

RAPC 488/22

NEW FOREST NATIONAL PARK AUTHORITY

RESOURCES, AUDIT AND PERFORMANCE COMMITTEE – 5 SEPTEMBER 2022

APRIL - JULY BUDGETARY CONTROL REPORT 2022/23

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 2022, the first four months of the 2022/23 financial year.

1. Introduction

1.1 This report provides a summary of financial performance in the first four months of 2022/23, 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 2022/23 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 2022/23 are £4.87m, as shown in Annex 1. This includes £0.9m from Authority-led partnership projects (externally-funded).

2.2 The overall expenditure position shows £1.55m spend over the first four months of the financial year (32% of budget). Without the partnership projects, spend was £1.40m from a budget of £3.97m (35%).

2.3 The overall income position shows £1.23m received (25% of budget) over the first four months of the financial year. Without the partnership projects, income was £1.06m from a budget of £3.97m (27%).

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. The only significant issues which have emerged at this time are:

Budget	Amount	Pressure / Saving	Further Detail
Salaries	£50,000	Pressure	Current employer pay award offer is higher than originally budgeted at £1,925 per FTE (equates to c5.6% award, with 3% budgeted)
Salaries	£15,000	Saving	Small cumulative savings from pension/NI assumptions and some additional vacancy savings in Q1
Interest	£16-18,000	Saving	Additional income likely due to higher interest rates than projected (see 8.1)

Current Net Position: £17-19,000 negative variation – we will review again at end of Q2.

- 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 2022/23 is £30,000 and, after four months of the year a total of £6,000 has been claimed.

6. Developer Contributions

- 6.1 As detailed in Annex 5, during the first four months of the financial year no further contributions have been received in respect of developer contributions and none spent.
- 6.2 As Members are aware, a significant proportion of the remaining Affordable Housing contributions will likely be utilised shortly 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 currently projected to do so until the end of the financial year. As requested by the Authority, we will undertake a full review of our current and projected reserve levels over the coming months and report results back to this Committee in November and the full Authority in January 2023.

- 7.2 Earmarked reserves are being utilised in line with the budget approved in March 2022. This includes £50,000 for our Nature-Based Solutions post, £20,000 for a replacement electric vehicle and use of funding 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 £18-20,000 from interest on its investments and holdings this year (a return of around 1.25%); this represents a significant increase 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. Review of Central Costs / Flexibility & Resilience

- 9.1 Following discussions with a couple of committee members in recent months, the Head of Resources will undertake a review of our central costs, both in terms of benchmarking ourselves against similar organisations, but also highlighting how they in turn deliver our direct purposes and duty. This information will be reported back to the committee early next calendar year.
- 9.2 A separate review will also be undertaken, within the wider remit of our renewed Business Plan and People Plan, around the flexibility / resilience of our work and workforce – to identify commonality within the requirements for different work/roles, which could then be flexed under pressurised circumstances. Again this information will be reported back to the committee early next calendar year.

10. Recommendation

It is recommended that Members:

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

Papers:

RAPC 488/22	Budgetary Control Report
RAPC 488/22 Annex 1	Budget Monitoring
RAPC 488/22 Annex 2	2022/23 Budget Formats
RAPC 488/22 Annex 3	Programme Fund
RAPC 488/22 Annex 4	Authority-led Partnership Projects
RAPC 488/22 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 2022/23

Summary Accounts for the period 1 April – 31 July 2022

	Original Budget	Payments to date	% of Budget Spent
	£000	£000	
<u>Expenditure:</u>			
Employee Costs (Salary, Travel, Pensions etc)	2,887	919	32%
Programme Fund	211	70	33%
Sustainable Communities Fund	30	6	20%
Strategy & Planning	69	12	17%
Central Costs (split below)	768	388	51%
Subtotal	3,965	1,395	35%
Authority-led Partnership Projects	907	160	20%
Total Expenditure	4,872	1,555	32%
<u>Income:</u>			
Defra National Park Grant	-3,251	-863	27%
Planning Income	-350	-108	31%
Shared Services	-206	-28	14%
Income Generation (inc Affordable Housing)	-20	-9	45%
Investment & Interest Income	-2	-5	250%
Contribution from Other Earmarked Reserves (estimated)	-136	-45	33%
Subtotal	-3,965	-1,058	27%
Authority-led Partnership Projects	-907	-169	6%
Total Income	-4,872	-1,227	25%

Central Costs Split

	Original Budget £000	Payments to Date £000	% of Budget Spent
Secretariat	42	41*	98%*
Human Resources	73	31	42%
ICT Services	180	139*	77%*
ICT R&R Fund	35	0	0%
Member Services	61	22	36%
Finance & Audit Services	55	5	9%
Accommodation	240	109*	45%*
Business Support (e.g. insurance, printing, stationery)	82	41*	50%*
TOTAL	768	388	51%

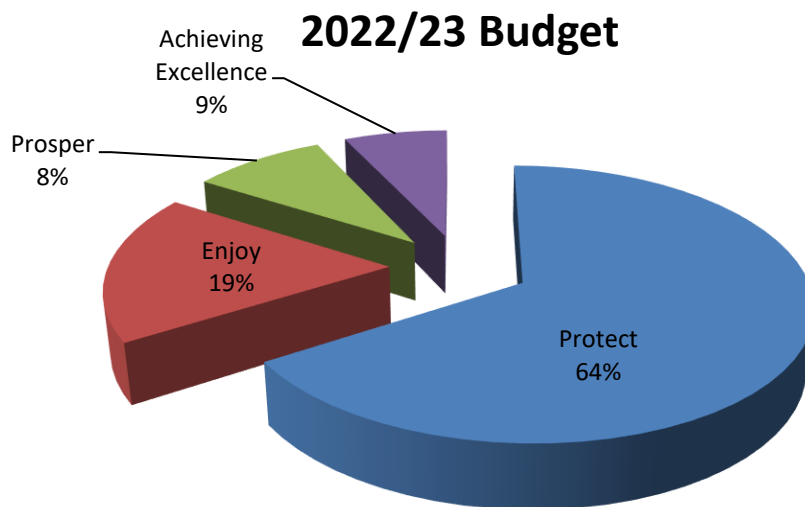
* Figures include significant annual invoices paid in advance (e.g. memberships, licences, business rates, insurance premium).

Annex 2

2022/23 Original Budget (£3.96m – not including partnership projects) shown as ‘Protect, Enjoy, Prosper & Achieving Excellence’

	Protect*	Enjoy	Prosper	Achieving Excellence
	£000	£000	£000	£000
Employee Costs (allocated)	1,885	501	232	269
Programme Fund	52	128	31	-
Sustainable Communities Fund (approximation)	21	6	3	-
Strategy & Planning	69	-	-	-
Central Costs (allocated)	501	133	62	72
TOTAL	2,528*	768	328	341

*Includes up to £0.76m of costs directly related to Planning Services



2022/23 Core budget position in Authority's formal reporting format

	Budgeted Net Cost of Services 2022/23		Actual Expenditure April - July	Actual Income April - July	Net Actual April - July
	£000		£000	£000	£000
Conservation of the Natural Environment	417		258	-110	148
Conservation of Cultural Heritage	204		69	0	69
Recreation Management and Transport	265		168	-52	116
Promoting Understanding	603		267	-7	260
Rangers, Estates and Volunteers	145		79	-28	51
Development Control	786		335	-108	227
Forward Planning and Communities	511		166	0	166
Corporate and Democratic Core	458		213	-9	204
SUBTOTAL	3,389		1,555	-314	1,241
National Park Grant	-3,251			-863	
Investment & Interest Income	-2			-5	
Use of Reserves	-136			-45	
TOTAL	0			-1,227	

Annex 3

Programme Fund 2022/23	Original Project Budget	Payments to date	% of Budget Spent	Notes on significant variations
PROTECT*	£000	£000		
Ecology and Catchment Co-ordination	13	0	0%	Work with Freshwater Habitats Trust
Woodland Management Projects (NFLAS)	5	5	100%	Upfront grant payment
Natural Environment Evidence Base (HBIC / WRC)	12	0	0%	Invoiced in Q2 and Q3
Archaeology Projects and SLAs	12	2	17%	
Green Halo Partnership	5	1	20%	
OTHER (Projects less than £5,000)	5	3	60%	
PROTECT SUBTOTAL	52	11	21%	
ENJOY*	£000	£000		
Access Improvements	8	4	50%	
Health and Wellbeing	5	2	40%	
Education (Travel Grants and Resources)	10	3	30%	
Recreation Management	13	1	8%	
Interpretation & Information	8	4	50%	
New Forest Show	6	10	167%	Additional promotional/educational materials will be used at future events
Media and Promotion	23	11	48%	
Publications and Advertising	32	4	13%	Parklife, Pocket Guide etc
Contact Management System	8	0	0%	Contract agreed
Ranger Projects	5	5	100%	
People and Wildlife Ranger Projects	5	0	0%	
OTHER (Projects less than £5,000)	5	2	40%	
ENJOY SUBTOTAL	128	46	36%	

	Original Project Budget	Payments to date	% of Budget Spent	Notes on significant variations
PROSPER*	£000	£000		
New Forest Marque	4	4	100%	Upfront grant payment – supplemented by comms and admin staffing support
Sustainability Projects	5	5	100%	
Sustainable Transport	15	3	20%	
OTHER (Projects less than £5,000)	7	1	14%	
PROSPER SUBTOTAL	31	13	42%	
TOTAL EXPENDITURE	211	70	33%	

*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 2022/23

	Authority Contributions	Partner Financial Contributions	Total Project Budget	Total Payments to date	Payments as % of budget	Notes on significant variations
	£000	£000	£000	£000		
New Forest Remembers	0	18	18	0	0%	Remaining legacy funding does not have to be spent this year
Pedall (Lottery)	0	150	150	36	24%	
Higher Level Stewardship	0	90	90	14	16%	
Green Recovery Fund – New Forest	22	146	168	46	27%	September 2021 to March 2023
Paediatric Fellowship Programme	0	36	36	12	33%	£200k of funding over 5 years
Local Listed Buildings Surveys	0	15	15	6	40%	Funded until December 2022
Hampshire Greenprint	0	15	15	0	0%	Project budgets agreed
National Grid – Landscape Enhancement Initiative Projects	0	120	120	0	0%	
Natural Environment Investment Readiness Fund	0	40	40	27	68%	Complete by September 2022
Farming In Protected Landscapes	0	180	180	3	2%	July 2021 – March 2024
Land Advice Service	5	70	75	16	21%	
TOTAL	27	880	907	160	18%	

On average, for every £1 the Authority contributes it generates a further £32 from partner organisations

Annex 5

Developer Contributions:

	Affordable Housing	Open Space	Ecological Mitigation	Transport (via HCC)	Solent Mitigation (via Fareham)
	£000	£000	£000	£000	£000
Starting Balance	832	60	152	0*	0*
Funds Received	0	0	0	0	0
Funds Spent / Released	0	0	0	0	0
Current Balance	832	60	152	0*	0*

* Funds paid over to the relevant organisations on an annual basis at year-end. Transport contributions over the previous five financial years have totalled £76,000 and Solent Mitigation £68,000.

Current Reserve Balances:

	Starting Balance	Projected Movement	Closing Balance
	£000	£000	£000
General Fund Reserve	300	0	300
Earmarked Reserves:			
Revenue Support Reserve	19	0	19
Capital / Major Projects Reserve	533	(6)	527
Planning / Risk Reserve	138	20	158
Other (net)	908	(150)	758
TOTAL	1,898	(136)	1,762