

NFNPA RAPC 405/19

NEW FOREST NATIONAL PARK AUTHORITY

RESOURCES, AUDIT AND PERFORMANCE COMMITTEE – 9 SEPTEMBER 2019

FIRST QUARTER BUDGETARY CONTROL REPORT 2019/20

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 2019, the first three months of the 2019/20 financial year.

1. Introduction

1.1 This report provides a summary of financial performance in the first three months of 2019/20, 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 2019/20 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 2019/20 are £4.84m, as shown in Annex 1. This includes £0.94m from Authority-led partnership projects (externally-funded).

2.2 The overall expenditure position shows £1.31m spend over the first three months of the financial year (27% of budget). Without the partnership projects, spend was £1.20m from a budget of £3.90m (31%).

2.3 The overall income position shows £1.19m received (25% of budget) over the first three months of the financial year. Without the partnership projects, income was £1.15m from a budget of £3.90m (29%).

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 Income/Savings:

General planning income was slightly behind forecast at this stage (23% of annual budgeted total after one quarter), however it has since picked up and was on-track as at the end of July. A significant single payment of £150,000 has also been received for the proposed Fawley development (corresponding costs will of course follow); this has been shown separately within Annex 1 so as not to distort the standard figures.

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 Costs/Pressures:

A full and final payment of c£55,000 has been made for an award of legal costs against the Authority relating to a planning case. This will primarily be funded from the £51,000 provision which was previously set aside from the Planning / Risk Reserve for this case; this expenditure will be refunded to the Reserve as soon as practicable and within a maximum of five financial years.

The costs of the Local Plan inspection by the Planning Inspectorate have been confirmed as £74,500.39. Half of these costs were charged to the 2018/19 financial year and the remaining half is charged to this current financial year (against an agreed budget of £50,000).

5. Sustainable Communities Fund (SCF) Monitoring

- 5.1 The SCF budget for 2019/20 is £30,000 and, after three months of the year, over £10,000 has been claimed.

6. Developer Contributions

- 6.1 As detailed in Annex 5, during the first three months of the financial year a further £10,000 has been received in respect of developer contributions but none 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.

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 2019. This includes £30,000 from the Revenue Support Reserve and £49,000 of cumulative smaller movements.

8. Treasury Management Position

8.1 The early Treasury Management position projects that the Authority will receive around £14-16,000 from interest on its investments and holdings this year (a return of c0.5%); this represents an increase of up to £5,000 from the original projection of £11,000. 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 405/19	Budgetary Control Report
NFNPA/RAPC 405/19 Annex 1	Budget Monitoring
NFNPA/RAPC 405/19 Annex 2	2019/20 Budget Formats
NFNPA/RAPC 405/19 Annex 3	Programme Fund
NFNPA/RAPC 405/19 Annex 4	Authority-led Partnership Projects
NFNPA/RAPC 405/19 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 2019/20
Summary Accounts for the period 1 April – 30 June 2019

	Original Budget	Payments to date	% of Budget Spent
	£000	£000	
<u>Expenditure:</u>			
Employee Costs (Salary, Travel, Pensions etc)	2,746	692	25%
Programme Fund	274	113	41%
Sustainable Communities Fund	30	10	33%
Strategy & Planning	50	18	36%
Local Plan	50	39	78%
Central Costs (split below)	749	328	44%
Subtotal	3,899	1,200	31%
Authority-led Partnership Projects	944	106	11%
Total Expenditure	4,843	1,306	27%

<u>Income:</u>			
National Park Grant	-3,251	-842	26%
Planning Income	-400	-91	23%
Fawley Application Fee	0	-150	100%
Shared Services	-128	-37	29%
Income Generation (inc Affordable Housing)	-30	-7	23%
Investment & Interest Income	-11	-4	36%
Contribution from Revenue Support Reserve (estimated)	-30	-7	25%
Contribution from Other Earmarked Reserves (estimated)	-49	-12	25%
Subtotal	-3,899	-1,150	29%
Authority-led Partnership Projects	-944	-37	4%
Total Income	-4,843	-1,187	25%

Central Costs Split

	Latest Budget £000	Payments to Date £000	% of Budget Spent
Secretariat	47	35*	74%*
Human Resources	77	9	12%
ICT Services	176	134*	76%*
ICT R&R Fund	40	0	0%
Member Services	61	14	23%
Finance & Audit Services	48	5	10%
Accommodation	215	96*	45%*
Business Support (e.g. insurance, printing, stationery)	85	35*	41%*
TOTAL	749	328	44%

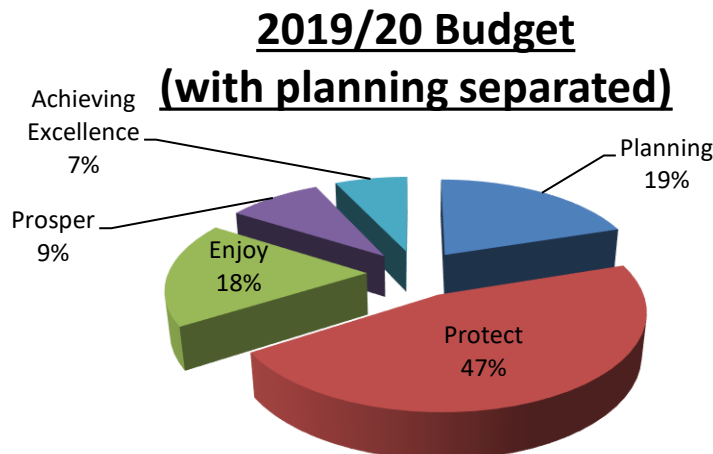
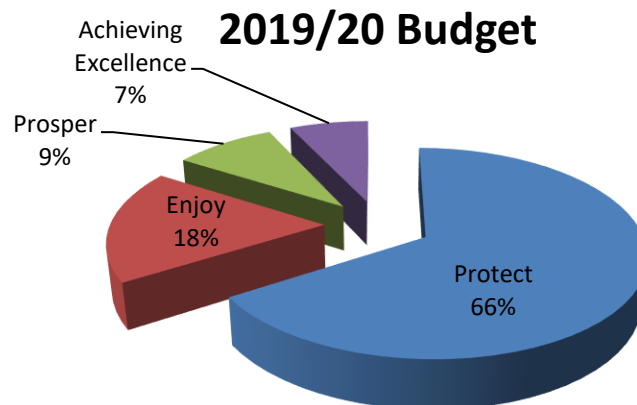
* Figures include significant annual invoices paid in advance (e.g. memberships, licences, business rates, insurance premium)

Annex 2

2019/20 Original Budget (£3.9m – not including partnership projects) shown as ‘Protect, Enjoy, Prosper & Achieving Excellence’

	Protect*	Enjoy	Prosper	Achieving Excellence
	£000	£000	£000	£000
Employee Costs (allocated)	1,831	443	256	216
Programme Fund	106	123	45	-
Sustainable Communities Fund (approximation)	21	6	3	-
Strategy & Planning	100	-	-	-
Central Costs (allocated)	499	121	70	59
TOTAL	2,557*	693	374	275

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



2019/20 Budget position in Authority's formal reporting format

	Budgeted Net Cost of Services 2019/20		Actual Expenditure April - June	Actual Income April - June	Net Actual April - June
	£000		£000	£000	£000
Conservation of the Natural Environment	529		192	-50	142
Conservation of Cultural Heritage	350		122	0	122
Recreation Management and Transport	230		88	-2	86
Promoting Understanding	511		151	0	151
Rangers, Estates and Volunteers	120		43	-24	19
Development Control	625		405	-241	164
Forward Planning and Communities	521		179	0	179
Corporate and Democratic Core	455		126	-5	121
SUBTOTAL	3,341		1,306	-322	984
National Park Grant	-3,251			-842	
Investment & Interest Income	-11			-4	
Use of Reserves	-79			-19	
TOTAL	0			-1,187	

Annex 3

Programme Fund 2019/20	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
Woodland Management 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 Projects and SLAs	10	1	10%	
Green Halo Partnership	7	2	29%	
OTHER (Projects less than £5,000)	6	0	0%	
PROTECT SUBTOTAL	106	64	60%	
ENJOY*	£000	£000		
Access Improvements	15	0	0%	
Health and Wellbeing	5	0	0%	
Education (Travel Grants and Resources)	8	4	50%	
Recreation Management	13	0	0%	
Interpretation & Information	8	1	13%	
New Forest Show	6	4	67%	
Media and Promotion	23	6	26%	
Publications	30	4	13%	Significant spend usually in Q4
Ranger Projects	7	1	14%	
People and Wildlife Ranger Projects	5	2	40%	
OTHER (Projects less than £5,000)	3	0	0%	
ENJOY SUBTOTAL	123	22	18%	

	Original Project Budget	Payments to date	% of Budget Spent	Notes on significant variations
PROSPER*	£000	£000		
New Forest Marque	25	25	100%	Upfront grant payment
Sustainable Transport	10	1	10%	
OTHER (Projects less than £5,000)	10	1	10%	
PROSPER SUBTOTAL	45	27	60%	
TOTAL EXPENDITURE	274	113	41%	

*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 2019/20

	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)	59	741	800	74	9%	Funding to be spent by all partners – On track, but not limited by financial years
New Forest Remembers	0	18	18	0	0%	Remaining legacy funding does not have to be spent this year
Pedall (Big Lottery)	0	60	60	11	18%	
Higher Level Stewardship	0	60	60	10	17%	
Land Advice Service	5	65	70	11	16%	
TOTAL	64	944	1,008	106	11%	

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

Annex 5

Developer Contributions:

	Affordable Housing	Open Space	Ecological Mitigation
	£000	£000	£000
Starting Balance	524	68	94
Funds Received	0	0	10
Funds Spent / Released	0	0	0
Current Balance	524	68	104

Current Reserve Balances:

	Starting Balance	Projected Movement	Closing Balance
	£000	£000	£000
General Fund Reserve	300	0	300
Earmarked Reserves:			
Revenue Support Reserve	36	(30)	6
Capital / Major Projects Reserve	597	0	597
Planning / Risk Reserve	108	0	108
Other	492	(49)	443
TOTAL	1,533	(79)	1,454