

EXMOOR NATIONAL PARK AUTHORITY

RESOURCES COMMITTEE - 18 OCTOBER 2005

MEDIUM TERM FINANCIAL PLAN 2006 - 2009

Report of the Chief Finance Officer

Purpose of Report:

To consider the processes to be followed to construct the medium term financial plan 2006 to 2009 and the budget for 2006/07.

Legal Implications:

Environment Act 1995

RECOMMENDATION:

The Committee is recommended to:

- APPROVE the process proposed for the production of the Medium Term Financial Plan for 2006 to 2009 and the budget for 2006/07.
- NOTE that a further report will be presented in July 2006 setting out proposals leading to the production of the Medium Term Financial Plan for 2007 to 2010 and the budget for 2007/08.

1. INTRODUCTION

- 1.1 The Self Assessment Process carried out as part of the National Park Authority Performance Assessment highlighted the need to improve priority setting and the Performance Assessment Report recommended a move to medium term financial planning. Whilst the current Business Plan does contain indicative forward information, this needs formalising and greater emphasis on prioritising within financial expectations.
- 1.2 The financial prospects facing the Authority is one of declining resources in real terms as DEFRA indications do not envisage any growth in national park grant for at least the next two financial years. It is likely that the funding will not even be increased to cover inflation and this will represent a cut in real resources for at least two successive years. Additionally the national park grant received for Open Access is likely to be re-distributed across national park authorities which would mean a further recurring reduction in grant for Exmoor.

2. ARRANGEMENT PROPOSED

- 2.1 The Management Plan is being reviewed during 2006 and any financial strategy for the period to 2009 will have to reflect the priorities that emerge. To facilitate the move to produce medium term financial plans it is proposed that the exercise is carried out in two phases:

- **Phase 1** - Between now and 31 December 2005 regard 2006/07 as a transitional year with Management Team and Sections carrying out a review culminating in a presentation of proposals and options to a Members Workshop on 17 January 2006
- **Phase 2** - During 2007 carry out a fundamental review into existing priorities and spending and incorporate the priorities that emerge for the Management Plan to produce a Medium Term Financial Plan for 2007 to 2010 which would be rolled forward annually.

2.2 The timetable proposed for Phase 1 (which would also include the indicative figures and priorities for the period to 2009) is as follows:

- From now to **31 December 2005**
During this period Management Team and Sections to:
 - Identify those areas which should be increased as a priority
 - Identify those areas which can be given a lower priority
 - Identify those areas where making savings is an option
 - Identify opportunities for maximising and raising additional income
 - Consider the possibilities for external funding
 - Review the position of resources
 - Only include long term commitments that are consistent with the emerging Management Plan
- From now to **7 November 2005**
Chief Finance Officer to forecast for the years 2006/07 to 2008/09
 - National Park Grant
 - Income streams
 - Contingency Fund requirements
- **17 January 2006** – Hold a Members Workshop on priorities, proposals and options for 2006/07 Budget
- **7 March 2006** – Resources Committee to consider 2006/07 Budget and Medium Term Financial Plan to 2009

2.3 The methodology for carrying out Phase 2 (the fundamental review) during 2006 has yet to be determined but it is essential that both staff and members are involved in the process. Lessons will be learnt from the Phase 1 process and it would be the intention to bring proposals to the Committee in June 2006 on the way in which Phase 2 should be carried out.

Charles Burrows
Head of Business Management
10 October 2005