund	30	0	0%
Strategy & Planning	76	36	47%
Central Costs (split below)	796	560	70%
Total Expenditure	6,811	3,965	58%

<u>Income:</u>			
Authority-led Partnership Projects	-2,993	-1,101	37%
National Park Grant	-3,037	-2,285	75%
Planning Income	-250	-210	84%
Shared Services	-320	-235	73%
Income Generation	-17	-12	71%
Investment & Interest Income	-15	-31	207%
Contribution from Revenue Support Reserve (estimated)	-46	-35	75%
Contribution from Other Earmarked Reserves (estimated)	-133	-100	75%
Total Income	-6,811	-4,009	59%

Central Costs Split

	Latest Budget £000	Payments to Date £000	% of Budget Spent
Secretariat	32	32	100%*
Human Resources	76	43	57%
ICT Services	215	188	87%
ICT R&R Fund	57	7	12%**
Member Services	58	43	74%
Finance & Audit Services	66	44	67%
Accommodation	200	140	70%
Business Support (e.g. insurance, printing, stationery)	92	63	68%
TOTAL	796	560	70%

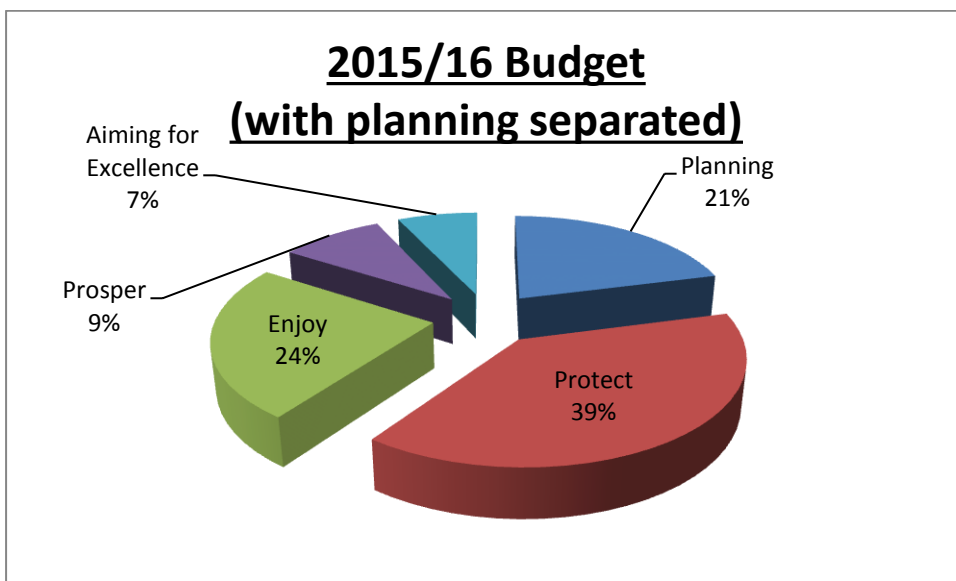
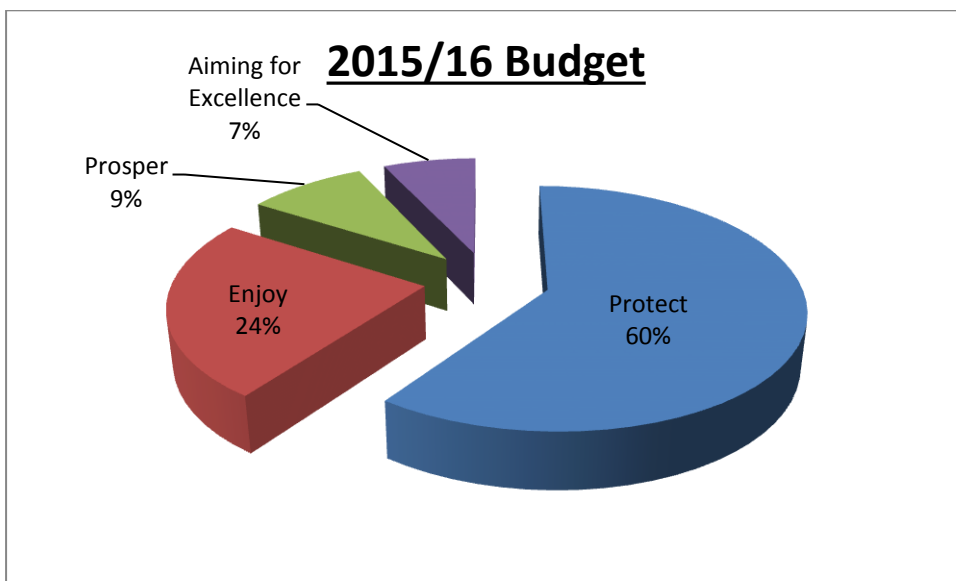
*This result is high at this stage of the year due to services paid for in advance e.g. National Parks England/UK memberships.

**The ICT replacement schedule is currently being fully reviewed and updated following the changes within that team. Further significant expenditure is considered unlikely this financial year (the funding will 'roll over' to next year as it is designed to do).

2015/16 Original Budget (£3.82m – not including partnership projects) shown as 'Protect, Enjoy, Prosper & Aiming for Excellence'

	Protect*	Enjoy	Prosper	Aiming for Excellence
	£000	£000	£000	£000
Employee Costs (allocated)	1,600	550	235	215
Programme Fund	103	175	38	-
Sustainable Development Fund (approximation)	15	10	5	-
Strategy & Planning	76	-	-	-
Central Costs (allocated)	490	168	72	66
TOTAL	2,284*	903	350	281

*Includes up to £0.8m of costs directly related to the Planning Service



Annex 2

Programme Fund 2015/16	Original Project Budget	Payments to date	% of Budget Spent	Notes on significant variations
	£000	£000	%	
PROTECT*				
Landscape Projects	10	2	20%	Remaining funding allocated
Ecology and Catchment Co-ordination	14	0	0%	Various projects underway, no invoices to date
Woodfuel and Woodland Projects	15	15	100%	Up-front contribution
Natural Environment Evidence Base (HBIC / WRC)	6	7	117%	Annual contributions all paid
Our Past, Our Future (Landscape Partnership)	28	28	100%	Up-front contribution
Archaeological Projects	10	3	30%	Remaining funding allocated
FC Archaeology SLA	6	5	83%	
World War I Project	8	8	100%	Up-front contribution
OTHER (Projects less than £5,000)	6	3	50%	
PROTECT SUBTOTAL	103	71	69%	
ENJOY*				
Access and Recreation	16	2	13%	SLA costs not invoiced. Projects being discussed with partners
Health and Wellbeing	5	4	80%	
Education	9	6	66%	
Educational Campaigns	8	0	0%	All funding has been allocated to campaigns but no invoices received to date
Interpretation & Information	15	11	73%	
New Forest Centre Agreement	40	40	100%	
New Forest Show	6	6	100%	Successful show in July 2015
Media and Promotion	25	12	48%	
Publications	24	15	63%	
Partnership Publications	8	7	88%	'Park Life' delivered in April 2015

	Original Project Budget	Payments to date	% of Budget Spent	Notes
Ranger Projects	12	4	33%	
People and Wildlife Ranger Projects	5	2	40%	
OTHER (Projects less than £5,000)	2	1	50%	
ENJOY SUBTOTAL	175	110	63%	
PROSPER*				
New Forest Business Partnership Events	5	2	40%	
New Forest Marque	15	15	100%	Up-front annual contribution
Sustainability Projects	9	2	22%	Funding committed but projects may continue into 2016/17
Sustainable Tourism	7	7	100%	Projects completed over the summer season
OTHER (Projects less than £5,000)	2	0	0%	
PROSPER SUBTOTAL	38	26	68%	
TOTAL EXPENDITURE	316	207	66%	

*The designation of projects to 'Protect, Enjoy & Prosper' are for illustrative purposes only and do not constitute the total funding allocated to each area by the Authority (see Annex 1).

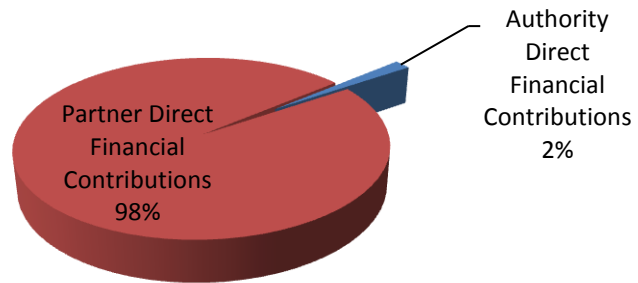
Annex 3

Authority-led Partnership Projects 2015/16

	Authority Direct Financial Contributions	Partner Financial Contributions	Total Project Budget	Total Payments to date	Payments as % of budget	Notes on significant variations
	£000	£000	£000	£000	%	
New Forest Remembers (WWII)	0	70	70	4	6%	Remaining funding does not have to be spent this year
Higher Level Stewardship	0	60	60	33	55%	On track, Lidar exhibition now on
Land Advice Service	0	60	60	36	60%	On track
Water Catchment Pilot	0	15	15	0	0%	Will be spent later in 2015/16 (linked to Landscape Partnership Scheme)
New Forest Produce	15	15	30	11	37%	Work is still underway to review Marque delivery
HLF Landscape Partnership (Dev)	0	70	70	70	100%	Development phase complete.
World War I Project	8	12	20	17	85%	On track
Local Sustainable Transport Fund (2 National Parks)	0	1,000	1,000	475	48%	Remainder is 100% committed
DfT Family Cycling Experiences	0	1,150	1,150	552	48%	Remainder is 100% committed
HLF Our Past, Our Future	28	541	569	9	2%	Funding to be spent by all partners
TOTAL	51	2,993	3,044	1,207	40%	

On average, for every £1 the Authority contributes it generates a further £13 from partner organisations (excludes govt grants).

2015/16 Authority-led Partnership Project Funding



2015/16 External Funding as % of Total Funding

■ Core Funding ■ Externally-generated Project Funding

