

EXMOOR NATIONAL PARK AUTHORITY

RESOURCES COMMITTEE – 19 JULY 2005

THE BUDGET OUTTURN FOR 2004/05 AND POSITION ON RESERVES AS AT 31 MARCH 2005

Report of the Chief Finance Officer

Purpose of Report:

To report to Members on the outturn for 2004/05 and the position on reserves at 31 March 2005.

Legal & Financial Implications including Human Rights Act 1998:

Local Government Act 2003 and Accounts and Audit Regulations 2003.

RECOMMENDATION:

The Resources Committee is RECOMMENDED to:

- i) NOTE the financial performance for 2004/05; and
- ii) APPROVE the adequacy of reserves at 31 March 2005.

1. INTRODUCTION

- 1.1 The Authority's budgetary control system and monitoring information are geared to the management arrangements and financial control systems of the Authority and reporting is therefore in a different format to the Annual Accounts which have to be produced in accordance with accounting policies, standards and principles.
- 1.2 The overall operating position for the budget for the year 2004/05 shows a surplus of £12,246 after transfers to and from reserves to meet specific funding requirements and obligations. Budget transfers from reserves during the year totalled £404,219 and transfers to reserves totalled £655,049. Such use of reserves enables the Authority to target funds to achieving the objectives contained in its Business Plan without the necessity to conform to strict end of year accounting regimes.

2. THE OUTTURN FOR 2004/05

- 2.1 The budget reviewed at revised estimates in November 2004 was constructed on the following basis:

	£
National Park Grant from DEFRA	3,090,756
Transfer from Reserves (received from Defra in 2003/04)	150,000
	<u>3,240,756</u>

Members will recall that in setting the original budget for 2004/05 reserves were depleted by £38,000 to support spending proposals. Whilst this reduced the General Reserve to a low level at 1 April 2004 the strategy was that this would be the first call against any underspendings. It was possible to reverse the transfer at the revised estimates stage by utilising the underspendings.

- 2.2 Details of actual spending against the revised estimates, as updated for variations during the second half of the year, are contained in Appendix 1. By careful management of financial performance during the second half of the year there are only a few significant variations as follows:

Heading	Over/Under £	Explanation
Woodlands & Trees – own land	(2,469)	Reduced running costs
Recreation & Tourism	(2,171)	Lower running costs
Public Transport	(3,033)	Bus projects costs lower than forecast
Traffic Management	4,021	Deficit on Snowdrop Valley higher than forecast
Rangers	2,188	Vehicle running costs higher and reduced income from guided walks

- 2.3 In addition the Authority received an earmarked capital allocation for Implementing Electronic Government (IEG), a Sustainable Development Fund and a Planning Delivery Grant (PDG). The position of these additional funds is as follows:

	IEG £	SDF £	PDG £
Funding received	300,000	200,000	76,353
Expenditure	80,053	64,250	52,763
Transfer to reserves	<u>219,947</u>	<u>35,750</u>	<u>23,590</u>

- 2.4 As outlined in paragraph 1.2 transfers to reserves at the end of the year for outstanding projects/commitments were in excess of transfers from reserves to meet commitments by £250,830. The main factors that have been contributed to this increased level of reserves are:

	£
Tarr Steps Toilets costs	(92,356)
Moorland Initiative	35,000
Fencing Obligation	15,142
Personnel matters	24,000
Planning Delivery Grant	23,590
Sustainable Development Fund	35,750
IEG	219,947
Lynmouth Pavilion Project	90,000
Revenue Budget Support for 2004/05	(150,000)

3. **RESERVES**

3.1 A detailed analysis of the movements in reserves and the balances held at 31 March 2005 is contained in the attached Appendix 2. This analysis shows the reserves under four headings:

- Capital
- Revenue
- Match Funding
- Revenue General

3.2 The Revenue General Reserve is the sum set aside to meet any unforeseen or exceptional items of expenditure and importantly to provide working capital. The balance at 31 March 2005 is £133,458 which I regard as adequate in that it represents 3.9% of the approved net budget for 2005/06 and in absolute terms is not a significant amount. Reference was made at Paragraph 2.1 that £38,000 was approved at the beginning of the financial year to support the 2004/05 revenue budget and in the event this has not been required because the underspendings that arose during the year have covered this budget requirement.

Charles Burrows
Chief Finance Officer