

NFNPA RAPC 320/17

NEW FOREST NATIONAL PARK AUTHORITY

RESOURCES, AUDIT AND PERFORMANCE COMMITTEE – 6 FEBRUARY 2017

THIRD QUARTER BUDGETARY CONTROL REPORT 2016/17

Report by: Nigel Stone, Chief Finance Officer

Purpose:

This report provides a summary of financial performance up to the end of December 2016, the first nine months of the 2016/17 financial year.

1. Introduction

1.1 This report provides a summary of financial performance in the first nine 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 £3.51m spend over the first nine months of the financial year (65% of budget). Without the partnership projects, spend was £2.89m from a budget of £4.03m (72%).

2.3 The overall income position shows £3.59m received (66% of budget) over the first nine months of the financial year. Without the partnership projects, income was £3.03m from a budget of £4.03m (75%).

3. Budgetary Review Process

- 3.1 All budget holders were requested to scrutinise their budgetary position, with specific regard to the potential outturn position for March. Details were provided of known or potential over- or underspends; key responses and outcomes are included below.

4 Budget Analysis

- 4.1 Overall the figures after three quarters of the financial year, shown in detail in Annex 1, are very strong and no significant issues have emerged. However, there are a few variances and/or potential trends to be highlighted.

4.2 Potential Savings:

The Authority currently has a number of vacant posts which are accruing savings on the overall salary budget (above the level of provision already made within that budget). It is therefore currently still projected that salaries could be £10-15,000 underspent at year-end.

A large single planning application fee (£29,000) was banked during the first few days of January 2017 and this could indicate that planning fee income may exceed the budgeted amount by year-end.

4.3 Potential Pressures:

As previously cited, the continuing poor economic conditions are likely to lead to a £5,000 shortfall in our projected interest income.

Earlier this year National Parks England approached all the NPA's with a proposal for a joint post to aid national Brexit discussions, the post was agreed and has recently been advertised; the cost to each Authority is likely to be around £4,000.

A report was jointly commissioned with the New Forest Trust on the future direction and sustainability of the New Forest Visitor Giving Scheme; the cost of the report was £3,500.

5. Sustainable Communities Fund (SCF) Monitoring

- 5.1 The 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 nine months of the year, over £88,000 has been claimed from the total funds available of £128,000.

6. Developer Contributions

- 6.1 As detailed in Annex 4, during the first three quarters of the financial year a further £90,000 has been received in respect of developer contributions and £409,000 spent/released. The vast majority of the expenditure relates to the Bransgore development which was completed in July; a further £11,000 is committed to this project (that being the 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 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 and pressures identified**

Papers:

NFNPA/RAPC 320/17	Budgetary Control Report 2016/17
NFNPA/RAPC 320/17 Annex 1	Budget Monitoring 2016/17
NFNPA/RAPC 320/17 Annex 2	Programme Fund 2016/17
NFNPA/RAPC 320/17 Annex 3	Authority-led Partnership Projects 2016/17
NFNPA/RAPC 320/17 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 December 2016

	Original Budget	Payments to date	% of Budget Spent
	£000	£000	
<u>Expenditure:</u>			
Employee Costs (Salary, Travel, Pensions etc)	2,674	2,008	75%
Programme Fund	300	199	66%
Sustainable Communities Fund	128	88	69%
Strategy & Planning	91	39	43%
Central Costs (split below)	842	560	67%
Subtotal	4,035	2,894	72%
Authority-led Partnership Projects	1,368	616	45%
Total Expenditure	5,403	3,510	65%

<u>Income:</u>			
National Park Grant	-3,089	-2,329	75%
Planning Income	-290	-214	74%
Shared Services	-306	-223	73%
Income Generation	-7	-6	86%
Investment & Interest Income	-15	-7	47%
Contribution from Revenue Support Reserve (estimated)	-83	-62	75%
Contribution from Other Earmarked Reserves (estimated)	-245	-184	75%
Subtotal	-4,035	-3,025	75%
Authority-led Partnership Projects	-1,368	-562	41%
Total Income	-5,403	-3,587	66%

Central Costs Split

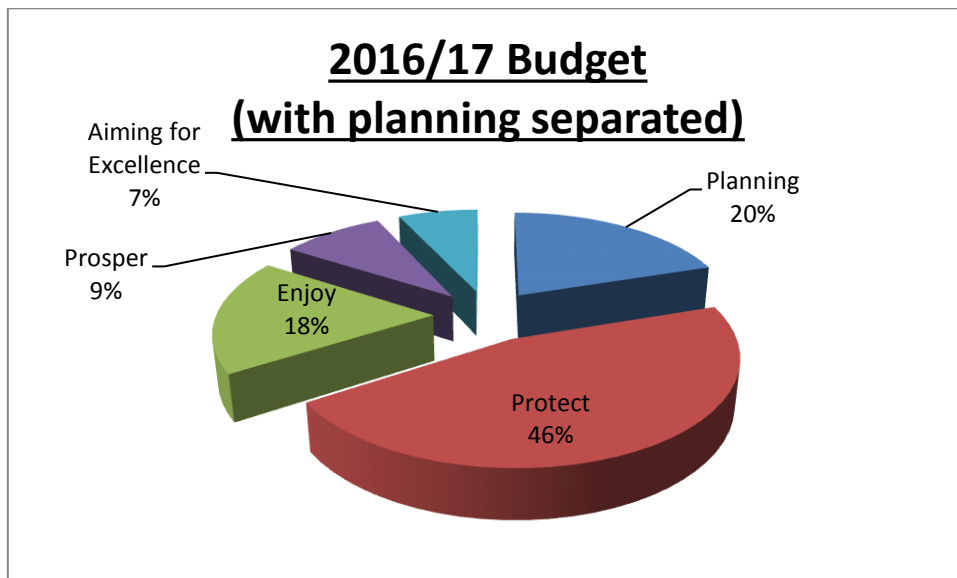
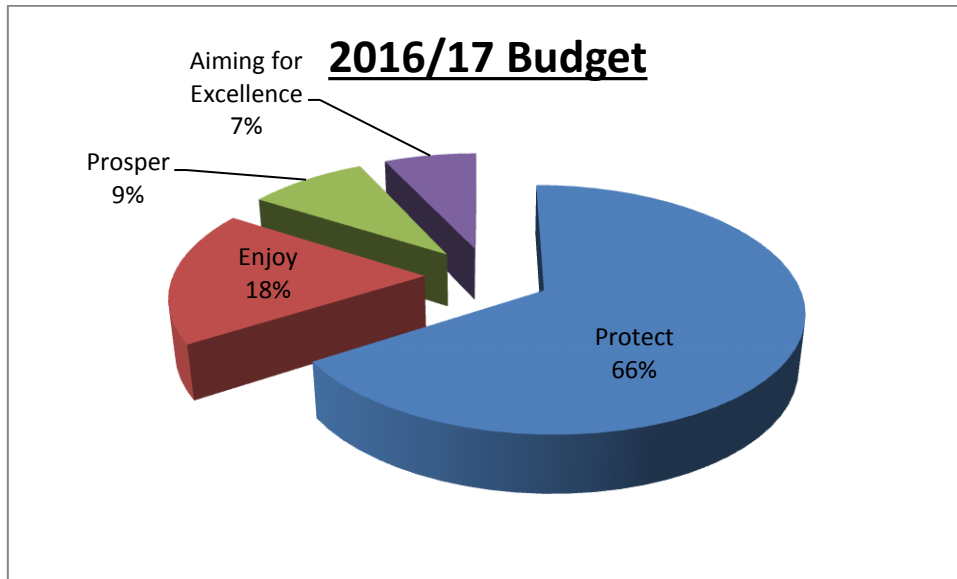
	Latest Budget £000	Payments to Date £000	% of Budget Spent
Secretariat	47	41	87%
Human Resources	73	54	74%
ICT Services	210	186	88%
ICT R&R Fund	122	3	2%*
Member Services	55	41	75%
Finance & Audit Services	50	33	66%
Accommodation	200	143	72%
Business Support (e.g. insurance, printing, stationery)	85	59	69%
TOTAL	842	560	67%

* 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). The procurement processes for these are completed and the items will now be purchased in the final quarter 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
TOTAL	2,678*	729	343	285

*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		
PROTECT*				
Landscape Projects	7	0	0%	Various projects finalised, small underspend
Ecology and Catchment Co-ordination	14	0	0%	Q4 Partnership Contribution
Woodfuel and Woodland Projects	5	5	100%	Up-front contribution
Natural Environment Evidence Base (HBIC / WRC)	8	7	88%	
Our Past, Our Future (Landscape Partnership)	56	56	100%	Up-front contribution
FC Archaeology SLA	6	4	66%	
World War I Project	7	0	0%	Web hosting invoice soon, £3k saving
OTHER (Projects less than £5,000)	7	5	71%	
PROTECT SUBTOTAL	110	77	70%	
ENJOY*				
Access and Recreation	12	8	66%	
Education	8	7	88%	
Educational Campaigns	7	6	86%	
Interpretation & Information	8	7	88%	
New Forest Centre Agreement	40	30	75%	
New Forest Show	6	3	50%	Very successful show in July 2016
Media and Promotion	25	9	36%	Media Library and Licences invoices due
Publications	24	7	29%	Park Life (x2) and the Pocket Guide
Partnership Publications	8	0	0%	For Essential Guide in Q4
Ranger Projects	8	8	100%	
People and Wildlife Ranger Projects	5	3	60%	
OTHER (Projects less than £5,000)	4	3	75%	
ENJOY SUBTOTAL	155	91	59%	

	Original Project Budget	Payments to date	% of Budget Spent	Notes on significant variations
	£000	£000		
PROSPER*				
New Forest Marque	15	15	100%	Up-front contribution
Sustainability Projects	8	0	0%	£2.5k NF Transition Funding and some renewable energy grants/audit invoices due. Small underspend possible.
Sustainable Tourism	6	10	167%	Additional costs from Visitor Gift Scheme evaluation report
OTHER (Projects less than £5,000)	6	6	100%	
PROSPER SUBTOTAL	35	31	89%	
TOTAL EXPENDITURE	300	199	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 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	505	39%	Funding to be spent by all partners – On track, but not limited by financial years
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	7	70%	Funding received from Tesco “Bags of Help” scheme
Higher Level Stewardship	0	60	60	60	100%	Extension to Comms/PR work agreed
Land Advice Service	5	68	73	40	55%	On track
TOTAL	101	1,368	1,469	616	42%	

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	36	21	33
Funds Spent / Released	(327)	(81)	(1)
Current Balance	536	77	46

Note: £11,000 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
TOTAL	2,158	(328)	1,830