

NFNPA RAPC 371/18

NEW FOREST NATIONAL PARK AUTHORITY

RESOURCES, AUDIT AND PERFORMANCE COMMITTEE – 10 SEPTEMBER 2018

FIRST QUARTER BUDGETARY CONTROL REPORT 2018/19

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 June 2018, the first three months of the 2018/19 financial year.

1. Introduction

1.1 This report provides a summary of financial performance in the first three months of 2018/19, 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 2018/19 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 2018/19 are £5.16m, as shown in Annex 1. This includes £1.14m from Authority-led partnership projects (externally-funded).

2.2 The overall expenditure position shows £1.34m spend over the first three months of the financial year (26% of budget). Without the partnership projects, spend was £1.23m from a budget of £4.02m (31%).

2.3 The overall income position shows £1.06m received (21% of budget) over the first three months of the financial year. Without the partnership projects, income was £1.01m from a budget of £4.02m (25%).

3. Budgetary Review Process

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

4. Budget Analysis

- 4.1 Overall the figures after three months of the financial year, shown in detail in Annex 1, are on track 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:

Planning income was slightly behind forecast at this stage (21% of annual budgeted total after one quarter), however it has since picked up and was on-track as at the end of July.

A provision for legal costs of £28,000 (regarding a planning case) was set aside in 2017/18, the final cost award is still yet to be determined and any amount above the provision would need to be taken from the Planning / Risk Reserve.

5. Sustainable Communities Fund (SCF) Monitoring

- 5.1 The SCF allocation for 2018/19 is £50,000 of which £30,000 has already been earmarked as a contribution towards 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£38,000.

- 5.3 After three months of the year, over £32,000 has been claimed from the total funds available of £88,000.

6. Developer Contributions

- 6.1 As detailed in Annex 5, during the first three months of the financial year a further £3,000 has been received in respect of developer contributions and £16,000 spent/released.

6.2 As Members are aware, a very significant proportion of the remaining Affordable Housing contributions will likely be utilised to fund a pair of homes at the site in Burley; planning permission is currently being sought.

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 2018. This includes £40,000 from the Revenue Support Reserve and £40,000 of cumulative smaller movements.

8. Treasury Management Position

8.1 The early Treasury Management position projects that the Authority will receive around £9-10,000 from interest on its investments and holdings this year (a return of c0.3%); this represents a shortfall of up to £1,000 from the original projection of £10,000. As previously, a full review of the position will be undertaken and presented within the half-year budgetary control report.

9. Recommendation

It is recommended that Members:

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

Papers:

| | |
|---------------------------|--|
| NFNPA/RAPC 371/18 | Budgetary Control Report |
| NFNPA/RAPC 371/18 Annex 1 | Budget Monitoring |
| NFNPA/RAPC 371/18 Annex 2 | 2018/19 Budget Formats |
| NFNPA/RAPC 371/18 Annex 3 | Programme Fund |
| NFNPA/RAPC 371/18 Annex 4 | Authority-led Partnership Projects |
| NFNPA/RAPC 371/18 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 2018/19
Summary Accounts for the period 1 April – 30 June 2018

| | Original Budget | Payments to date | % of Budget Spent |
|---|-----------------|------------------|-------------------|
| | £000 | £000 | |
| <u>Expenditure:</u> | | | |
| Employee Costs (Salary, Travel, Pensions etc) | 2,828 | 702 | 25% |
| Programme Fund | 286 | 143 | 50% |
| Sustainable Communities Fund | 50 | 32 | 64% |
| Strategy & Planning | 122 | 41 | 34% |
| Central Costs (split below) | 734 | 313 | 43% |
| Subtotal | 4,020 | 1,231 | 31% |
| Authority-led Partnership Projects | 1,138 | 111 | 10% |
| Total Expenditure | 5,158 | 1,342 | 26% |

| | | | |
|--|---------------|---------------|------------|
| <u>Income:</u> | | | |
| National Park Grant | -3,196 | -836 | 26% |
| Planning Income | -360 | -77 | 21% |
| Planning Grants | -35 | 0 | 0% |
| Shared Services | -327 | -74 | 23% |
| Income Generation | -12 | -4 | 33% |
| Investment & Interest Income | -10 | -2 | 20% |
| Contribution from Revenue Support Reserve (estimated) | -40 | -10 | 25% |
| Contribution from Other Earmarked Reserves (estimated) | -40 | -10 | 25% |
| Subtotal | -4,020 | -1,013 | 25% |
| Authority-led Partnership Projects | -1,138 | -48 | 4% |
| Total Income | -5,158 | -1,061 | 21% |

Central Costs Split

| | Latest Budget £000 | Payments to Date £000 | % of Budget Spent |
|---|-------------------------------|--------------------------------------|----------------------------------|
| Secretariat | 56 | 42* | 75%* |
| Human Resources | 77 | 9 | 12% |
| ICT Services | 173 | 114* | 66%* |
| ICT R&R Fund | 40 | 0 | 0% |
| Member Services | 60 | 14 | 23% |
| Finance & Audit Services | 51 | 12 | 24% |
| Accommodation | 205 | 88* | 43%* |
| Business Support (e.g. insurance, printing, stationery) | 72 | 34* | 47%* |
| TOTAL | 734 | 313 | 43% |

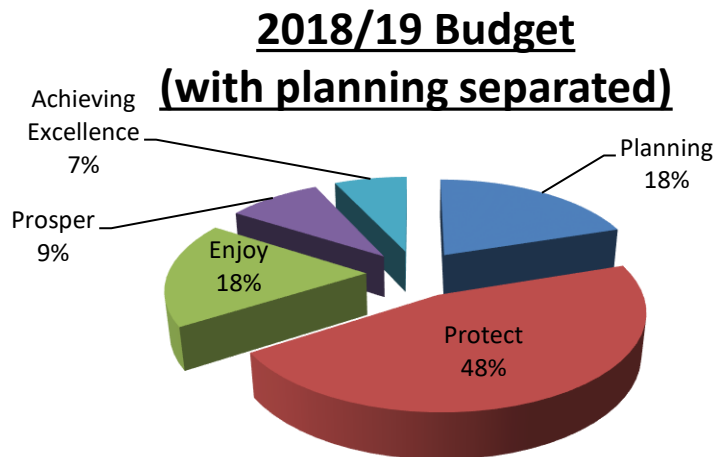
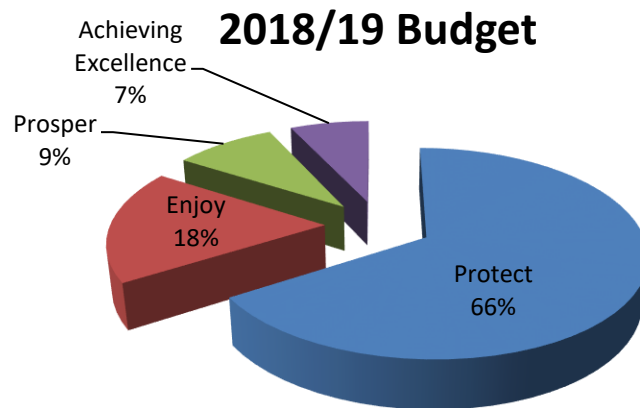
* Figures include significant annual invoices paid in advance (e.g. memberships, licences, business rates, insurance premium)

Annex 2

2018/19 Original Budget (£4.02m – not including partnership projects) shown as ‘Protect, Enjoy, Prosper & Achieving Excellence’

| | Protect* | Enjoy | Prosper | Achieving Excellence |
|--|-----------------|--------------|----------------|-----------------------------|
| | £000 | £000 | £000 | £000 |
| Employee Costs (allocated) | 1,886 | 456 | 263 | 223 |
| Programme Fund | 104 | 144 | 38 | - |
| Sustainable Communities Fund (approximation) | 35 | 10 | 5 | - |
| Strategy & Planning | 122 | - | - | - |
| Central Costs (allocated) | 507 | 114 | 56 | 57 |
| TOTAL | 2,654* | 724 | 362 | 280 |

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



2018/19 Budget position in Authority's formal reporting format

| | Budgeted Net Cost of Services 2018/19 | | Actual Expenditure April - June | Actual Income April - June | Net Actual April - June |
|---|--|--|--|---|------------------------------------|
| | £000 | | £000 | £000 | £000 |
| Conservation of the Natural Environment | 499 | | 218 | -49 | 169 |
| Conservation of Cultural Heritage | 336 | | 141 | -2 | 139 |
| Recreation Management and Transport | 214 | | 82 | -4 | 78 |
| Promoting Understanding | 508 | | 188 | 0 | 188 |
| Rangers, Estates and Volunteers | 116 | | 57 | -20 | 37 |
| Development Control | 617 | | 312 | -105 | 207 |
| Forward Planning and Communities | 522 | | 191 | -23 | 168 |
| Corporate and Democratic Core | 474 | | 153 | 0 | 153 |
| SUBTOTAL | 3,286 | | 1,342 | -203 | 1,139 |
| National Park Grant | -3,196 | | | -836 | |
| Investment & Interest Income | -10 | | | -2 | |
| Use of Reserves | -80 | | | -20 | |
| TOTAL | 0 | | | -1,061 | |

Annex 3

| Programme Fund 2018/19 | Original Project Budget | Payments to date | % of Budget Spent | Notes on significant variations |
|--|--------------------------------|-------------------------|--------------------------|--|
| PROTECT* | £000 | £000 | | |
| Ecology and Catchment Co-ordination | 14 | 0 | 0% | Work with Freshwater Habitats Trust |
| Woodfuel and Woodland Projects (NFLAS) | 5 | 5 | 100% | Upfront grant payment |
| Natural Environment Evidence Base (HBIC / WRC) | 8 | 0 | 0% | Invoiced in Q2 and Q3 |
| Our Past, Our Future (Landscape Partnership) | 56 | 56 | 100% | Upfront grant payment |
| Archaeology Work (FC/NFDC) | 6 | 1 | 17% | |
| Green Halo Partnership | 5 | 2 | 40% | Further income requested from partners |
| OTHER (Projects less than £5,000) | 10 | 5 | 50% | |
| PROTECT SUBTOTAL | 104 | 69 | 66% | |
| ENJOY* | £000 | £000 | | |
| Access and Recreation | 12 | 0 | 0% | Access Ranger started 6 th August |
| Health and Wellbeing | 5 | 3 | 60% | |
| Education (Travel Grants and Resources) | 8 | 2 | 25% | |
| Educational Campaign Resources | 7 | 1 | 14% | |
| Interpretation & Information | 8 | 6 | 75% | |
| NF Centre / Information Services | 30 | 20 | 66% | Grant quarterly in advance |
| New Forest Show | 5 | 3 | 60% | |
| Media and Promotion | 23 | 6 | 26% | |
| Publications | 24 | 2 | 8% | Significant spend usually in Q4 |
| Partnership Publications | 8 | 0 | 0% | Significant spend usually in Q4 |
| Ranger Projects | 7 | 3 | 43% | |
| People and Wildlife Ranger Projects | 5 | 2 | 40% | |
| OTHER (Projects less than £5,000) | 2 | 0 | 0% | |
| ENJOY SUBTOTAL | 144 | 48 | 33% | |

| | Original Project Budget | Payments to date | % of Budget Spent | Notes on significant variations |
|-----------------------------------|-------------------------|------------------|-------------------|---------------------------------|
| PROSPER* | £000 | £000 | | |
| New Forest Marque | 22 | 22 | 100% | Upfront grant payment |
| Sustainable Transport | 5 | 1 | 20% | |
| OTHER (Projects less than £5,000) | 11 | 3 | 27% | |
| PROSPER SUBTOTAL | 38 | 26 | 68% | |
| | | | | |
| TOTAL EXPENDITURE | 286 | 143 | 50% | |

*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 2018/19

| | 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 | 64 | 6% | Funding to be spent by all partners – On track, but not limited by financial years |
| New Forest Remembers | 0 | 22 | 22 | 0 | 0% | Remaining legacy funding does not have to be spent this year |
| Pedall (Big Lottery) | 0 | 80 | 80 | 15 | 19% | |
| Higher Level Stewardship | 0 | 60 | 60 | 21 | 35% | |
| Land Advice Service | 5 | 65 | 70 | 11 | 16% | |
| TOTAL | 94 | 1,138 | 1,232 | 111 | 9% | |

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

Annex 5

Developer Contributions:

| | Affordable Housing | Open Space | Ecological Mitigation |
|------------------------|---------------------------|-------------------|------------------------------|
| | £000 | £000 | £000 |
| Starting Balance | 530 | 87 | 85 |
| Funds Received | 0 | 0 | 3 |
| Funds Spent / Released | 0 | (10) | (6) |
| Current Balance | 530 | 77 | 82 |

Current Reserve Balances:

| | Starting Balance | Projected Movement | Closing Balance |
|----------------------------------|-------------------------|---------------------------|------------------------|
| | £000 | £000 | £000 |
| General Fund Reserve | 300 | 0 | 300 |
| Earmarked Reserves: | | | |
| Revenue Support Reserve | 63 | (40) | 23 |
| Capital / Major Projects Reserve | 597 | 0 | 597 |
| Planning / Risk Reserve | 150 | 0 | 150 |
| Other | 498 | (40) | 458 |
| TOTAL | 1,608 | (80) | 1,528 |