

## NFNPA RAPC 341/17

### NEW FOREST NATIONAL PARK AUTHORITY

### RESOURCES, AUDIT AND PERFORMANCE COMMITTEE – 11 SEPTEMBER 2017

### BUDGETARY CONTROL REPORT 2017/18 – TO END OF JULY

**Report by:** Nigel Stone, Chief Finance Officer and Chris Pathmadeva, Finance and Procurement Officer.

**Purpose:**

This report provides a summary of financial performance up to the end of July 2017, the first four months of the 2017/18 financial year.

#### 1. Introduction

1.1 This report provides a summary of financial performance in the first four months of 2017/18, providing detail on potential variances and the responses to them. **Annex 1** sets out the summary financial position, **Annex 2** includes indicative splits of the 2017/18 budgets across the four aims and the statutory accounting format; further detail is then provided on the Programme Fund (**Annex 3**), Authority-led Partnership Projects (**Annex 4**) and Developer Contributions / Reserves (**Annex 5**).

#### 2. Current Position

2.1 The overall income and expenditure budgets for 2017/18 are £5.30m, as shown in Annex 1. This includes £1.19m from Authority-led partnership projects (externally-funded).

2.2 The overall expenditure position shows £1.79m spend over the first four months of the financial year (34% of budget). Without the partnership projects, spend was £1.55m from a budget of £4.11m (38%).

2.3 The overall income position shows £2.03m received (38% of budget) over the first four months of the financial year. Without the partnership projects, income was £1.93m from a budget of £4.11m (47%).

### **3. Budgetary Review Process**

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

### **4 Budget Analysis**

- 4.1 Overall the figures after four months 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:**

Although no specific savings have been identified at this stage, it is very likely that the cumulative small savings across the budget lines could add up to around £5-10,000 as it has in previous years.

#### **4.3 Potential Pressures:**

As Members will be aware, the salary budget is 'reduced' by 2% each year to allow for some vacancy savings, however the Authority currently has a number of staff off on maternity and the additional costs of these are counteracting the vacancy factor. Consequently salaries are currently around £20,000 over where would be expected at this point in the year; the variance will be closely monitored through the remainder of the financial year.

The Our Past, Our Future Landscape Partnership Scheme (OPOF), funded largely by the Heritage Lottery Fund, still has a shortfall of around £70,000 in match funding. The Project Manager will be reviewing this position in the coming months and reporting back to its Programme Board in November and January. There is potential for the Authority to be asked for some further funding to bridge this gap, therefore enabling the project to unlock the full HLF funds; this situation is being closely monitored by the Chief Finance Officer.

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

- 5.1 The SCF allocation for 2017/18 is £50,000 of which £30,000 has already been earmarked as a contribution towards the OPOF 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£28,000.

- 5.3 After four months of the year, over £32,000 has been claimed from the total funds available of £78,000.

## **6. Developer Contributions**

- 6.1 As detailed in Annex 5, during the first four months of the financial year a further £23,000 has been received in respect of developer contributions and £16,000 spent/released.

## **7. Reserves Position**

- 7.1 As detailed in Annex 5, 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 2017. This includes £70,000 from the Revenue Support Reserve (of which c£45,000 was a carry forward from 2016/17), up to £28,000 from the SCF Reserve, up to £109,000 from the ICT Replacement & Renewals Fund and £80,000 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 341/17	Budgetary Control Report 2017/18
NFNPA/RAPC 341/17 Annex 1	Budget Monitoring 2017/18
NFNPA/RAPC 341/17 Annex 2	2017/18 Budget Formats
NFNPA/RAPC 341/17 Annex 3	Programme Fund 2017/18
NFNPA/RAPC 341/17 Annex 4	Authority-led Partnership Projects 2017/18
NFNPA/RAPC 341/17 Annex 5	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 2017/18**  
**Summary Accounts for the period 1 April – 31 July 2017**

	<b>Original Budget</b>	<b>Payments to date</b>	<b>% of Budget Spent</b>
	<b>£000</b>	<b>£000</b>	
<b><u>Expenditure:</u></b>			
Employee Costs (Salary, Travel, Pensions etc)	2,780	937	34%
Programme Fund	352	186	53%
Sustainable Communities Fund	78	32	41%
Strategy & Planning	80	26	33%
Central Costs (split below)	822	372	45%
<b>Subtotal</b>	<b>4,112</b>	<b>1,553</b>	<b>38%</b>
Authority-led Partnership Projects	1,192	236	20%
<b>Total Expenditure</b>	<b>5,304</b>	<b>1,789</b>	<b>34%</b>

<b><u>Income:</u></b>			
National Park Grant	-3,142	-1,596	51%
Planning Income	-295	-94	32%
Planning Grants	-45	0	0%
Shared Services	-324	-139	43%
Income Generation	-10	-2	20%
Investment & Interest Income	-9	-2	22%
Contribution from Revenue Support Reserve (estimated)	-70	-23	33%
Contribution from Other Earmarked Reserves (estimated)	-217	-72	33%
<b>Subtotal</b>	<b>-4,112</b>	<b>-1,928</b>	<b>47%</b>
Authority-led Partnership Projects	-1,192	-103	9%
<b>Total Income</b>	<b>-5,304</b>	<b>-2,031</b>	<b>38%</b>

## **Central Costs Split**

	<b>Latest Budget £000</b>	<b>Payments to Date £000</b>	<b>% of Budget Spent</b>
Secretariat	49	45	92%
Human Resources	76	20	26%
ICT Services	163	89	55%
ICT R&R Fund	138*	55	40%
Member Services	60	17	28%
Finance & Audit Services	53	19	36%
Accommodation	204	87	43%
Business Support (e.g. insurance, printing, stationery)	79	40	51%
<b>TOTAL</b>	<b>822</b>	<b>372</b>	<b>45%</b>

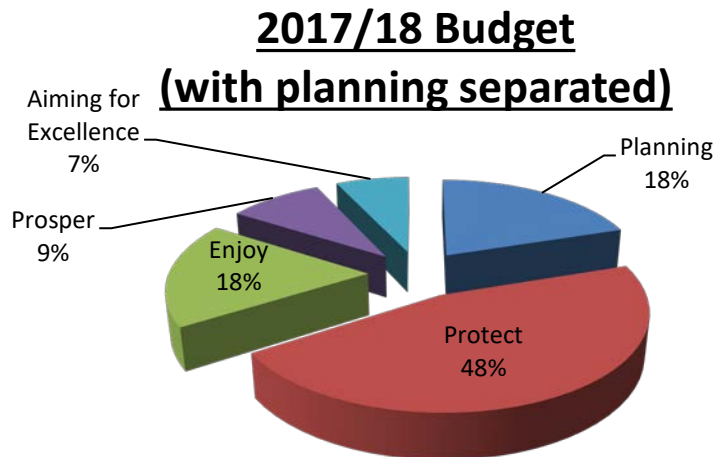
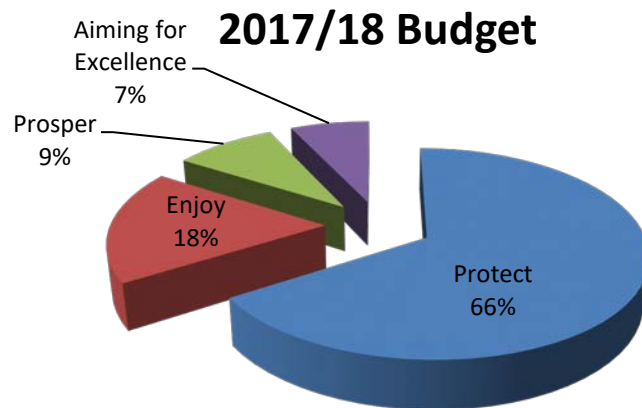
\* The budget for the Replacement & Renewals fund is high this year due to a significant amount of ICT equipment and systems being due, or past due, for replacement (including most of the staff computers, plotters, microfiche and website system).

**Annex 2**

**2017/18 Original Budget (£4.11m – not including partnership projects) shown as ‘Protect, Enjoy, Prosper & Aiming for Excellence’**

	<b>Protect*</b>	<b>Enjoy</b>	<b>Prosper</b>	<b>Aiming for Excellence</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Employee Costs (allocated)	1,888	434	233	225
Programme Fund	129	179	44	-
Sustainable Development Fund (approximation)	55	15	8	-
Strategy & Planning	80	-	-	-
Central Costs (allocated)	558	128	69	67
<b>TOTAL</b>	<b>2,710*</b>	<b>756</b>	<b>354</b>	<b>292</b>

\*Includes up to £0.75m of costs directly related to the Planning Service



**2017/18 Budget position in Authority's formal reporting format**

	<b>Budgeted Net Cost of Services 2017/18</b>		<b>Actual Expenditure April - July</b>	<b>Actual Income April - July</b>	<b>Net Actual April - July</b>
	<b>£000</b>		<b>£000</b>	<b>£000</b>	<b>£000</b>
Conservation of the Natural Environment	507		482	-101	381
Conservation of Cultural Heritage	347		156	-23	133
Recreation Management and Transport	293		123	0	123
Promoting Understanding	530		200	0	200
Rangers, Estates and Volunteers	136		85	-20	65
Development Control	633		352	-194	158
Forward Planning and Communities	504		206	0	206
Corporate and Democratic Core	488		185	0	185
<b>SUBTOTAL</b>	<b>3,438</b>		<b>1,789</b>	<b>-338</b>	<b>1,451</b>
National Park Grant	-3,142			-1,596	
Investment & Interest Income	-9			-2	
Use of Reserves	-287			-95	
<b>TOTAL</b>	<b>0</b>			<b>-2,031</b>	

### Annex 3

Programme Fund 2017/18	Original Project Budget	Payments to date	% of Budget Spent	Notes on significant variations
<b>PROTECT*</b>	<b>£000</b>	<b>£000</b>		
Landscape Projects	5	0	0%	
Ecology and Catchment Co-ordination	14	0	0%	Work with Freshwater Habitats Trust
Woodfuel and Woodland Projects	5	5	100%	Upfront grant payment
Natural Environment Evidence Base (HBIC / WRC)	8	0	0%	Invoiced in Q2
Our Past, Our Future (Landscape Partnership)	56	56	100%	Upfront grant payment
FC Archaeology SLA	6	2	33%	
Green Halo	25	8	32%	
OTHER (Projects less than £5,000)	10	4	40%	
<b>PROTECT SUBTOTAL</b>	<b>129</b>	<b>75</b>	<b>58%</b>	
<b>ENJOY*</b>	<b>£000</b>	<b>£000</b>		
Access and Recreation	12	10	83%	
Health and Wellbeing	5	2	40%	
Education	8	4	50%	
Educational Campaigns	7	1	14%	
Interpretation & Information	8	5	63%	
New Forest Centre Agreement	40	20	50%	Grant quarterly in advance
Media and Promotion	23	10	43%	
Publications	24	0	0%	Significant spend usually in Q3 and Q4
Partnership Publications	8	2	25%	Significant spend usually in Q3 and Q4
Ranger Projects	31	24	77%	Includes purchase of replacement van
People and Wildlife Ranger Projects	5	0	0%	
OTHER (Projects less than £5,000)	8	4	50%	
<b>ENJOY SUBTOTAL</b>	<b>179</b>	<b>82</b>	<b>46%</b>	



	Original Project Budget	Payments to date	% of Budget Spent	Notes on significant variations
<b>PROSPER*</b>	<b>£000</b>	<b>£000</b>		
New Forest Marque	25	25	100%	Upfront grant payment
Sustainability Projects	5	0	0%	
Sustainable Tourism	6	2	33%	
Sustainable Transport	5	1	20%	
OTHER (Projects less than £5,000)	3	1	33%	
<b>PROSPER SUBTOTAL</b>	<b>44</b>	<b>29</b>	<b>66%</b>	
<b>TOTAL EXPENDITURE</b>	<b>352</b>	<b>186</b>	<b>53%</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 4**

**Authority-led Partnership Projects 2017/18**

	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		
Our Past, Our Future (HLF)	89	911	1,000	209	21%	Funding to be spent by all partners – On track, but not limited by financial years
New Forest Remembers	0	23	23	0	0%	Remaining legacy funding does not have to be spent this year
Pedall (Big Lottery)	0	133	133	0	0%	Project just getting underway - two posts have been recruited but not yet started.
Higher Level Stewardship	0	60	60	13	22%	Extension to Comms/PR work agreed
Land Advice Service	5	65	70	14	20%	On track
<b>TOTAL</b>	<b>94</b>	<b>1,192</b>	<b>1,286</b>	<b>236</b>	<b>18%</b>	

**On average, for every £1 the Authority contributes it generates a further £13 from partner organisations**

**Annex 5**

**Developer Contributions:**

	<b>Affordable Housing</b>	<b>Open Space</b>	<b>Ecological Mitigation</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Starting Balance	535	68	46
Funds Received	0	0	23
Funds Spent / Released	0	(12)	(4)
<b>Current Balance</b>	<b>535</b>	<b>56</b>	<b>65</b>

**Current Reserve Balances:**

	<b>Starting Balance</b>	<b>Projected Movement</b>	<b>Closing Balance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
General Fund Reserve	300	0	300
Earmarked Reserves:			
Revenue Support Reserve	139	(70)	69
Capital / Major Projects Reserve	817	(20)	797
Planning / Risk Reserve	150	0	150
Sustainable Communities Fund	28	(28)	0
ICT R&R Fund	109	(109)	0
Other	493	(60)	433
<b>TOTAL</b>	<b>2,036</b>	<b>(287)</b>	<b>1,749</b>