

RAPC 497/23

NEW FOREST NATIONAL PARK AUTHORITY

RESOURCES, AUDIT AND PERFORMANCE COMMITTEE – 6 FEBRUARY 2023

Q3 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 December 2022, the first nine months of the 2022/23 financial year.

1. Introduction

- 1.1 This report provides a summary of financial performance in the first nine 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 £3.66m spend over the first nine months of the financial year (74% of budget). Without the partnership projects, spend was £3.07m from a budget of £4.05m (76%).
- 2.3 The overall income position shows £3.70m received (75% of budget) over the first nine months of the financial year. Without the partnership projects, income was £3.08m from a budget of £4.05m (76%).

3. Budgetary Review Process

- 3.1 All budget holders were again requested to scrutinise their budgetary positions and provide details of known or potential over- or underspends; key responses and outcomes are included in section 4 below and an additional column added to Annex 1 to show the projected final position.

4. General Budget Analysis

- 4.1 Overall the figures after nine months of the financial year, shown in detail in Annex 1, are largely still on track and no significant issues have emerged of which Members need to be made aware of at this time.

Budget	Amount	Pressure / Saving	Further Detail
Salaries	-£42,000	Saving	Additional pay award costs more than offset by smaller cumulative savings from pension/NI assumptions and some additional vacancy savings to date.
Central Costs	+£22,000	Pressure	Projected small additional audit, ICT and meetings costs this year.
Planning Fee Income	+£30,000	Pressure	Fees in the year to date are slightly below the projected level.
Shared Services Income	-£14,000	Saving	Additional income from HLS scheme for Comms support.
Interest	-£28,000	Saving	Additional income likely due to higher interest rates than projected

Current Net Position: c£32,000 saving projected for the financial year.

- 4.2 As previously noted, a number of small savings often occur across budget lines which cumulatively will further 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 nine months of the year a total of £21,000 has been claimed.

6. Developer Contributions

- 6.1 As detailed in Annex 5, during the first nine months of the financial year a further £133,000 has been received in respect of developer contributions and £15,000 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. This will be formally reviewed within the 2023/24 budget paper coming to this Committee in March.
- 7.2 Earmarked reserves are being utilised in line with the budget approved in March 2022. Use of earmarked reserves this year includes £45,000 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 current Treasury Management forecast projects that the Authority will receive around £30,000 from interest on its investments and holdings this financial year (£28,000 more than originally budgeted and equating to a return of c1.5%). Due to the increased interest rates now available, our current investments are averaging around a 3.5% return.

9. Recommendation

It is recommended that Members:

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

Papers:

RAPC 497/23	Budgetary Control Report
RAPC 497/23 Annex 1	Budget Monitoring
RAPC 497/23 Annex 2	2022/23 Budget Formats
RAPC 497/23 Annex 3	Programme Fund
RAPC 497/23 Annex 4	Authority-led Partnership Projects
RAPC 497/23 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 December 2022

	Revised Budget	Payments to date	% of Budget Spent	Projected Outturn
	£000	£000		£000
<u>Expenditure:</u>				
Employee Costs (Salary, Travel, Pensions etc)	2,887	2,164	75%	2,845
Programme Fund	297	196	66%	297
Sustainable Communities Fund	30	22	73%	30
Strategy & Planning	69	51	74%	69
Central Costs (split below)	768	641	83%	790
Subtotal	4,051	3,074	76%	4,031
Authority-led Partnership Projects	907	581	64%	
Total Expenditure	4,958	3,655	74%	
<u>Income:</u>				
Defra National Park Grant	-3,337	-2,541	78%	-3,337
Planning Income	-350	-247	71%	-320
Shared Services	-206	-159	77%	-220
Income Generation (inc Affordable Housing)	-20	-16	80%	-20
Investment & Interest Income	-2	-18	900%	-30
Contribution from Other Earmarked Reserves (estimated)	-136	-102	75%	-136
Subtotal	-4,051	-3,083	76%	-4,063
Authority-led Partnership Projects	-907	-618	68%	
Total Income	-4,958	-3,701	75%	

Central Costs Split

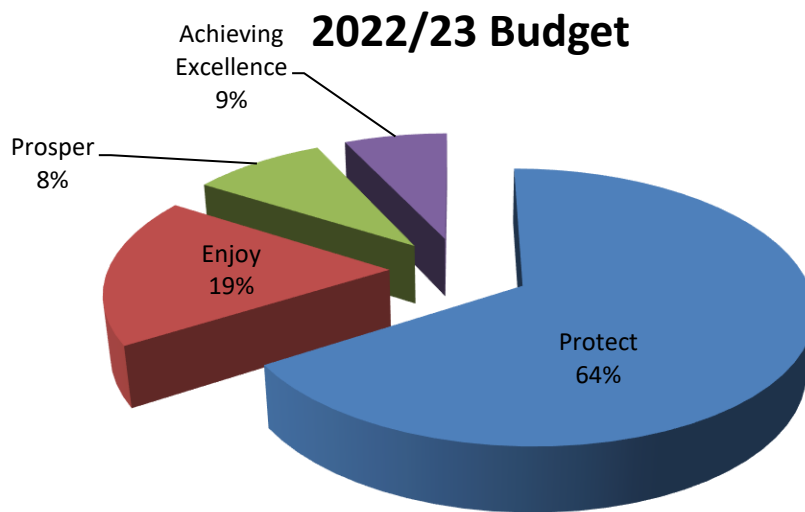
	Latest Budget £000	Payments to Date £000	% of Budget Spent
Secretariat	42	42	100%
Human Resources	73	65	89%
ICT Services	180	177	98%
ICT R&R Fund	35	30	86%
Member Services	61	54	88%
Finance & Audit Services	55	31	56%
Accommodation	240	175	73%
Business Support (e.g. insurance, printing, stationery)	82	67	82%
TOTAL	768	641	83%

Annex 2

2022/23 Original Budget (£3.97m – 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 the Planning Service



2022/23 Budget position in Authority's formal reporting format

	Budgeted Net Cost of Services 2022/23		Actual Expenditure April - Dec	Actual Income April - Dec	Net Actual April - Dec
	£000		£000	£000	£000
Conservation of the Natural Environment	417		858	-546	312
Conservation of Cultural Heritage	204		153	0	153
Recreation Management and Transport	351		432	-175	257
Promoting Understanding	603		474	-10	464
Rangers, Estates and Volunteers	145		144	-46	98
Development Control	786		876	-247	629
Forward Planning and Communities	511		362	0	362
Corporate and Democratic Core	458		356	-16	340
SUBTOTAL	3,475		3,655	-1,040	2,615
National Park Grant	-3,337			-2,541	
Investment & Interest Income	-2			-18	
Use of Reserves	-136			-102	
TOTAL	0			-3,701	

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, invoiced in Q4
Woodland Management Projects (NFLAS)	5	5	100%	Upfront grant payment
Natural Environment Evidence Base (HBIC / WRC)	12	10	83%	
Archaeology Projects and SLAs	12	6	50%	
Green Halo Partnership	5	4	80%	
OTHER (Projects less than £5,000)	5	3	60%	
PROTECT SUBTOTAL	52	28	54%	
ENJOY*	£000	£000		
Access Improvements	94**	66	70%	**Defra have awarded an additional £86,000 capital funds to spend in 2022/23.
Health and Wellbeing	5	3	60%	
Education (Travel Grants and Resources)	10	6	60%	
Recreation Management	13	13	100%	
Interpretation & Information	8	6	75%	
New Forest Show	6	8	133%	Additional promotional/educational materials will be used at future events
Media and Promotion	23	23	100%	
Publications and Advertising	32	10	31%	Parklife, Pocket Guide etc
Contact Management System	8	0	0%	Contract agreed, invoice in Q4
Ranger Projects	5	5	100%	
People and Wildlife Ranger Projects	5	2	40%	
OTHER (Projects less than £5,000)	5	5	100%	
ENJOY SUBTOTAL	214	147	69%	

	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	8	160%	Overspend of £3k on carbon baselining
Sustainable Transport	15	4	27%	Likely underspend - c£7k
OTHER (Projects less than £5,000)	7	5	71%	
PROSPER SUBTOTAL	31	21	68%	
TOTAL EXPENDITURE	297	196	66%	

* 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	111	74%	
Higher Level Stewardship	0	90	90	60	67%	
Green Recovery Fund – New Forest	22	146	168	137	82%	September 2021 to March 2023
Paediatric Fellowship Programme	0	36	36	27	75%	£200k of funding over 5 years
Local Listed Buildings Surveys	0	15	15	15	100%	Funded until December 2022
Hampshire Greenprint	0	15	15	4	27%	Project budgets agreed
National Grid – Landscape Enhancement Initiative Projects	0	120	120	120	100%	Complete
Natural Environment Investment Readiness Fund	0	40	40	40	100%	Completed in September 2022
Farming In Protected Landscapes	0	180	180	32	18%	Scheme runs July 2021 – March 2024
Land Advice Service	5	70	75	35	47%	
TOTAL	27	880	907	581	64%	

On average, for every £1 the Authority contributes it generates a further £30 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	118	0	15
Funds Spent / Released	0	0	0	0	(15)
Current Balance	832	60	270	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