

## NFNPA RAPC 516/23

### NEW FOREST NATIONAL PARK AUTHORITY

### RESOURCES, AUDIT AND PERFORMANCE COMMITTEE – 4 SEPTEMBER 2023

### APRIL - JULY BUDGETARY CONTROL REPORT 2023/24

**Report by:** Nigel Stone, Head of Resources (Chief Finance Officer) and Tom Knott, Finance & Sustainable Procurement Officer

**Purpose:**

This report provides a summary of financial performance up to the end of July 2023, the first four months of the 2023/24 financial year.

#### 1. Introduction

1.1 This report provides a summary of financial performance in the first four months of 2023/24, 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 2023/24 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 2023/24 are £4.74m, as shown in Annex 1. This includes £0.8m from Authority-led partnership projects (externally-funded).

2.2 The overall expenditure position shows £1.50m spend over the first four months of the financial year (32% of budget). Without the partnership projects, spend was £1.44m from a budget of £3.92m (37%).

2.3 The overall income position shows £2.09m received (44% of budget) over the first four months of the financial year. Without the partnership projects, income was £1.90m from a budget of £3.92m (48%).

#### 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:

<b>Budget</b>	<b>Amount</b>	<b>Pressure / Saving</b>	<b>Further Detail</b>
Legal Support	£10,000	Pressure	Temporary staffing cover required.
Waterside Development	£10,000	Pressure	Consultancy contract about future links / access to Forest habitats.
Interest	£20-30,000	Saving	Additional income likely due to higher interest rates than projected (see 8.1).

Current Net Position: no significant 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. The pay award for 2023/24 has yet to be agreed and paid out.

#### 5. Sustainable Communities Fund (SCF) Monitoring

- 5.1 The SCF budget for 2023/24 is £10,000 and we have £64,000 in the SCF Reserve which has previously been allocated to projects but yet to be formally claimed following completion of the relevant works. After four months of the year a total of £19,000 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 £350,000 and is currently 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 2023.

## **8. Treasury Management Position**

- 8.1 The early Treasury Management position projects that the Authority will receive around £90-100,000 from interest on its investments and holdings this year (a return of around 4.5%); this represents a significant increase from the original projection of £70,000. 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 The Head of Resources (CFO) is undertaking 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. 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. As previously agreed, 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:**

NFNPA/RAPC 516/23	Budgetary Control Report
NFNPA/RAPC 516/23 Annex 1	Budget Monitoring
NFNPA/RAPC 516/23 Annex 2	2023/24 Budget Formats
NFNPA/RAPC 516/23 Annex 3	Programme Fund
NFNPA/RAPC 516/23 Annex 4	Authority-led Partnership Projects
NFNPA/RAPC 516/23 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 2023/24**  
**Summary Accounts for the period 1 April – 31 July 2023**

	Original Budget	Payments to date	% of Budget Spent
	£000	£000	
<b><u>Expenditure:</u></b>			
Employee Costs (Salary, Travel, Pensions etc)	2,856	926	32%
Programme Fund	200	49	25%
Sustainable Communities Fund	10	19	190%
Strategy & Planning	81	28	35%
Central Costs (split below)	776	416	54%
<b>Subtotal</b>	<b>3,923</b>	<b>1,438</b>	<b>37%</b>
Authority-led Partnership Projects	817	65	8%
<b>Total Expenditure</b>	<b>4,740</b>	<b>1,503</b>	<b>32%</b>
<b><u>Income:</u></b>			
Defra National Park Grant	-3,251	-1,652	51%
Planning Income	-330	-101	31%
Shared Services	-254	-104	41%
Income Generation (inc Affordable Housing)	-40	-13	33%
Investment & Interest Income	-70	-39	56%
Net Contribution to Other Earmarked Reserves (estimated)	22	7	32%
<b>Subtotal</b>	<b>-3,923</b>	<b>-1,902</b>	<b>48%</b>
Authority-led Partnership Projects	-817	-187	23%
<b>Total Income</b>	<b>-4,740</b>	<b>-2,089</b>	<b>44%</b>

## **Central Costs Split**

	<b>Original Budget £000</b>	<b>Payments to Date £000</b>	<b>% of Budget Spent</b>
Secretariat	72	34*	47%*
Human Resources	74	24	32%
ICT Services	175	144*	82%*
ICT R&R Fund	35	10	29%
Member Services	65	21	32%
Finance & Audit Services	64	19	30%
Accommodation	235	123*	52%*
Business Support (e.g. insurance, printing, stationery)	56	41*	73%*
<b>TOTAL</b>	<b>776</b>	<b>416</b>	<b>54%</b>

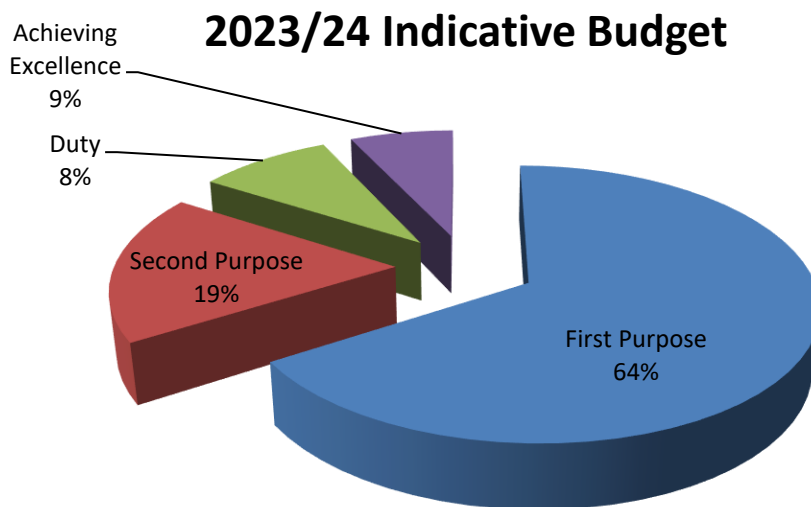
\* Figures include significant annual invoices paid in advance (e.g. memberships, licences, business rates, insurance premium).

**Annex 2**

**2023/24 Original Budget (£3.92m – not including partnership projects) shown by our Purposes, Duty & Achieving Excellence**

	<b>First Purpose*</b>	<b>Second Purpose</b>	<b>Duty</b>	<b>Achieving Excellence</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Employee Costs (allocated)	1,874	494	220	268
Programme Fund	49	129	22	-
Sustainable Communities Fund (approximation)	6	3	1	-
Strategy & Planning	81	-	-	-
Central Costs (allocated)	509	134	60	73
<b>TOTAL</b>	<b>2,519*</b>	<b>760</b>	<b>303</b>	<b>341</b>

\*Includes up to £0.8m of costs directly related to Planning Services



**2023/24 Core budget position in Authority's formal reporting format**

	<b>Budgeted Net Cost of Services 2023/24</b>		<b>Actual Expenditure April - July</b>	<b>Actual Income April - July</b>	<b>Net Actual April - July</b>
	<b>£000</b>		<b>£000</b>	<b>£000</b>	<b>£000</b>
Conservation of the Natural Environment	281		289	-191	98
Conservation of Cultural Heritage	199		100	-34	66
Recreation Management and Transport	308		144	-41	103
Promoting Understanding	566		159	0	159
Rangers, Estates and Volunteers	145		60	-25	35
Development Control	907		413	-101	312
Forward Planning and Communities	443		131	0	131
Corporate and Democratic Core	450		207	-13	194
<b>SUBTOTAL</b>	<b>3,299</b>		<b>1,503</b>	<b>-405</b>	<b>1,098</b>
National Park Grant	-3,251			-1,652	
Investment & Interest Income	-70			-39	
Use of Reserves	22			7	
<b>TOTAL</b>	<b>0</b>			<b>-2,089</b>	

### Annex 3

Programme Fund 2022/23	Original Project Budget	Payments to date	% of Budget Spent	Notes on significant variations
<b>PROTECT*</b>	<b>£000</b>	<b>£000</b>		
Ecology and Catchment Co-ordination	12	0	0%	Work with Freshwater Habitats Trust
Woodland Management Projects (NFLAS)	5	5	100%	Upfront grant payment
Natural Environment Evidence Base (HBIC / WRC)	12	1	8%	Invoiced in Q2 and Q3
Archaeology Projects and SLAs	10	0	0%	
Green Halo Partnership	5	0	0%	
OTHER (Projects less than £5,000)	5	3	60%	
<b>PROTECT SUBTOTAL</b>	<b>49</b>	<b>9</b>	<b>8%</b>	
<b>ENJOY*</b>	<b>£000</b>	<b>£000</b>		
Access Improvements	9	7	78%	
Health and Wellbeing	5	0	0%	
Education (Travel Grants and Resources)	10	3	30%	
Recreation Management	13	3	23%	
Interpretation & Information	8	4	50%	
New Forest Show	6	2	33%	Promotional/educational materials will also be used at future events
Media and Promotion	23	9	39%	
Publications and Advertising	32	0	0%	
Contact Management System	8	1	13%	Contract agreed
Ranger Projects	5	0	0%	
People and Wildlife Ranger Projects	5	1	20%	
OTHER (Projects less than £5,000)	5	1	20%	
<b>ENJOY SUBTOTAL</b>	<b>129</b>	<b>31</b>	<b>24%</b>	



	Original Project Budget	Payments to date	% of Budget Spent	Notes on significant variations
	£000	£000		
<b>PROSPER*</b>				
New Forest Marque	4	4	100%	Upfront grant payment – supplemented by comms and admin staffing support
Sustainability Projects	3	0	0%	
Sustainable Transport	8	5	63%	
OTHER (Projects less than £5,000)	7	0	0%	
<b>PROSPER SUBTOTAL</b>	<b>22</b>	<b>9</b>	<b>41%</b>	
<b>TOTAL EXPENDITURE</b>	<b>200</b>	<b>49</b>	<b>25%</b>	

\*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 2023/24**

	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	43	29%	
Youth for Climate & Nature – Lottery, TBC	TBC	TBC	TBC	0	0%	
Higher Level Stewardship	0	90	90	20	22%	
Paediatric Fellowship Programme	0	36	36	0	0%	£200k of funding over 5 years
Hampshire Greenprint	0	15	15	0	0%	Project budgets agreed
Forest Farming Group	5	20	25	0	0%	
National Grid – Landscape Enhancement Initiative Projects	0	100	100	0	0%	
Farming In Protected Landscapes	0	318	318	0	0%	
Land Advice Service	5	70	75	2	3%	
<b>TOTAL</b>	<b>10</b>	<b>817</b>	<b>827</b>	<b>65</b>	<b>8%</b>	

**On average, for every £1 the Authority contributes each year, it generates a further £23 from partner organisations.**

**Annex 5**

**Developer Contributions:**

	<b>Affordable Housing</b>	<b>Open Space</b>	<b>Ecological Mitigation</b>	<b>Transport (via HCC)</b>	<b>Solent Mitigation (via Fareham)</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Starting Balance	831	59	257	0*	0*
Funds Received	0	0	0	0	0
Funds Spent / Released	0	0	0	0	0
<b>Current Balance</b>	<b>831</b>	<b>59</b>	<b>257</b>	<b>0*</b>	<b>0*</b>

\* Funds paid over to the relevant organisations on an annual basis at year-end. Transport contributions over the previous five financial years have totalled £68,000 and Solent Mitigation £72,000.

**Current Reserve Balances:**

	<b>Starting Balance</b>	<b>Projected Movement</b>	<b>Closing Balance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
General Fund Reserve	350	0	350
Earmarked Reserves:			
Revenue Support Reserve	41	22	63
Capital / Major Projects Reserve	500	0	500
Planning / Risk Reserve	103	20	123
Other (net)	1,070	(20)	1,050
<b>TOTAL</b>	<b>2,064</b>	<b>22</b>	<b>2,086</b>