

RAPC 462/21

NEW FOREST NATIONAL PARK AUTHORITY

RESOURCES, AUDIT AND PERFORMANCE COMMITTEE – 6 SEPTEMBER 2021

APRIL - JULY BUDGETARY CONTROL REPORT 2021/22

Report by: Nigel Stone, Head of Resources (Chief Finance Officer)

Purpose:

This report provides a summary of financial performance up to the end of July 2021, the first four months of the 2021/22 financial year.

1. Introduction

- 1.1 This report provides a summary of financial performance in the first four months of 2021/22, 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 2021/22 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 2021/22 are £5.24m, as shown in Annex 1. This includes £1.29m from Authority-led partnership projects (externally-funded).
- 2.2 The overall expenditure position shows £1.54m spend over the first four months of the financial year (29% of budget). Without the partnership projects, spend was £1.39m from a budget of £3.94m (35%).
- 2.3 The overall income position shows £2.12m received (40% of budget) over the first four months of the financial year. Without the partnership projects, income was £1.95m from a budget of £3.94m (50%).

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 in section 4 below.

4. General Budget Analysis

- 4.1 Overall the figures after four months of the financial year, shown in detail in Annex 1, are all largely still on track and no significant issues have emerged of which Members need to be made aware at this time.
- 4.2 As previously noted, a number of small savings often occur across budget lines which cumulatively will aid the financial position towards the end of the year.

5. Sustainable Communities Fund (SCF) Monitoring

- 5.1 The SCF budget for 2021/22 is £30,000 and, after four months of the year a total of £5,000 has been claimed.

6. Developer Contributions

- 6.1 As detailed in Annex 5, during the first four months of the financial year a further £19,000 has been received in respect of developer contributions but none spent.
- 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 in March 2021. This includes £50,000 for our Nature-Based Solutions post and £50,000 previously set aside towards the new planning IT system.

8. Treasury Management Position

- 8.1 The early Treasury Management position projects that the Authority will receive around £1-2,000 from interest on its investments and holdings this year (a return of around 0.07%); this represents no change from the original projection of £2,000. As previously, a full review of the position will be undertaken and presented within the half-year budgetary control report.

9. Comprehensive Spending Review

- 9.1 Having largely now dealt with the significant resource requirements within the finance team from dealing with C19-related issues and the completion of the 2020/21 Accounts, the next major focus will be the Comprehensive Spending Review due to report in November.

- 9.2 The approach is two-fold in terms of firstly making the very clear case for the protection of all our existing grant funding and secondly the case for additional funding, given our unique position and skills/abilities as an organisation, to deliver government priorities for the environment within the 'green recovery' bills/plans – locally, regionally and nationally. This process is already underway through National Parks England, significant conversations with other funding bodies such as the LEP / Lotteries and will naturally link into the new Partnership Plan.
- 9.3 It will be necessary to update our internal medium-term financial plan for how we would approach such outcomes/scenarios and, of course, to draft plans for any less positive outcomes too. Authority Members, particularly of this Committee, will be kept fully informed of such work and any funding decisions when they are known.

10. Recommendation

It is recommended that Members:

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

Papers:

RAPC 462/21	Budgetary Control Report
RAPC 462/21 Annex 1	Budget Monitoring
RAPC 462/21 Annex 2	2021/22 Budget Formats
RAPC 462/21 Annex 3	Programme Fund
RAPC 462/21 Annex 4	Authority-led Partnership Projects
RAPC 462/21 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 2021/22

Summary Accounts for the period 1 April – 31 July 2021

	Original Budget	Payments to date	% of Budget Spent
	£000	£000	
<u>Expenditure:</u>			
Employee Costs (Salary, Travel, Pensions etc)	2,815	948	34%
Programme Fund	223	44	20%
Sustainable Communities Fund	30	5	17%
Strategy & Planning	68	26	38%
Central Costs (split below)	808	363	45%
Subtotal	3,944	1,386	35%
Authority-led Partnership Projects	1,294	150	12%
Total Expenditure	5,238	1,536	29%

<u>Income:</u>			
Defra National Park Grant	-3,251	-1,725	53%
Planning Income	-380	-127	33%
Shared Services	-186	-62	33%
Income Generation (inc Affordable Housing)	-25	-6	24%
Investment & Interest Income	-2	0	0%
Contribution from Other Earmarked Reserves (estimated)	-100	-33	33%
Subtotal	-3,944	-1,953	50%
Authority-led Partnership Projects	-1,294	-167	13%
Total Income	-5,238	-2,120	40%

Central Costs Split

	Original Budget £000	Payments to Date £000	% of Budget Spent
Secretariat	36	34*	94%*
Human Resources	72	10	14%
ICT Services	185	136*	74%*
ICT R&R Fund	90	12	13%
Member Services	60	21	35%
Finance & Audit Services	60	5	8%
Accommodation	219	109*	50%*
Business Support (e.g. insurance, printing, stationery)	86	36*	42%*
TOTAL	808	363	45%

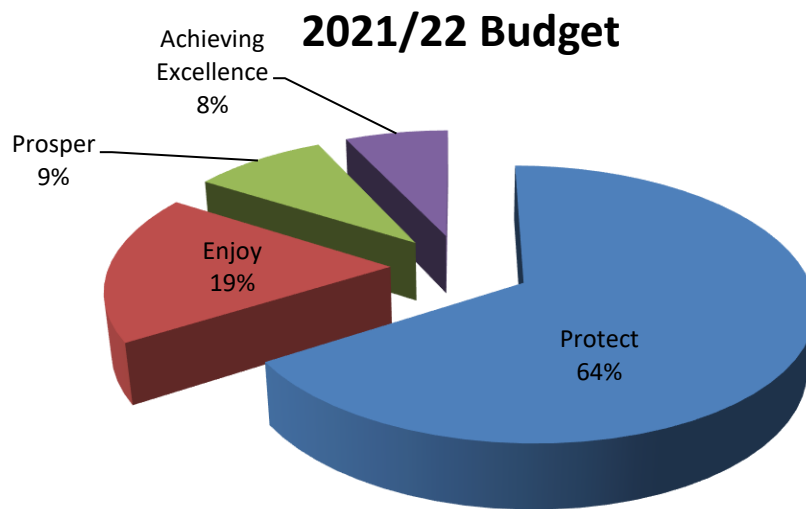
* Figures include significant annual invoices paid in advance (e.g. memberships, licences, business rates, insurance premium).

Annex 2

2021/22 Original Budget (£3.94m – not including partnership projects) shown as ‘Protect, Enjoy, Prosper & Achieving Excellence’

	Protect*	Enjoy	Prosper	Achieving Excellence
	£000	£000	£000	£000
Employee Costs (allocated)	1,846	472	238	259
Programme Fund	49	126	48	-
Sustainable Communities Fund (approximation)	21	6	3	-
Strategy & Planning	68	-	-	-
Central Costs (allocated)	547	127	64	70
TOTAL	2,531*	731	353	329

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



2021/22 Core budget position in Authority's formal reporting format

	Budgeted Net Cost of Services 2021/22		Actual Expenditure April - July	Actual Income April - July	Net Actual April - July
	£000		£000	£000	£000
Conservation of the Natural Environment	567		318	-190	128
Conservation of Cultural Heritage	329		92	0	92
Recreation Management and Transport	216		148	-12	136
Promoting Understanding	461		204	-5	199
Rangers, Estates and Volunteers	155		63	-22	41
Development Control	638		380	-127	253
Forward Planning and Communities	504		154	0	154
Corporate and Democratic Core	483		177	-6	171
SUBTOTAL	3,353		1,536	-362	1,174
National Park Grant	-3,251			-1,725	
Investment & Interest Income	-2			0	
Use of Reserves	-100			-33	
TOTAL	0			-2,120	

Annex 3

Programme Fund 2021/22	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)	10	0	0%	Invoiced in Q2 and Q3
Archaeology Projects and SLAs	10	1	10%	
Green Halo Partnership	5	0	0%	
OTHER (Projects less than £5,000)	5	3	60%	
PROTECT SUBTOTAL	49	9	18%	
ENJOY*	£000	£000		
Access Improvements	8	2	25%	
Health and Wellbeing	5	2	40%	
Education (Travel Grants and Resources)	10	2	20%	
Recreation Management	13	8	62%	
Interpretation & Information	8	2	25%	
New Forest Show	6	0	0%	Saving, reinvested in Recreation Management Team work
Media and Promotion	23	14	61%	
Publications and Advertising	32	0	0%	
Contact Management System	6	0	0%	
Ranger Projects	5	0	0%	
People and Wildlife Ranger Projects	5	0	0%	
OTHER (Projects less than £5,000)	5	1	20%	
ENJOY SUBTOTAL	126	31	25%	

	Original Project Budget	Payments to date	% of Budget Spent	Notes on significant variations
PROSPER*	£000	£000		
New Forest Marque	25	0	0%	Single grant payment
Sustainability Projects	5	1	20%	
Sustainable Transport	10	3	30%	
OTHER (Projects less than £5,000)	8	0	0%	
PROSPER SUBTOTAL	48	4	8%	
TOTAL EXPENDITURE	223	44	20%	

*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 2021/22

	Authority 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)	0	50	50	38	76%	Final funding to be spent by all partners
New Forest Remembers	0	18	18	0	0%	Remaining legacy funding does not have to be spent this year
Pedall (Lottery)	0	250	250	32	13%	
Higher Level Stewardship	0	90	90	18	20%	
Generation Green	10	65	75	15	20%	
Green Recovery Fund – New Forest	33	225	258	0	0%	Starts in September
Kickstart Posts	0	40	40	20	50%	
Paediatric Fellowship Programme	0	36	36	12	33%	£200k of funding over 5 years
Local Listed Buildings Surveys	0	23	23	0	0%	Starts in September
Hampshire Greenprint	0	20	20	0	0%	Project budgets agreed
Natural Environment Investment Readiness Fund	0	99	99	0	0%	Starts in September
Farming In Protected Landscapes	0	260	260	0	0%	Launched in July
Land Advice Service	5	70	75	15	20%	
TOTAL	48	1,246	1,294	150	12%	

On average, for every £1 the Authority contributes it generates a further £26 from partner organisations

Annex 5

Developer Contributions:

	Affordable Housing	Open Space	Ecological Mitigation
	£000	£000	£000
Starting Balance	584	59	114
Funds Received	0	0	19
Funds Spent / Released	0	0	0
Current Balance	584	59	133

Current Reserve Balances:

	Starting Balance	Projected Movement	Closing Balance
	£000	£000	£000
General Fund Reserve	300	0	300
Earmarked Reserves:			
Revenue Support Reserve	16	0	16
Capital / Major Projects Reserve	557	(50)	507
Planning / Risk Reserve	138	10	148
Other (net)	844	(60)	784
TOTAL	1,855	(100)	1,755