

## NFNPA RAPC 304/16

### NEW FOREST NATIONAL PARK AUTHORITY

### RESOURCES, AUDIT AND PERFORMANCE COMMITTEE – 5 SEPTEMBER 2016

### BUDGETARY CONTROL REPORT 2016/17 – TO END OF JULY

**Report by:** Nigel Stone, Chief Finance Officer

**Purpose:**

This report provides a summary of financial and treasury performance up to the end of July 2016, the first four months of the 2016/17 financial year.

#### 1. Introduction

1.1 This report provides a summary of financial performance in the first four months of 2016/17, providing detail on potential variances and the responses to them. **Annex 1** sets out the summary financial position, including an indicative split of the 2016/17 budgets across the four aims; further detail is then provided on the Programme Fund (**Annex 2**), Authority-led Partnership Projects (**Annex 3**) and Developer Contributions / Reserves (**Annex 4**).

#### 2. Current Position

2.1 The overall income and expenditure budgets for 2016/17 are £5.40m, as shown in Annex 1. This includes £1.37m from Authority-led partnership projects (externally-funded).

2.2 The overall expenditure position shows £1.56m spend over the first four months of the financial year (29% of budget). Without the partnership projects, spend was £1.41m from a budget of £4.03m (35%).

2.3 The overall income position shows £1.97m received (37% of budget) over the first four months of the financial year. Without the partnership projects, income was £1.91m from a budget of £4.03m (47%).

### **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**

Overall the figures after four months of the financial year, shown in detail in Annex 1, are very strong. However, there are a few variances and/or potential trends to be highlighted:

Strategy & Planning Expenditure – the spend is very low (9%) at this point in the year as the budget includes provision for costs related to the Local Plan which will not be incurred until later in the year.

Partnerships Projects Expenditure - the vast majority of this budget is made up of the OPOF scheme and expenditure was quite low in the first few months of the year (10% of the annual budget). Many of the projects are still in the early stages of development and it is expected that expenditure will increase significantly as the year progresses. It should also be noted that the expenditure budget is only an estimate and there is no requirement to actually spend this amount by the end of March 2017.

Planning Income – although 32% of income received is consistent with where we should be at this point of the year, this figure is highly variable and a few good or bad weeks' and/or individual fees can quickly affect the overall position. The budget includes £15,000 for pre-application fees which have yet to be enacted.

Partnerships Projects Income – This is low partly due to the lower expenditure mentioned above and partly due to the fact that funding is reclaimed in arrears and therefore much of the Q1 expenditure was yet to be recovered from the funders by the end of July.

### **5. Sustainable Communities Fund (SCF) Monitoring**

- 5.1 The new SCF allocation for 2016/17 is £50,000 of which £30,000 has already been earmarked as a contribution towards the Our Past, Our Future Landscape Project. This funding has been paid over to the OPOF project.
- 5.2 As well as allocating the £20,000 of new funding, there is also an amount which has been allocated previously but is yet to be claimed – at the start of this year, the amount 'allocated but unclaimed' stood at c£78,000.
- 5.3 After four months of the year, over £63,000 has been claimed from the total funds available of £128,000.

## **6. Developer Contributions**

- 6.1 As detailed in Annex 4, during the first four months of the financial year a further £46,000 has been received in respect of developer contributions and £308,000 spent/released. The vast majority of the expenditure relates to the Bransgore development which was completed in July; a further £62,000 is committed to this project (which includes the 5% retention amount).

## **7. Reserves Position**

- 7.1 As detailed in Annex 4, the General Fund Reserve remains at £300,000 and is projected to do so until the end of the financial year.
- 7.2 Earmarked reserves are being utilised in line with the budget approved by the Authority in March 2016. This includes £83,000 from the Revenue Support Reserve (of which c£53,000 was a carry forward from 2015/16), up to £78,000 from the SCF Reserve, up to £77,000 from the ICT Replacement & Renewals Fund (see page 6) and £90,000 of cumulative smaller movements.

## **8. Recommendation**

**It is recommended that Members:**

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

### **Papers:**

NFNPA/RAPC 304/16	Budgetary Control Report 2016/17
NFNPA/RAPC 304/16 Annex 1	Budget Monitoring 2016/17
NFNPA/RAPC 304/16 Annex 2	Programme Fund 2016/17
NFNPA/RAPC 304/16 Annex 3	Authority-led Partnership Projects 2016/17
NFNPA/RAPC 304/16 Annex 4	Developer Contributions and Reserve Balances

### **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 2016/17**  
**Summary Accounts for the period 1 April – 31 July 2016**

	Original Budget	Payments to date	% of Budget Spent
	£000	£000	
<b><u>Expenditure:</u></b>			
Employee Costs (Salary, Travel, Pensions etc)	2,674	896	34%
Programme Fund	300	134	45%
Sustainable Communities Fund	128	63	49%
Strategy & Planning	91	8	9%
Central Costs (split below)	842	305	36%
<b>Subtotal</b>	<b>4,035</b>	<b>1,406</b>	<b>35%</b>
Authority-led Partnership Projects	1,368	156	11%
<b>Total Expenditure</b>	<b>5,403</b>	<b>1,562</b>	<b>29%</b>

<b><u>Income:</u></b>			
National Park Grant	-3,089	-1,570	51%
Planning Income	-290	-94	32%
Shared Services	-306	-127	42%
Income Generation	-7	-5	71%
Investment & Interest Income	-15	-3	20%
Contribution from Revenue Support Reserve (estimated)	-83	-28	33%
Contribution from Other Earmarked Reserves (estimated)	-245	-82	33%
<b>Subtotal</b>	<b>-4,035</b>	<b>-1,909</b>	<b>47%</b>
Authority-led Partnership Projects	-1,368	-64	5%
<b>Total Income</b>	<b>-5,403</b>	<b>-1,973</b>	<b>37%</b>

## Central Costs Split

	Latest Budget £000	Payments to Date £000	% of Budget Spent
Secretariat	47	30	64%*
Human Resources	73	21	29%
ICT Services	210	107	51%**
ICT R&R Fund	122	3	2%**
Member Services	55	18	33%
Finance & Audit Services	50	16	32%
Accommodation	200	73	37%
Business Support (e.g. insurance, printing, stationery)	85	37	44%
<b>TOTAL</b>	<b>842</b>	<b>305</b>	<b>36%</b>

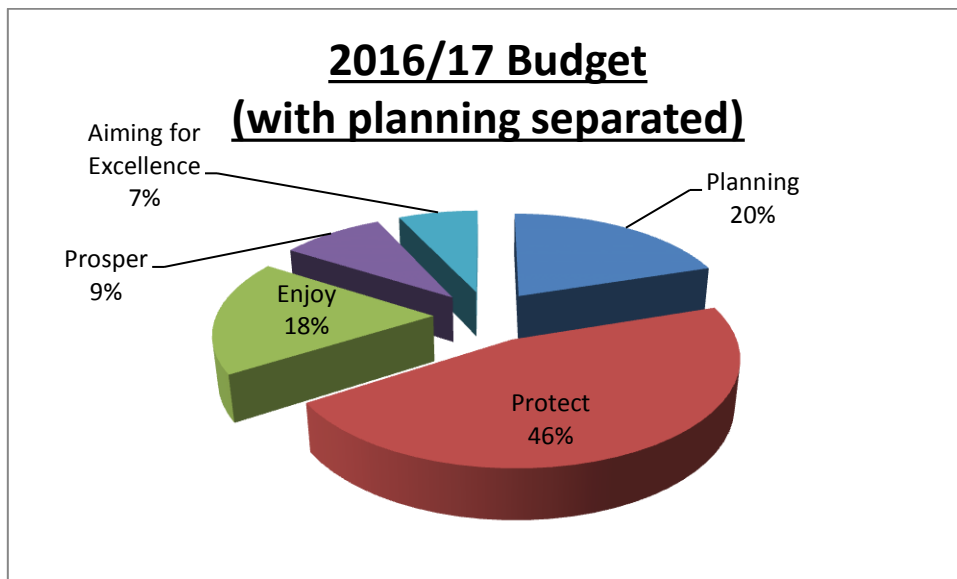
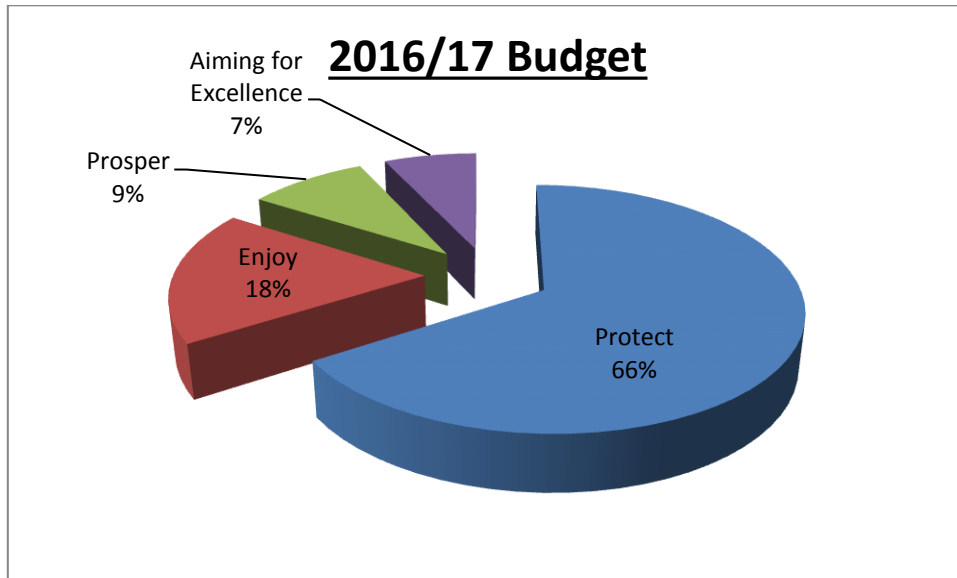
\*This result is high at this stage of the year due to services paid for in advance e.g. National Parks England/UK memberships.

\*\*ICT Services spend is higher than might be expected at this stage due to the annual software licences purchased at the start of the year. The budget for the Replacement & Renewals fund is high this year due to a significant amount of ICT equipment and systems being due, or past due, for replacement (including most of the staff computers, plotters, microfiche and website system). These are likely to be purchased in the latter half of the financial year.

## 2016/17 Original Budget (£4.03m – 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)	1,822	414	223	215
Programme Fund	110	155	35	-
Sustainable Development Fund (approximation)	90	26	12	-
Strategy & Planning	91	-	-	-
Central Costs (allocated)	565	134	73	70
<b>TOTAL</b>	<b>2,678*</b>	<b>729</b>	<b>343</b>	<b>285</b>

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



Annex 2

Programme Fund 2016/17	Original Project Budget	Payments to date	% of Budget Spent	Notes on significant variations
	£000	£000		
<b>PROTECT*</b>				
Landscape Projects	7	0	0%	Various projects underway, no invoices to date
Ecology and Catchment Co-ordination	14	0	0%	Various projects underway, no invoices to date
Woodfuel and Woodland Projects	5	5	100%	Up-front contribution
Natural Environment Evidence Base (HBIC / WRC)	8	6	75%	
Our Past, Our Future (Landscape Partnership)	56	56	100%	Up-front contribution
FC Archaeology SLA	6	0	0%	Work underway but no invoices to date
World War I Project	7	0	0%	
OTHER (Projects less than £5,000)	7	4	57%	
<b>PROTECT SUBTOTAL</b>	<b>110</b>	<b>71</b>	<b>65%</b>	
<b>ENJOY*</b>				
Access and Recreation	12	1	8%	Potential schemes being evaluated
Education	8	2	25%	
Educational Campaigns	7	3	43%	
Interpretation & Information	8	1	13%	
New Forest Centre Agreement	40	20	50%	
New Forest Show	6	2	33%	Successful show in July 2016
Media and Promotion	25	7	28%	
Publications	24	0	0%	Park Life (x2) and the Pocket Guide
Partnership Publications	8	0	0%	For Essential Guide in Q4
Ranger Projects	8	4	50%	
People and Wildlife Ranger Projects	5	2	40%	
OTHER (Projects less than £5,000)	4	0	0%	
<b>ENJOY SUBTOTAL</b>	<b>155</b>	<b>42</b>	<b>27%</b>	

	Original Project Budget	Payments to date	% of Budget Spent	Notes on significant variations
	£000	£000		
<b>PROSPER*</b>				
New Forest Marque	15	15	100%	Up-front contribution
Sustainability Projects	8	0	0%	Potential projects being evaluated
Sustainable Tourism	6	4	66%	
OTHER (Projects less than £5,000)	6	2	33%	
<b>PROSPER SUBTOTAL</b>	<b>35</b>	<b>21</b>	<b>60%</b>	
<b>TOTAL EXPENDITURE</b>	<b>300</b>	<b>134</b>	<b>45%</b>	

\*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 2016/17**

	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		
HLF Our Past, Our Future	89	1,201	1,290	123	10%	Funding to be spent by all partners – On track
New Forest Remembers	7	23	30	1	3%	Remaining funding does not have to be spent this year
Pedall	0	6	6	3	50%	Currently applying for new funding
Family Trees Project	0	10	10	0	0%	Funding received from Tesco “Bags of Help” scheme
Higher Level Stewardship	0	60	60	14	23%	On track
Land Advice Service	5	68	73	15	21%	On track
<b>TOTAL</b>	<b>101</b>	<b>1,368</b>	<b>1,469</b>	<b>156</b>	<b>11%</b>	

**On average, for every £1 the Authority contributes it generates a further £14 from partner organisations.**

## Annex 4

### Developer Contributions:

	Affordable Housing	Open Space	Ecological Mitigation
	£000	£000	£000
Starting Balance	827	137	14
Funds Received	10	16	20
Funds Spent / Released	(283)	(25)	0
<b>Current Balance</b>	<b>554</b>	<b>128</b>	<b>34</b>

Note: £62,000 of the Affordable Housing balance is allocated to the Brangore project

### Current Reserve Balances:

	Starting Balance	Projected Movement	Closing Balance
	£000	£000	£000
General Fund Reserve	300	0	300
Earmarked Reserves:			
Revenue Support Reserve	163	(83)	80
Capital / Major Projects Reserve	817	0	817
Planning / Risk Reserve	150	0	150
Sustainable Communities Fund	78	(78)	0
ICT R&R Fund	77	(77)	0
Other	573	(90)	483
<b>TOTAL</b>	<b>2,158</b>	<b>(328)</b>	<b>1,830</b>