

# ITEM 6

## EXMOOR NATIONAL PARK AUTHORITY

### RESOURCES COMMITTEE

7 NOVEMBER 2006

### REVISED BUDGET FOR 2006/07

#### Report of the Chief Finance Officer

**Purpose of Report:**

To report on the budgetary review that has been carried out and agree the financial strategy to be adopted for the remainder of the financial year.

**Legal Implications (including Human Rights Act 1998 and Equality Issues)**

Environment Act 1995, Local Government Act 1982 and Local Government Act 2003.

**Financial and Risk Implications:**

The revised budget is within the approved level of net expenditure for the Authority for 2006/07 issued by Department for Environment, Food and Rural Affairs (DEFRA). The risk of overspending and its consequential impact on spending for future years is mitigated by the budgetary control procedures in place.

**Business Plan Objectives:**

D/22.01 Support Services – Financial Systems – regular financial reporting to managers and members.

**RECOMMENDATION:**

Members are recommended to

- i) APPROVE the revised budget for 2006/07 as set out in Appendix 1.
- ii) APPROVE the allocation of £5,000 for the SW Protected Landscapes diversity project and transfer to the balance of the projected underspending of £47,059 to the General Reserve.
- iii) REAFFIRM the financial strategy for 2006/07 as set out in Paragraph 1.3.
- iv) AUTHORISE the National Park Officer and Chief Finance Officer to make such adjustments as are necessary to keep within the Budget and with the objective of marshalling resources to transfer to the General Reserve and to increase the Project Fund Reserve.
- v) NOTE the position of the Planning Delivery Grant and the Sustainable Development Fund.
- vi) NOTE the position regarding reserves as set out in Appendix 2 and AGREE to the arrangements for the funding of Blackpits, Simonsbath, as set out in Paragraph 2.4.

## 1. INTRODUCTION

1.1 In framing the budget for 2006/07 it was agreed to transfer a sum of £60,000 from the General Reserve to support the level of activity contained in the Business Plan. Members will recall that the Minister for Rural Affairs, Landscape and Biodiversity unexpectedly announced on 6 April 2006 extra funding for National Parks which resulted in increased grant for Exmoor of £84,044. As a consequence the Resources Committee on 27 June 2006 agreed not to transfer the sum of £60,000 previously earmarked to support the 2006/07 budget and to review the financial position of the Authority when considering the revised budget on 7 November 2006.

1.2 The overall funding position for the Authority for 2006/07 is therefore –

		£
National Park Grant	- DEFRA	3,500,466
Sustainable Development Fund	- DEFRA	200,000
	- South West RDA	100,000
Planning Delivery Grant	- DCLG	254,408
		<hr/>
		4,054,874

1.3 The agreed financial strategy for 2006/07 is that:

- The Management Team will continue to review and appraise the filling of all vacancies that occur exploring all the options for delivery;
- Underspendings that arise during the year will be carried forward to ease the financial pressure in 2007/08 and beyond; and
- All requests for additional funding will be resisted unless they can be covered by genuine savings.

## 2 REVISED BUDGET

2.1 A detailed review has been carried out in conjunction with budget holders and the results of this review are summarised in the attached Appendix 1. This summary shows for each budget heading the actual for 2005/06, the original budget for 2006/07, the revised budget for 2006/07, the variation between the original and revised budget and an explanation of the “other variance” of significance.

2.2 The projected underspending at the half year stage is £52,059 and in arriving at this figure the following have been taken into account:

- The effect on inflation that has occurred during the year, namely the 2006 cost of living award for staff, the inflation uplift for members allowances, the increased employers costs for pensions and national insurance and price increases (fuel, non-domestic rates etc);
- The review of the pay budget allowing for vacancies, appointments, including the effect of recruitment costs;
- The project funding approved will either have been spent or committed by 31 March 2007.

This underspending includes the balance of the additional National Park Grant for the year which amounts to £24,044.

2.3 The review has only identified one item that requires additional funding and this is participation in the diversity project being carried out by the SW Protected Landscapes Forum of which the Authority is a key partner. It is recommended that a sum of £5,000 be allocated

out of the underspending for this purpose as the Authority's contribution towards this important project and that the balance of the understanding of £47,059 be transferred to the General Reserve.

- 2.4 Members are aware that the Authority recently agreed to acquire Blackpits at Simonsbath on the basis that the cash flow for the purchase would be managed through reserves with the Asset Management Group tasked to consider the options for the future management of this key site in the landscape. It would be prudent at this stage to earmark £100,000 for the potential costs which might fall on the Authority to achieve the protection of this site. This sum can be covered by the additional National Park Grant for 2006/07 and the projected underspending revealed by this revised budget exercise and it is recommended that this be achieved through using the general reserve as set out in paragraph 4.2 below.
- 2.5 The Authority has an exemplary record in managing its resources within budget and the Committee is recommended to continue with the agreed financial strategy for 2006/07 and as in previous years authorise the National Park Officer/Chief Executive and the Chief Finance Officer to make such adjustments as necessary to keep within the revised budget with the objective of marshalling resources to transfer to the General Reserve and to increase the Project Fund Reserve to help ease the financial situation in 2007/08.

### 3. ADDITIONAL FUNDS

- 3.1 The Planning Delivery Grant for 2006/07 amounts to £254,408 to which has to be added the balance brought forward at 1 April 2006 of £5,091 making a total of £259,499 available. The original and revised budgets are as follows :-

	ORIGINAL	REVISED
	£	£
Additional staffing (2.4 WTE) costs including oversites, travel and development	70,000	63,900
Training for Section	7,100	7,100
Bonus Scheme for RTPI Planners	10,000	17,100
Completion of Design Guide	70,000	70,000
Digitising Planning Application Files	75,000	75,000
Contingency and ledge for future years	27,399	26,399
	<u>£259,499</u>	<u>£259,499</u>

- 3.2 Arrangements are in place to deal with applications to the Sustainable Development Fund which in 2006/07 amounts to £300,000. Members will recall that in the update given to the Resources Committee on the 27 June 2006 the position was summarised as follows:-

	£
Balance b/f 01.04.06	293,860
Contribution from DEFRA for 2006/07	200,000
Contribution from SWRDA for 2006/07	100,000
Total Available – 2006/07	<u>593,860</u>
Commitments made at 01.04.06	<u>(424,805)</u>
Balance available in 2006/07 for grants and administration costs	<u>£169,055</u>

### 4. RESERVES

- 4.1 Details of the reserves held by the Authority are contained in Appendix 2 which also shows a projected position at 31 March 2007.

4.2 The position on the General Reserve is projected to be as follows:-

	£
Balance brought forward 01.04.06	319,460
Transfer of projected underspending for 2006/07 revealed at revised estimate stage.	47,059
Transfer following review of sums held in reserves	50,000
Creation of reserve for Blackpits	(100,000)
Projected Balance at 31.03.07	<u>£316,519</u>

4.3 At 31 March 2007 transfers will be made to reserves to cover the costs of goods/services/projects contained in the Business Plan where commitments have been made. This flexible use of resources enables the Authority to plan and manage its activities and the priorities in its Business Plan without regard to the constraints of different financial years. By this approach the Authority is able to obtain best value in terms of economy, efficiency and effectiveness in achieving the objectives contained in the Business Plan.

**Charles Burrows**  
**Chief Finance Officer**

## Original and Revised Budgets 2006/07

Actual 2005/06 £	Budget Heading	Budget 2006/07 £	Revised Budget 2006/07 £	Variance		Notes
				Inflation £	Other £	
50,736	Woodlands	59,635	62,335	2,300	400	
47,921	Landscape	22,300	22,300			
30,004	Moorland Initiative	30,000	30,000			
0	Moorland Landscape Partnership - HLF	0	0			
0	MIRE	2,500	2,500			
(14,111)	Authority's Estate	8,300	6,700	1,400	(3,000)	Reduced hours of Land Agent
163,867	Moorland & Farming Support	157,550	155,850	2,500	(4,200)	Effect of vacancy
(20,425)	Farmed Land - Own Land	0				
6,700	Exmoor Ponies	4,200	4,200			
41,537	Wildlife Conservation	42,465	43,600	1,100	35	
2,999	Coast	3,000	3,000			
84,289	Conservation - General	76,500	78,900	2,400		
90,782	Archaeology	62,200	75,000	2,100	10,700	Early return from maternity leave
0	Monument Management Scheme	3,500	3,500			
0	Victoria County History	0	0			
0	West Somerset Mineral Railway	20,000	20,000			
0	1952 Air Photography	1,500	1,500			
31,519	Historic Buildings	41,400	42,400	1,000		
6,500	Simonsbath Sawmill	6,500	7,000	500		
0	Conservation Areas	0	0			
2,676	Rights of Way	0	500		500	
0	Coast Path	0	0			
72,038	Recreation Management	71,400	74,400	2,500	500	
27,569	Tourism	33,700	34,300	600		
71,648	Open Access	77,800	78,700	900		
117,985	Visitor Facilities	132,500	137,500	5,000		
5,000	Quest Project	0	0			
0	Coleridge Way Project	0	0			
0	CareMoor For Exmoor	0	0			
(2,292)	Recreation - Accommodation	(2,200)	(2,200)			
15,540	Car Parks	16,650	16,200	50	(500)	
129,398	Visitor Centres	126,000	127,600	500	1,100	
2,250	Lynmouth Pavilion	0				
49,103	Pinkery Outdoor Activity Centre	28,150	32,700	1,900	2,650	Reduction in anticipated income
89,332	Information & Interpretation	86,000	91,200	5,200		
62,178	Press and Public Relations	64,000	67,400	3,400		
71,809	Education Services	71,400	73,300	1,900		
8,079	Public Transport	1,000	1,000			
7,756	Traffic Management	500	500			
273,994	Rangers	266,150	274,500	8,250	100	
356,063	Field Services	343,850	350,300	17,250	(10,800)	Effect of vacancies
4,500	Volunteers	4,500	4,500			
172,242	Development Control	167,450	174,100	8,500	(1,850)	Net effect of vacancy offset by additional consultant fees
32,129	Enforcement	32,600	33,800	1,200		
10,017	Land Charges	10,300	8,100		(2,200)	Effect of vacancy
30,000	National Park Management Plan	0	0			
91,925	Policy & Community	98,700	100,000	1,300		
19,411	Support to the Community	11,500	11,500			
1,064	Rural Housing Enabler	1,000	1,000			

<u>Actual</u> <u>2005/06</u> £	<u>Budget Heading</u>	<u>Budget</u> <u>2006/07</u> £	<u>Revised Budget</u> <u>2006/07</u> £	<u>Variance</u>		<u>Notes</u>
				<u>Inflation</u> £	<u>Other</u> £	
43,220	Best Value	43,500	45,000	1,500		
110,220	Corporate Management	108,700	112,300	3,600		
121,548	Administration Expenses	120,900	125,600	4,700		
146,997	Finance	107,500	101,000	9,000	(15,500)	Additional interest on investments
56,495	Personnel	57,100	58,100	1,000		
201,114	ICT	271,600	277,100	5,050	450	
103,853	Secretaries & Clerical	104,500	97,800	2,800	(9,500)	Effect of vacancies
52,970	Legal Services	55,400	63,600	2,400	5,800	Additional interest
127,134	Member & Committee Services	121,000	128,800	7,800		
124,049	Facilities Management	130,400	133,900	6,200	(2,700)	Additional income
7,844	Training - Members	8,000	8,500	500		
32,247	- Staff	32,000	34,000	2,000		
45,000	Dunster Action Plan	0	0			
<b>3,416,422</b>	<b>Sub-Total</b>	<b>3,345,100</b>	<b>3,435,385</b>	<b>118,300</b>	<b>(28,015)</b>	
	Contingencies - Inflation	131,322	13,022	(118,300)		
	Balance	24,044	0	0	24,044	Additional NPG
<b>3,416,422</b>	<b>Total</b>	<b>3,500,466</b>	<b>3,448,407</b>	<b>0</b>	<b>52,059</b>	



## STATEMENT OF RESERVES

	Balance b/f 01.04.06	Movement in 2006/07	Transfer to/from General	Balance at 31.03.07
<b>REVENUE - EARMARKED</b>				
<b>CONSERVATION</b>				
1952 Air Photography	2,894	(2,894)		0
Archaeology Projects	26,800	(26,800)		0
Monument Management Scheme	4,219	(4,219)		0
Tarr Steps Archaeological Assessment	900	(900)		0
Univ Bristol - Archaeology	1,000	(1,000)		0
Ashton Cleave Management Plan	2,000			2,000
Blackpits	0		100,000	100,000
Driver Farm	1,067			1,067
Farm Conservation Scheme	8,546	(8,546)		0
Hill Farm Allowance Study	4,600	(4,600)		0
Larcombe Woods Balance	1,433			1,433
Management Agreements Calc (Prof Fees)	600	(600)		0
Moorland Initiative	70,463			70,463
Moorland Landscape Partnership (HLF)	25,000			25,000
Pony Reserve	10,499			10,499
Porlock Bay Management Strategy Plan	5,000			5,000
Sherracombe Plantation	5,000	(5,000)		0
Sustainable Renewables Fund	7,016			7,016
Wildlife Projects	10,800		(5,000)	5,800
Woodland Reserve	10,165		(5,000)	5,165
<b>RECREATION / UNDERSTANDING</b>				
All Parks Visitor Survey	10,000		(10,000)	0
Car Parks (inc Slattenslade)	15,000	(15,000)		0
CareMoor for Exmoor	5,072			5,072
Coleridge Way Partnership	3,999	(3,999)		0
Open Access	19,374		(10,000)	9,374
Quest Project	17,608	(17,608)		0
Toilet Upgrade Programme	52,351	(35,000)		17,351
Tourism Projects	3,640			3,640
Local Information Points	1,000			1,000
Pinkery Projects	16,500	(16,500)		0
Volunteers Fund	1,333			1,333
Rights of Way Survey Equipment	2,932	(2,932)		0
Equipment Replacement & Renewal	62,393	(62,393)		0
<b>COMMUNITY</b>				
Dunster Action Plan	63,131			63,131
Local Plan Costs	14,761			14,761
Community Grants - Valley of Rocks	15,000			15,000
- Winsford Toilets	15,000			15,000
Planning Delivery Grant	5,091	(5,091)		0
Rural Housing Enabler	5,784	(5,784)		0
Sustainable Development Fund	293,860			293,860

APPENDIX 2

	Balance b/f 01.04.06	Movement in 2006/07	Transfer to/from General	Balance at 31.03.07
<b>CORPORATE</b>				
Accommodation Changes	95,250	(75,000)		20,250
Planning Accommodation	25,000	(25,000)		0
Premises	12,200	(2,200)	(10,000)	0
Disability Discrimination Act	30,000			30,000
Projects Fund	37,520			37,520
Air Photography	3,500			3,500
Community Grants Fund	5,000			5,000
Communications	4,000			4,000
Continuing IEG	97,150	(50,000)		47,150
Equipment	38,000			38,000
NPAPA	10,061			10,061
NPAPA Improvement Plan	10,000			10,000
National Park Management Plan	44,343			44,343
Personnel	9,000			9,000
Health & Safety	5,000			5,000
SNPS Conference	907	(907)		1,814
Training Fund	12,182	(12,182)		24,364
<b>TOTAL REVENUE - EARMARKED</b>	<b>1,260,944</b>	<b>(384,155)</b>	<b>60,000</b>	<b>962,967</b>

<b>MATCH FUNDING</b>				
English Nature Conservation Grant Scheme	8,500			8,500
MIRE	9,570			9,570
North Hill	11,000			11,000
Sawmill Project	12,310			12,310
England's Past for Everyone	30,500			30,500
Lynmouth Pavilion	162,960			162,960
<b>TOTAL MATCH FUNDING</b>	<b>234,840</b>	<b>0</b>	<b>0</b>	<b>234,840</b>
<b>REVENUE GENERAL</b>	<b>319,460</b>	<b>(100,000)</b>	<b>97,059</b>	<b>316,519</b>
<b>TOTAL RESERVES</b>	<b>1,815,244</b>	<b>(484,155)</b>	<b>157,059</b>	<b>1,514,326</b>