

## **Joint Report of the Chief Executive and Chief Financial Officer**

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### **Subject: Draft Budget Planning 2022/23**

#### **Contents:**

- The Draft Revenue and Capital budgets for 2022/23 and forecast 2023/24 to 2024/25
- The Draft 2022/23 Levy on Pembrokeshire County Council
- Prudential Indicators for the Capital Programme
- An Investment Strategy, Reserves & Treasury Management Policy Statements for 2022/23.

## **The Draft Revenue and Capital Budgets for 2022/23 and Forecasts 2023/24 to 2024/25**

### **Introduction**

This Draft Revenue & Capital Budget for 2022/23 is a crucial part of the Authority's strategic planning and performance framework. Key financial decisions need to be set in the context of a plan that looks beyond the next financial year and a more effective linking service and financial planning over the medium to longer term is required. The process is an established part of the budget setting process and provides a forecast of the cost of continuing to provide existing levels of service and the resources that are likely to be available to the Authority over the period. It also identifies any shortfalls and sets out how this will be managed. Regular review and update is essential to ensure the budget process takes full account of any changes in the National Park grant and funding streams, changes in Welsh Government objectives for the Authority and current strategic and service delivery priorities

### **Objectives**

The objectives of the Draft Revenue and Capital Budgets for 2022/23 are:

- I. To ensure priorities are identified
- II. To provide projections of spending and income
- III. To provide projections for our capital spend
- IV. To provide a robust framework to assist the decision making process
- V. To test sensitivity of and apply risk analysis, to projections

### **Strategy**

The development of the Authority's Draft Revenue and Capital budgets for 2022/23 has taken place during a sustained challenging period for the public sector with pressure on the National Park Grant (NPG) and ensuing Levy on the Pembrokeshire County Council. The Authority approved Budget 2020/21 concluded that the Authority's future financial outlook was likely to continue to be challenging over the next few years as the impact of cumulative reductions in core funding is felt.

Meeting the financial pressures requires a rigorous approach to identifying efficiencies, maximise non-core funding streams opportunities and the reprioritisation of spending within services. Accordingly the Authority will adopt the clear strategy which will involve:

- I. Maintaining a balanced budget position.
- II. Strong financial management: The Authority controls and monitors the actual position of the authority on a regular basis setting out actions to correct any emerging issues.
- III. Asset maintenance: the Capital Programme should ensure adequate programmes of maintenance to sustain values of key assets, especially income-generating assets.
- IV. Maximise resource base: the Authority will ensure the best use of physical and other assets including staff time.
- V. Value for money: continuous review of budgets to ensure resources are targeted on key objectives and deliver value for money.

- VI. Maximise income streams while at the same time minimising the financial risks to the Authority.

### **Key Assumptions**

The Draft Revenue and Capital budgets for 2022/23 have been prepared in accordance with the budget strategy and as previously discussed by Members in budget workshops. In calculating the net cost of continuing existing services the budget planning has been based on the following assumptions and factors:

- National Park Grant & Levy 2022/23 (no movement from 2021/22 (needs to be considered against the expectation of possible future reductions in funding)
- Current Authority Structure ( A earmarked reserve is in place to fund changes)
- General Inflation 4%
- Staff Costs Pay Awards (2.0 %, Living Wage £9.90 per hr). The Authority is subject to the NJC's pay awards and if the award is greater than the 2% budgeted then this will be funded from the Authority's General reserve balance, noting that each percentage point increase in salaries would cost the Authority circa £40k.
- Excludes additional C19 costs or Hardship grant income
- Employer Pension Contribution 10.6% (down from 12.7% in 2021/22, saving £68k)
- National Insurance 13.25% (up from 12% in 2021/22, additional cost £26k)
- Increase in insurance premiums as a result of increase rebuild costs 5% (£12k)
- Centre Income 90% of 2019/20 Budget
- Additional Car Park Income £67k circa (Budget £590k versus projected £800k in 2021/22)
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- Additional income streams (SLSP £90k)
- Prudent use of reserves to support revenue expenditure
- The budgets have been prepared ensuring General Reserves remain at least £750k. (Up from £400k)

## **Revenue Budget 2021/22**

The revenue budget for 2021/22 was approved in February 2021 as shown in Appendix 1. As discussed in the December 2021 budget workshop the Authority's finances for the current financial year have been subject to significant uncertainty. The current forecast revenue position for 2021/22 is shown below and shows a surplus of £595k. This surplus will be used to create two new earmarked reserves for Decarbonisation and the Redevelopment of the Green Room and to augment an existing reserve for authority restructuring.

<b>2021/22 Budget Forecast</b>	<b>£000's</b>	<b>£000's</b>
Original Budget		0
<b>Movements:</b>		
<b>Additional / Reduced Costs</b>		
Staff Cost	10	
Travel & Subsistence	20	
Miscellaneous Budget savings	30	
Additional costs associated to C19	-20	
Vehicle Hire Cost	-80	
		<b>-40</b>
<b>Additional / Reduce Income</b>		
Car Park Income	320	
Centre Income	200	
Planning Fees	30	
Welsh Government Hardship Support Grant	100	
Bank Interest	-15	635
<b>Revised revenue forecast Surplus / Deficit</b>		<b>595</b>
Decarbonisation		-150
Contribution Green Room redevelopment		-345
Potential restructuring costs		-100
<b>Revised forecast Surplus / Deficit</b>		<b>0</b>

With the projected nil revenue budget surplus the General Reserve balance is therefore expected to remain at £1,008k, Capital Receipts are expected to remain at £370k and Earmarked Reserves decrease to £4,529k as at the end of the 2021/22 financial year.

		£000's			
Authority Reserves	Year end Position		Year end Position		Year end Position
	2019/20	Movement 2020/21	2020/21	Movement 2021/22	2021/22
General Reserve	1,008		1,008		1,008
Capital Receipts	370		370		370
<b>TOTAL</b>	<b>1,378</b>		<b>1,378</b>		<b>1,378</b>
Earmarked Reserves:					
Receipts In Advance	2,759	490	3,249	-342	2,907
Authority Created Reserves	1,259	94	1,353	269	1,622
<b>Total</b>	<b>4,018</b>	<b>584</b>	<b>4,602</b>	<b>-73</b>	<b>4,529</b>

### **National Park Grant (N.P.G) & Levy**

The Welsh Government published its Draft Budget 2022-23 in December 2021 and it shows that the N.P.G. for the three National Parks for 2022/23 would remain at the 2021/22 level. The Welsh Government is expected to debate and publish the Final Budget 2022-23 on 8th March 2022. While the expected NPG / Levy will remain unchanged from 2021/22 level it is worth noting the total reduction between 2010/11 and 2020/21 in cash terms has been £678k. Further when the consumer prices index is applied the overall reduction in real terms since 2010/11 equates to 35.1% or circa £1.6m.

	£000's			
	2010/11	2020/21	Total Reduction	% Reduction
NPG	3,463	2,954	-509	
Levy	1,154	985	-169	
Total Cash Reduction	4,617	3,939	-678	-14.7%
<b>Consumer Prices Index</b>				
	2010/11	2020/21		
	92.2	112.6		-20.4%
<b>Total Reduction</b>				<b>-35.1%</b>

## **Savings, Efficiencies and Additional Authority Generated Income**

The Authority has countered the reduction in core funding by making significant savings in its operating cost base, increasing income from other sources including Information and Heritage centres and car parks and attracting project specific grants from various organisations.

The Authority's high level cost structure is demonstrated in the table below, with the data taken from the published statements of accounts, and shows savings in all areas of expenditure. Notably the reduction in employee costs has been a major source of budget saving in recent years and without these the Authority would have faced some significant difficulties in balancing its budget. In the financial year 2020/21, £4,140k was spent on employee costs compared to £4,114k in 2010/11. During the period staff cost have remained flat lined but this masks the falling numbers of Full Time Equivalents (FTE's) against the impact of salary, national insurance and pension contribution increases. The average number of staff, measured in terms of FTE's has reduced from 141 to 126 (10%), these reductions have been in managerial and back office support posts. The table also shows significant savings in Premises related and Transport and Travel costs during the period.

<b>OPERATIONAL COSTS COMPARISON 2010/11 to 2020/21</b>						
	<b>2020/21</b>		<b>2010/11</b>		<b>M' ment</b>	<b>M' ment</b>
	<b>£000's</b>	<b>%</b>	<b>£000's</b>	<b>%</b>	<b>£000's</b>	<b>%</b>
Employees (ex settlements)	4,140	62%	4,114	60%	26	1%
Premises related	717	11%	907	13%	-190	-21%
Transport & Travel	196	3%	299	4%	-103	-34%
Supplies, Services and Grants	1,625	24%	1,489	22%	136	9%
<b>TOTAL REVENUE COST</b>	<b>6,678</b>	<b>100%</b>	<b>6,809</b>	<b>100%</b>	<b>-131</b>	<b>-2%</b>

<b>Yearly Average Staffing Levels</b>										
<b>(Full Time Equivalent)</b>										
<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
<b>141</b>	<b>135</b>	<b>134</b>	<b>133</b>	<b>125</b>	<b>123</b>	<b>120</b>	<b>124</b>	<b>123</b>	<b>129</b>	<b>126</b>

The reduction in core funding has meant the Authority's ability to generate increased income to fund core activities has become a greater focus of attention. The table that follows shows actual authority generated incomes from 2010/11 to 2020/21 and, notwithstanding the impact of COVID 19 during 2020/21, the trend has been very positive with most sources of income improving. While not shown below it is worthy to note that income figures for 2021/22 have recovered to their pre-pandemic levels.

#### **AUTHORITY GENERATED INCOME 2010/11 to 2020/21**

	<b>2020/21</b>	<b>2019/20</b>	<b>2010/11</b>		
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>M'ment £000's</b>	<b>M'ment %</b>
Merchandise Sales and income from Information Centres	75	300	225	-150	-67%
Car park charges and concessions income	350	468	309	41	13%
Admissions fees and Activities & Events	71	280	172	-101	-59%
Advertising income	38	74	88	-50	-57%
Planning fees	347	184	135	212	157%
Other : rents, advertising	143	257	153	-10	-6%
Income from investment properties	57	54	28	29	104%
Investment income	13	57	11	2	18%
<b>TOTAL LOCAL INCOME</b>	<b>1,094</b>	<b>1,673</b>	<b>1,121</b>	<b>-27</b>	<b>-2%</b>



## **Summarised Revenue Budget 2022/23 and forecast for 23/24 to 25/26**

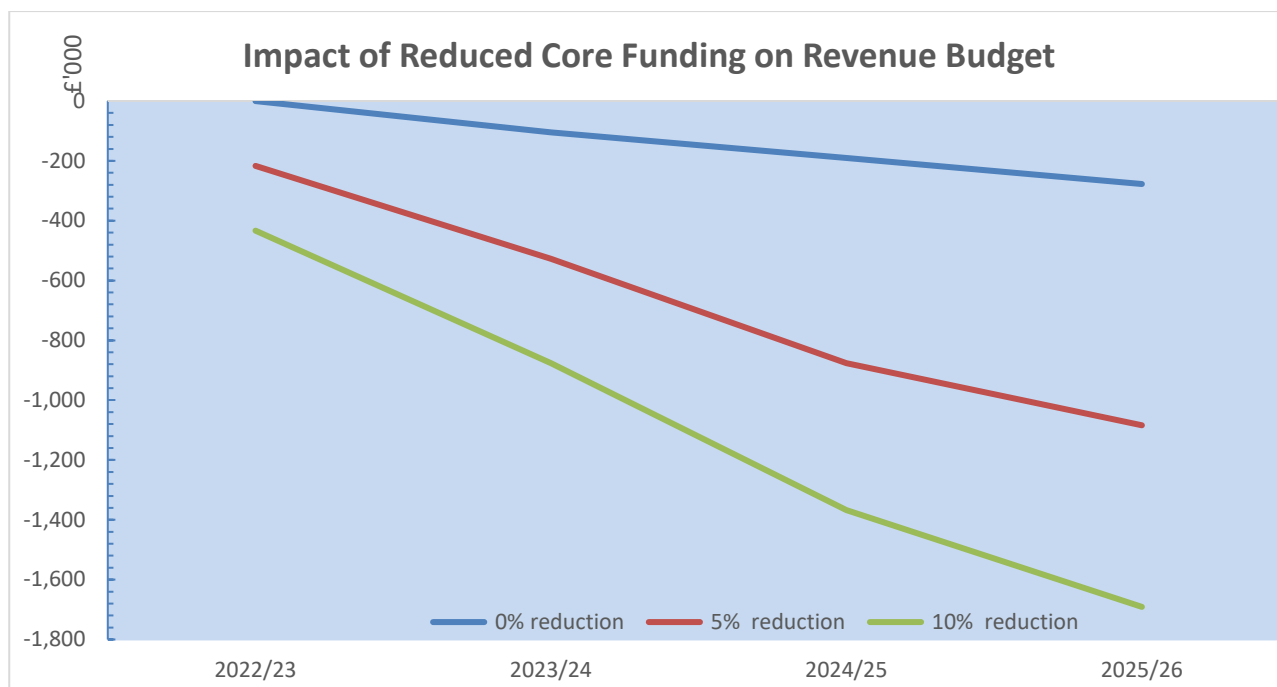
**(assuming funding remains at 2021/22 levels)**

	<b>Draft Budget</b>	<b>Forecast Budget</b>		
	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Baseline gross expenditure	6,213	6,350	6,487	6,624
Payrise/Inflation etc	137	137	137	137
Additional Income & Efficiency savings	-67			
Other Items	51			
Local Generated & Grant Income	-1,911	-1,958	-2,007	-2,057
<b>Gross Budget</b>	<b>4,423</b>	<b>4,528</b>	<b>4,617</b>	<b>4,703</b>
NPG	3,250	3,250	3,252	3,252
Levy	1,083	1,083	1,084	1,084
SLSP Support	90	90	90	90
<b>Surplus / - Deecit</b>	<b>0</b>	<b>-105</b>	<b>-191</b>	<b>-278</b>

The summarised revenue budget for 2022/23 is shown in the above table. The revenue budget was discussed in the December 2021 budget workshop and the full breakdown of the departmental budgets and service area budget are shown in Appendix 2.

## Sensitivity Analysis and Forecasts 2022/23 to 2025/26

The chart and table beneath shows the revenue position for the years 2022/23 to 2025/26 under a flat lined and 5% and 10% cut to core funding and shows the corresponding deficit position by 2025/26 of £278k, £1,084k and £1,691k respectively.



	2022/23		2023/24		2024/25		2025/26	
NPG/Levy Reduction	5%	10%	5%	10%	5%	10%	5%	10%
Baseline gross expenditure	6,213	6,213	6,350	6,350	6,487	6,487	6,624	6,624
Payrise/Inflation etc	137	137	137	137	137	137	137	137
Additional Income & Efficiency savings	-67	-67	0	0	0	0	0	0
Other Items	51	51	0	0	0	0	0	0
Local Generated & Grant Income	-1,911	-1,911	-1,958	-1,958	-2,007	-2,007	-2,057	-2,057
<b>Gross Budget</b>	<b>4,423</b>	<b>4,423</b>	<b>4,528</b>	<b>4,528</b>	<b>4,617</b>	<b>4,617</b>	<b>4,703</b>	<b>4,703</b>
NPG	3,087	2,925	2,933	2,632	2,786	2,369	2,647	2,132
Levy	1,029	975	978	929	929	790	882	790
SLSP Support	90	90	90	90	90	90	90	90
<b>Potential Surplus / - Deficit</b>	<b>-217</b>	<b>-433</b>	<b>-527</b>	<b>-877</b>	<b>-877</b>	<b>-1,367</b>	<b>-1,084</b>	<b>-1,691</b>

<b>Draft Capital Programme 2022/23</b>	<b>£'s</b>	<b>Funded by EMR</b>	<b>Other Grant Funding</b>	<b>Capital Receipts</b>
PV 's In the Park	50,000	42,000		8,000
Castell Henllys Wood Pellet Silo	25,000	25,000		
Improvements to Works Depots	25,000			25,000
Castell Henllys Programme	90,000	86,000		4,000
Carew Castle Enhancement & Interpretation	42,500	42,500		
Carew Castle Visitor Access	27,000	27,000		
Castell Henllys Open Sided Barn	25,000	15,000		10,000
Carew Causeway Repairs	80,000	80,000		
Green Room Redevelopment Project	495,000	345,000		150,000
Decarbonisation / Net Zero feasibility for our Buildings	100,000	100,000		
Oriel Y Parc - Resurface courtyard	40,000			40,000
Oriel Y Parc - Replace Digital locking system	10,000			10,000
Fleet Upgrade	112,000		112,000	
Revetment works to river at Castell Henllys	5,000			5,000
<b>Total</b>	<b>1,126,500</b>	<b>762,500</b>	<b>112,000</b>	<b>252,000</b>

The Authority's Capital program is an essential part of the Authority financial planning and is based on the Authority's corporate objectives, operational need, making prudent investments and the availability of internal and external funding. Details of the capital programme are:

- Photovoltaic (PV's) Generation. This project is to look at the installation of PV's at suitable sites across the Authority. This is being funded as part of the Sustainable Landscapes Sustainable Places grant.
- Castell Henllys Wood Pellet Silo. This will allow for larger deliveries and ease the handling of wood pellets
- Improvements to Works Depots

- Castell Henllys Programme. Following the capital expenditure on the Origins project and repairs to the Round Houses at Castell Henllys, work will be undertaken to enhance the overall facility:
- Carew Castle Enhancing Visitor and Interpretation. Improvements to the physical access and interpretation on-site will add to the visitor experience and understanding of Pembrokeshire's historical and cultural heritage. It will allow access to as much of the Castle as possible and help increase visitor numbers.
- Carew Castle Access. Following recent capital investment to enhance the visitor experience at Carew Castle the Authority will now prioritise a range of additional physical infrastructure works to improve the accessibility of the site for visitors with mobility problems and/or for families with pushchairs
- Castell Henllys Open side Barn. This will enhance the site management and safety through improving storage facilities away from public areas
- Carew Castle Causeway. Under the Reservoirs Act the Authority has statutory duty to undertake the repairs as instructed by the Reservoirs Inspectorate. The Causeway has undergone many phases of major and minor repair works to prevent / minimise water leakage through the structure from the mill pond which is accepted as an ongoing and permanent issue.
- Green Room Redevelopment Project. In September 2021 the Authority approved expenditure on the redevelopment of the "Green" room which is where the Authority holds the majority of its committee meetings. The current facilities are comprised of a series of Portakabins installed over twenty years ago as a temporary measure.
- Decarbonisation / Net Zero feasibility for our Buildings. Funding is required to commission a detailed survey of our buildings and a report detailing the planned refurbishments and renewals to ensure our buildings contribute to meeting our Net zero objectives.
- Oriel Y Parc. Resurface courtyard. The surface of the courtyard has become very worn and patchy and requires replacing, it is proposed to lay a new resin bound gravel finish. This area is very well used and therefore important that a new surface is laid to maintain good standards of the building and its surrounds.
- Oriel Y Parc. Replace Digital locking system. The original system installed 14 years ago is starting to fail, unfortunately the equipment has been discontinued so a new system is required. The proposed new system is to be agreed with NMW in order to meet the gallery requirements.
- Fleet upgrade. The Authority is gradually switching to electric vehicles to undertake its work wherever possible

## **Financial Reserves and Balances.**

The Authority is required to keep a prudent level of working balances to maintain adequate cash flows to meet planned and unexpected expenditure. The General Reserve is a reserve created from prior years underspends and is available for any approved expenditure. As a minimum this reserve should be 5% of the net budget and following a review in 2021/22 it is considered prudent to set the reserve level at £750k, the basis for this being approximately three months' salary costs. Earmarked Reserves are reserves that have been built up from revenue funding over a numbers of years and have been set aside for specific projects. The Capital Reserve balance is made from the receipts of the Authority's capital disposals in prior years and as such these funds are restricted for the use on capital expenditure.

The table that follows shows the anticipated cash based reserves as at the end of 2022/23 together with the projected balances as at the end of the 2020/21. The General Reserves balance as at the end of the 2021/22 financial year is expected to be £1,008k and remain at this level until the end of 2022/23.

The Capital Receipts Reserve is used to fund capital expenditure is therefore expected to fall to £118k by the end of 2022/23.

The balances on the Earmarked Reserves are considered to be appropriate at the current time and are expected to fall from the projected end of current balance of £4,529k to £3,542k as the end of 2022/23.

## **Cash Reserves**

**£000's**

	Year-end Position		Year-end Position		Year-end Position		Year-end Position
	2019/20	Movement 2020/21	2020/21	Movement 2021/22	2021/22	Movement 2022/23	2022/23
<b>General Reserves</b>	1,008		1,008		1,008		1,008
<b>Capital Receipts</b>	370		370		370	-252	118
<b>TOTAL</b>	<b>1,378</b>		<b>1,378</b>		<b>1,378</b>		<b>1,126</b>
<b>Earmarked Reserves:</b>							
Receipts In Advance	2,759	490	3,249	-342	2,907	-350	2,557
Authority Created Reserves	1,259	94	1,353	269	1,622	-637	985
<b>Total</b>	<b>4,018</b>	<b>584</b>	<b>4,602</b>	<b>-73</b>	<b>4,529</b>	<b>-987</b>	<b>3,542</b>

## **Conclusion**

The draft Welsh Government 2022/23 budget indicates that National Park Grant for 2022/23 will remain unchanged from that awarded in 2021/22, which in itself was a 10% rise on the previous year. Despite the Covid 19 pandemic the Authority generated income streams remained very buoyant in 2021/22 and it is anticipated that this trend will be maintained during 2022/23. This has afforded the Authority to balance the 2022/23 budget without too many issues to be resolved. However a continued flat line core grant coupled with the anticipated period of relatively high inflation could prove problematic and consequently balancing the budget in subsequent years could be more challenging. Further the Authority's healthy cash reserve position provides a cushion to address funding issues and the financial situation will be managed by; where appropriate discontinuing certain activities, improved efficiencies and cost savings, reviewing opportunities to develop local income and seeking other sources of grant aid.

## **Recommendations**

That Members:

- **APPROVE** in principle the draft budget 2022/23, subject to noting that the NPG/Levy estimate has yet to be confirmed.
- **NOTE** the financial forecasts for 2023/24 to 2025/26.

## **Levy on Pembrokeshire County Council**

The following statement is the statutory levy statement for Pembrokeshire County Council. Section 71 of the Environment Act 1995, Sub-Section 3, defines the way in which the levy is to be issued and this statement complies with the required format:

### **Levy on Pembrokeshire County Council**



The Authority must authorise the making of a levy of £1,083,329 from Pembrokeshire County Council, in accordance with Section 71 of the Environment Act 1995 and the National Park Authorities (Levies)(Wales)(Regulations) 1995 SI 1995 No.3019 as amended by the National Park Authorities (Levies)(Wales)(Amendment) Regulations 1996:

•	the sum required to meet expenditure for the Authority which will fall to be charged for that year in the Revenue account is	£6,311,051
•	making such provision as is appropriate for meeting Contingencies, the expenditure on which would fall to be charged in the Revenue Account	£Nil
•	the sum required to secure the availability to the authority of adequate working balances on its Revenue Account	£Nil
•	the sum required to provide the Authority with other requirements for covering any deficit brought forward from the previous financial year	£Nil
		-----
	Sub-total	£6,311,051
	LESS	
•	Section 72, Grant (NPG)	£3,249,986
•	Income credited to the Revenue Account	£1,977,736
•	other sums not covered above which are likely to be available in the year	-
		-----
	<b>Levy requirement</b>	<b><u>£1,083,329</u></b>

Members are advised that the official levy requirement must be notified to Pembrokeshire County Council by 15<sup>th</sup> February. It is recommended that the National Park Authority continue with the current arrangement of 12 equal monthly instalments receivable on or before the 12th of each calendar month, such payments to be received by bank transfer.

## **Recommendation**

**That Members AUTHORISE a levy of £1,083,329 (or other appropriate amount as determined on receipt of confirmation of the approved net funding from the WG) from Pembrokeshire County Council for the year 2022/23.**

## **Prudential Code Indicators**

The Local Authorities (Capital Finance & Accounting) (Wales) Regulations 2003 require the Authority to have regard to the *CIPFA Prudential Code* in setting annual budgets. Members are asked to consider the advice of the Chief Financial Officer in determining an affordable, prudent and sustainable capital investment programme.

The Prudential Code requires the Authority to consider Prudential Indicators encompassing estimated and actual expenditure and financing, and limits on both. These indicators are intended to support and record local decision making, and are not designed to be comparative indicators across local authorities. However, as the Authority is debt free and there are no proposals at this time to undertake further borrowing, due to the capital expenditure plans being financed either by revenue funds, external grant aid or capital receipts, then many of the indicators are not relevant.

The indicators of affordability address the revenue implications of an authority's financial strategy since, as a fundamental principle, all the borrowings of an authority are secured on its future revenue income. The Prudential Code requires the prudential indicators in respect of external debt to be set and revised taking into account their affordability. It is through this means that the objectives of sustainability and prudence are addressed year on year.

The following table sets out the actual capital expenditure that was incurred in 2020/21 together with the estimates of capital expenditure to be incurred for the current and next years that are recommended for approval, along with the actual/estimated net revenue stream for the years:

	<b>Actual</b>	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
<b>Capital Expenditure</b>	<b>693,000</b>	<b>1,521,000</b>	<b>2,221,000</b>	<b>1,015,500</b>
FINANCING COSTS (interest receivable only)	- 57,000	-13,000	-5,000	-5,000
Net Revenue Funding (NPG/Levy)	3,939,540	4,404,000	4,333,000	4,332,000
<b>Ratio: Financing Costs/Net Revenue Funds</b>	<b>-1.44%</b>	<b>-0.30%*</b>	<b>-0.12%*</b>	<b>-0.12%*</b>

*\*As a result of the adoption of IFRS16 in 2020/21, regarding recording leased assets on balance sheet, this indicator may change.*

The negative percentages demonstrate that negative financing costs (i.e. income from investments) are contributing to the Authority's funding resources.

The next indicator is the Capital Financing Requirement. This is an important component of an authority's capital strategy in that it represents capital spending that has not yet been financed by capital receipts, capital grants or contributions from revenue income. The balance is a measure of the underlying need to borrow for a capital purpose. As mentioned above, the draft capital programme does not propose any borrowing for capital purposes and the Authority should remain debt free for the period, so the Capital Financing Requirement is estimated at £nil for the period up to 31 March 2023.



The prudential indicators for debt relate to the scale of the Authority's borrowing rather than simply its indebtedness. The Authority will need to set an Authorised Limit that separately identifies borrowing and other long term liabilities, and is intended to establish the outer boundary of the Authority's borrowing based on a realistic assessment of the risks. This limit is certainly not a limit that the Authority would expect to borrow up to on a regular basis, rather it is a maximum permitted limit available should the need arise during the year in relation to an unexpected need, either for capital or revenue purposes – an example being short term borrowing pending receipt of external grant. In taking your decisions on this budget report, Members are asked to note that the Authorised Limit determined for 2022/23 will be the statutory limit determined under section 3(1) of the Local Government Act 2003.

<b>Authorised Limit for External Debt</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>2019/20</b>	<b>2020/21</b>	<b>2022/23</b>	<b>2023/24</b>
Borrowing	1,000,000	1,000,000	1,000,000	1,000,000
Other long term liabilities	0	0	0	0

The Authority also needs to set an Operational Boundary for its borrowing, based on probable rather than possible need. Breaches of the Operational Boundary would give early warning for corrective action to be taken to avoid a possible breach in the Authorised Limit of the Authority. As mentioned, the proposed capital programme does not identify the need for external borrowing, and this, coupled with a traditionally steady revenue income stream through the financial year, means that the Operational Boundary for the Authority can be set at a low level. The Chief Financial Officer recommends as follows:

<b>Operational Boundary for External Debt</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>2019/20</b>	<b>2020/21</b>	<b>2022/23</b>	<b>2023/24</b>
Borrowing	250,000	250,000	250,000	250,000
Long term liabilities	0	0	0	0

It is possible that, while an authority's financial strategy may be affordable in the short term, it is imprudent and unsustainable because in the medium term it would, if pursued, be dependent on the use of borrowing to fund revenue expenditure. For this reason the Code makes it necessary, if a financial strategy is to be prudent, that it is one in which in the medium term Net Borrowing is only to be used for capital purposes. This is demonstrated through a comparison of Net Borrowing with the Capital Financing Requirement. Except in the short term, net external borrowing should not exceed the total Capital Financing Requirement in the previous year plus the estimates of any additional Capital Financing Requirements for the current and the next two financial years.

The Chief Financial Officer hereby reports formally that the Authority is complying with this aspect of the Code.

The Maturity Structure of Borrowing indicator is designed to be a control over an authority having large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates. In view of the Chief Financial Officer's recommendation not to raise any long term borrowing for the period, it is not necessary to set upper and lower limits for the maturity structure of borrowing.

In view of the low level of cash available for investment, it is the Chief Financial Officer's recommendation that only short-term investments are entered into for the period. It is therefore not necessary to set limits on investments to final maturities beyond the year-ends.

## **Investment Strategy 2022/23**

The remainder of this report presents an Investment Strategy for 2022/23 in compliance with statutory guidance and in support of the prudential borrowing system.

*Section 12 of the Local Government Act 2003 gives the Authority power to invest for “any purpose relevant to its function under any enactment or for the purposes of the prudent management of its financial affairs”. The prudent management of its financial affairs is included to cover investments which are not directly linked to identifiable statutory functions but are simply made in the course of treasury management – being the type of investment undertaken by this Authority. Authorities are required to invest prudently the surplus funds held, with priority given to security and liquidity rather than yield.*

This Strategy also supports CIPFA's *Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes*.

*The combined Investment Strategy & Treasury Management Policy for 2022/23 follows.*

## **Recommendations**

### ***That Members:***

- **ADOPT the Prudential Indicators as presented**
- **APPROVE the Financial Reserves and the Investment Strategy & Treasury Management Policies for 2022/23 (over).**

## **Background documents**

- Welsh Government, draft budget proposals 2022/23
- The Local Government Act 2003
- The Local Authorities (Capital Finance & Accounting) (Wales) Regulations 2018
- Statutory Guidance on Local Government Investments
- CIPFA's Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes.

*For further information please contact Richard Griffiths on 01646 624815.*

**Financial Reserves Policy  
2022/23**



**1. Purpose**

*Pembrokeshire Coast National Park Authority is required to maintain adequate financial reserves to meet the needs of the organisation. The purpose of this policy is to set out how the Authority will determine and review the level of its general fund balance and earmarked reserves.*

*Section 25 of the Local Government Act 2003 requires local authorities to have regard to the level of reserves needed to meet estimated future expenditure when calculating their annual budget requirement. It is the responsibility of the Chief Finance Officer to advise on the level of reserves that should be held, and to ensure that there are clear protocols for the establishment and use of any earmarked reserves.*

*The Chief Finance Officer is required to advise on an appropriate level of reserves that should be held, based on judgements about matters and taking into account all relevant local circumstances.*

**2. Reserves**

*The Authority holds three cash backed reserves: the General Fund, Capital Receipts reserve and Earmarked Reserves.*

**General Fund**

*This consists of working balances and general contingency sums which do not have any restrictions as to their use. They can be used to smooth the impact of significant pressures, offset the budget requirement for a finite period if necessary, or held in case of unexpected events or emergencies. It is a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing. It forms part of the General Fund balance.*

**Capital Receipts**

*This reserve is a reserve created by the accumulated of funds received from receipts of the Authority's assets. The balances can only be used to fund capital expenditure.*

**Earmarked reserves**

*This reserve is a means of building up funds, or earmarked reserves, to meet known or predicted future requirements – these are accounted for separately but remain legally part of the General Fund.*

*This policy sets out the framework for the use and management of reserves, in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC) and agreed*

accounting policies. Earmarked reserves will be established on a “needs” basis, in line with planned or anticipated requirements. As outlined in the Financial Regulations, approval to set up a reserve must be sought and Authority and the report which seeks this approval must identify the purpose of the reserve and how it will be used. Expenditure from reserves, outside of planned budgetary expenditure, can only be authorised through the Virement process, as outlined in the Authority’s Financial Standards.

Reserves can only be used once and so should not be held to fund ongoing expenditure. This would be unsustainable as, at some point, the reserves would be exhausted. To the extent that reserves are used to meet short term funding gaps, they must be replenished in the following year. However, earmarked reserves that have been used to meet a specific liability would not need to be replenished, having served the purpose for which they were originally established.

All earmarked reserves are recorded on a central schedule held by Financial Services which lists the various earmarked reserves and the purpose for which they are held and shows the estimated opening balances for the year, planned additions/withdrawals and the estimated closing balance. This schedule of earmarked reserves is detailed below.

CIPFA guidance on Local Authority Reserves and Balances advises that a statement reporting on the annual review of earmarked reserves should be made to Authority, at the same time as the budget is approved.

### **3. Working balances**

The level of general reserves or working balances is a matter of judgement and so this policy does not attempt to prescribe a blanket level. The primary means of building working balances will be through an allocation from the annual budget. This will be in addition to any amounts needed to replenish reserves that have been consumed in the previous year.

Setting the level of working balances is one of several related decisions in the formulation of the annual budget. The Authority must build and maintain sufficient working balances to cover the key risks it faces, as expressed in its corporate risk register.

As a guide, the advice of the S151 Officer is that working balances should be maintained above a minimum level of £750,000. In practice, in determining the precise level of reserves above this minimum, the S151 Officer has considered all of the strategic, operational and financial risks of the authority.

An assessment of these risk assumptions, and relevant factors to be considered to address them, is set out in the table overleaf.

### **Risk items and issues to be considered**

<b>Budget assumptions</b>	<b>Issues to consider</b>
<i>The treatment of inflation and interest rates</i>	<i>The overall financial standing of the authority (e.g. level of borrowing, debt outstanding), including ability to respond to unexpected cost</i>
<i>Estimates of the level and timing of capital receipts</i>	<i>The Authority's track record in budget and financial management of changes in property market</i>
<i>The treatment of demand-led pressures</i>	<i>The Authority's capacity to manage in-year budget pressures and strategy for managing demand and service delivery in the longer term</i>
<i>The treatment of planned efficiency savings</i>	<i>The strength of the financial information and reporting arrangements and contingency plans should efficiencies not be achieved</i>
<i>The financial risks inherent in any significant new funding partnerships, major contractual arrangements or major capital developments</i>	<i>The Authority's virement and end-of-year procedures in relation to budget under/overspends. Risk management of partnership or outsourcing arrangements</i>
<i>The availability of other funds to deal with major contingencies and the adequacy of provisions</i>	<i>The adequacy of the authority's insurance arrangements to cover major unforeseen risks</i>
<i>The general financial climate to which the authority is subject</i>	<i>External factors such as future funding levels will influence the authority's ability to replenish reserves</i>

*If, in very extreme circumstances, all general reserves were exhausted due to unforeseen spending pressures and commitments within a particular financial year, the Authority would be able to draw down from any uncommitted earmarked reserves to provide short-term resource cover, although this would not be relied upon as the sole solution, and monthly forecasting against budget plans should already have identified that corrective action would be needed and action taken to review in-year budgets.*

#### **4. Opportunity cost of holding reserves**

*In addition to allowing the Authority to manage unforeseen financial pressures and plan for known or predicted liabilities, there is a benefit of holding reserves in terms of the interest earned on funds which are not utilised. This investment income is fed into the budget strategy. However, there is also an "opportunity cost" of holding funds in reserves, in that these funds cannot then be spent on anything else. As an example, if these funds were used to repay debt or support capital investment, the opportunity cost would equate to the saving on the payment of interest and the minimum revenue provision, offset by the loss of investment income on the funds. Using reserves in this way would, however, leave the Authority with fewer funds to either manage unexpected risks or provide the resources to fund the planned expenditure for which the reserves were originally earmarked.*

*Given these opportunity costs of holding reserves, it is critical that both the number and amount held in reserves continues to be reviewed each year as part of the budget process, to confirm that they are still required and that the level is still appropriate.*

**INVESTMENT STRATEGY and  
TREASURY MANAGEMENT POLICY STATEMENT  
2022/23**



## **1. INTRODUCTION**

*1.1. The Authority adopted CIPFA's Code of Practice for Treasury Management in Local Authorities. The Code sets out a framework of operating procedures for both Members and Officers to reduce treasury risk and improve understanding and accountability regarding the Treasury position of the Authority. This Strategy also complies with statutory guidance on Local Government Investments.*

*1.2. The Authority defines its treasury management activities as:*

*"the management of the Authority's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks".*

*1.3. This Authority regards the successful identification, monitoring and control of risk to be the most important criteria by which the effectiveness of its treasury management and investment activities will be measured. Accordingly, the major focus of the analysis and reporting of treasury management decisions and transactions will be on their risk implications for the Authority, with priority given to the security and liquidity of its investments.*

*1.4. This Authority also acknowledges that effective treasury management should provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, but always in the context of effective risk management.*

## **2. RESPONSIBILITIES**

*2.1. The responsibilities for Investment & Treasury Management are defined as follows:*

- (a) The Authority shall review and consider this Strategy in advance of the start of each financial year.*
- (b) The Chief Financial Officer shall ensure that satisfactory arrangements are in place for the delivery of this Strategy.*
- (c) The Chief Executive (National Park Officer) shall be responsible for all investment and treasury management activities, for ensuring that these activities are documented and resourced.*
- (d) The Chief Financial Officer where appropriate, shall ensure all investment and treasury management activities are in accordance with statutory requirements and CIPFA's Code of Practice for Treasury Management in the Public Services, and for ensuring that an*

annual Treasury Management report is presented to the Performance Review Committee.

### 3. APPROVED METHODS OF RAISING FINANCE

#### 3.1. Short Term (up to 1 year):

- Money markets
- Other local authorities
- Bank overdraft
- Internal funds

#### 3.2. Long term (over 1 year)

- Public Works Loans Board
- Money Markets
- Leasing

However, other than for short-term cash flow requirements, there are no plans to raise external debt during 2022/23. Notwithstanding this, the Authority is obliged to set limits for external debt - and approved such limits, as follows, in setting the 2022/23 budget in February 2022:

Authorised Limit for External Debt	Actual 2019/20	Actual 2020/21	Estimate 2021/21	Estimate 2022/23
Borrowing	1,000,000	1,000,000	1,000,000	1,000,000
Long term liabilities	0	0	0	0

Operational Boundary for External Debt	Actual 2019/20	Actual 2020/21	Estimate 2021/21	Estimate 2022/23
Borrowing	250,000	250,000	250,000	250,000
Long term liabilities	0	0	0	0

3.3 The Maturity Structure of Borrowing prudential indicator is designed to be a control over an authority having large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates. In view of the Chief Financial Officer's recommendation in the 2022/23 budget report not to raise any long term borrowing for the period, it is not necessary to set upper and lower limits for the maturity structure of borrowing. This will be reviewed annually.

### 4. APPROVED ORGANISATIONS FOR INVESTMENT

4.1. The surplus cash resources of the Authority are such that investment will be limited to specified investments through accounts held with the Authority's Bankers. If surplus cash resources increase significantly in the future, alternative investment



*sources may be considered and included in this Policy Statement at that time, requiring the formal approval of the Authority.*

*4.2. The credit rating of institutions holding the Authority's investment will be checked by the Finance Manager periodically via Standard and Poors' website and a recommendation as to any action necessary in the event of a change in rating shall be made.*

*4.3. In terms of Treasury Management, interest rate risk management is a top priority for local authority management. While fixed-rate borrowing and investment can contribute significantly to reducing the uncertainty surrounding future interest rate scenarios, the pursuit of optimum performance may justify, or even demand, retaining a degree of flexibility through the use of variable interest rates on at least part of a treasury management portfolio. Operational Boundaries for the exposure to interest rate risks are set below, to support the target interest receivable on short-term investments (built into the revenue baseline budget) of £10,000.*

- Upper limit for variable rate exposure – 100%
- Upper limit for fixed interest rate exposure – 75%

This means that the Chief Financial Officer will manage fixed interest rate exposures within the range 0% to 75% and variable interest rate exposures within the range 0%-100%.

*4.4. In view of the relatively low level of cash available for investment, it was the Chief Financial Officer's recommendation in the 2022/23 budget report that only short term investments be entered into for the period. It is therefore not necessary to set limits on investments to final maturities beyond 24 months.*

## **5. TREASURY MANAGEMENT PRACTICES**

*5.1. The following Treasury Management Practices will guide treasury management activities:*

- **TMP1 – Treasury Risk Management.**  
*Adequate cash balances will be maintained in the Authority's business account to fund the daily payments made from the account. Surplus cash balances will be invested only via minimum risk avenues.*
- **TMP2 – Best Value & Performance Measurement**  
*Treasury management decisions will be made with regard to achieving best value, and performance will be measured in terms of achieving budgetary targets whilst limiting risk.*
- **TMP3 – Decision Making & Analysis**  
*Decisions will be made as and when necessary, in a manner that balances cash requirements with cash surpluses whilst maximising investment returns and minimising risks. These decisions will be made within the boundaries set by the Authority's treasury management policies and statements.*
- **TMP4 – Approved Instruments, Methods and Techniques**

*Surplus cash on the Authority's business account will, at the end of every banking day, automatically be transferred to a higher interest No Notice Business Account. The Authority may also transfer funds to other reputable U.K. Financial Institutions which offer more attractive rates of return. These institutions must however have the same or superior Standard & Poors verified credit rating.*

- TPM5 – Treasury Management Organisation  
*The Finance Manager will undertake the day-to-day Treasury Management activities, liaising with the Resources Manager and Chief Executive (National Park Officer) to consider longer-term issues as and when necessary.*
- TMP6 – Reporting Requirements  
*Performance will be assessed as part of the Authority's budget performance monitoring. A report will be presented at the year-end comparing actual investment income with budgeted income.*
- TMP7 – Budgeting, Accounting, Audit  
*Investment income from treasury management decisions is included within the Authority's budgets and accounts and is subject to inspection as part of the annual audit. Interest due on borrowings is also accounted for within the Authority's accounts.*
- TMP8 – Cash and Cash flow Management  
*The annual budgeting process will determine expenditure levels and sources of finance. On a daily basis, consideration will be given to the timing of cash receipts and cash payments. The Authority's Bankers telephone banking service and on-line banking service will be used to facilitate daily cash flow reviews.*
- TMP9 – Money Laundering  
*Money laundering will not be undertaken by this Authority.*
- TMP10 – Staff Training & Qualifications  
*Staff training will be discussed at least within the annual appraisal process, although requests for training will be considered at anytime. Essential staff qualifications are determined by the Authority as part of the recruitment and selection procedures.*
- TMP11 – Use of External Service Providers  
*The Authority will manage its treasury management arrangements without the use of external service providers.*
- TMP12 – Corporate Governance  
*The provision for annual reports on treasury management to the Authority's members forms a key part of the corporate governance arrangements in authorities.*

***This Strategy will be in force for the financial year 2022/23***

## Appendix 1

### Summarised Revenue Budget 2021/22

<b>Draft Budget</b>	<b>2021/22</b>
	<b>£000's</b>
Baseline gross expenditure	5,884
Pay rise/Inflation etc	40
Additional Income & Efficiency savings	-141
Local Generated & Grant Income	-1,351
Gross Budget	<b>4,432</b>
NPG	3,249
Levy	1,083
SLSP Support	100
Surplus / - Deficit	<b>0</b>

## Appendix 2

	Draft Baseline Expend 2022/23	Draft Baseline Income 2022/23	Payrise, Inflation Costs	Inflation Other Costs	Efficiency Savings & Increased Income	Other Adjusts	Draft net Budget 2022/23
<b>Conservation of the Natural Environment</b>	<b>651,788</b>	<b>-106,350</b>	<b>6,279</b>	<b>4,626</b>	<b>0</b>	<b>0</b>	<b>556,343</b>
Cilrhedyn Woodland Centre	114,330	-39,000	911	905	0	0	77,146
Invasive Species	50,435	0	582	0	0	0	51,017
Achub Brith Y Gors (Nature Network Fund)	67,350	-67,350	0	0	0	0	0
National Designated Landscapes	85,286	0	0	0	0	0	85,286
Nature Conservation	328,959	0	4,786	3,504	0	0	337,249
Marine Environment	5,428	0	0	217	0	0	5,646
<b>Conservation of the Cultural Heritage</b>	<b>113,808</b>	<b>0</b>	<b>1,582</b>	<b>1,325</b>	<b>0</b>	<b>0</b>	<b>116,716</b>
Conservation Areas & Historic Buildings	44,250	0	812	84	0	0	45,146
CP10 - Archaeology, Culture & Heritage	69,558	0	770	1,242	0	0	71,570
Heritage Guardians							
<b>Development Control</b>	<b>528,297</b>	<b>-209,205</b>	<b>8,365</b>	<b>1,615</b>	<b>0</b>	<b>0</b>	<b>329,072</b>
Development Management (inc Mineral Plans)	528,297	-209,205	8,365	1,615	0	0	329,072
<b>Forward Planning &amp; Communities</b>	<b>290,450</b>	<b>0</b>	<b>3,291</b>	<b>762</b>	<b>0</b>	<b>20,000</b>	<b>314,503</b>
Development Planning	190,450	0	3,291	762	0	20,000	214,503
Sustainable Development Fund	100,000	0	0	0	0	0	100,000
<b>Promoting Understanding</b>	<b>1,763,537</b>	<b>-852,784</b>	<b>20,141</b>	<b>14,639</b>	<b>0</b>	<b>6,500</b>	<b>952,033</b>
Tourism & Wellbeing Officer	44,541	0	654	362	0	0	45,556
Carew Castle	253,171	-217,739	2,557	2,993	0	0	40,981
Carew Castle Tea Room	67,706	-100,000	0	1,608	0	0	-30,686
Castell Henllys	201,857	-109,298	2,911	1,119	0	0	96,589
Oriel Y Parc, St David's	329,470	-134,502	3,569	1,898	0	0	200,436
Oriel Y Parc Cafe	0	-20,000	0	0	0	0	-20,000
Coast to Coast	47,762	-75,000	181	1,810	0	0	-25,247
Communications	234,344	0	3,017	3,046	0	0	240,407
SUP9 - Graphic Services	88,638	0	1,290	590	0	0	90,517
Discovery	169,070	-5,307	2,823	957	0	6,500	174,043
Activities & Events	3,037	-3,173	0	116	0	0	-20
Walkability Program	15,900	0	242	140	0	0	16,282
Pembs Outdoor Schools	45,644	0	582	0	0	0	46,226
West Wales Walking	74,550	-75,000	450	0	0	0	0
First 1000 Days Project	24,000	0	0	0	0	0	24,000
Beach Wheelchair & Outdoor Activities Coordina	12,788	0	161	0	0	0	12,949
Roots to Recovery	111,845	-112,766	921	0	0	0	0
Pathways Project	39,215	0	784	0	0	0	40,000
<b>Recreation &amp; Park Management</b>	<b>453,873</b>	<b>-552,850</b>	<b>3,652</b>	<b>7,026</b>	<b>-67,200</b>	<b>0</b>	<b>-155,499</b>
Sustainable Transport	77,212	0	0	3,088	0	0	80,301
National Trail	46,523	-20,937	714	381	0	0	26,680
Access Officer and Rights of Way	120,603	-7,318	1,535	1,510	0	0	116,329
Charging Car Parks	179,337	-511,587	889	2,047	-67,200	0	-396,514
Paths & Pollinators Project	30,198	-13,008	514	0	0	0	17,704

	Draft Baseline Expend 2022/23	Draft Baseline Income 2022/23	Payrise, Inflation Costs	Inflation Other Costs	Efficiency Savings & Increased Income	Other Adjusts	Draft net Budget 2022/23
<b>Rangers, Estates &amp; Volunteers</b>	<b>1,244,553</b>	<b>-164,980</b>	<b>20,010</b>	<b>9,055</b>	<b>0</b>	<b>0</b>	<b>1,108,639</b>
Park Delivery Management	121,836	0	945	210	0	0	122,991
Ranger Services	233,150	0	4,493	0	0	0	237,643
North Area	313,056	0	5,247	2,660	0	0	320,963
West Area	179,504	0	3,324	2,653	0	0	185,482
South Area	221,991	0	3,871	1,896	0	0	227,758
Castlemartin Ranger	39,008	-28,914	564	399	0	0	11,057
Tenby / Newport Ranger	33,846	0	677	0	0	0	34,523
Estates Management (incl. Surplus Properties)	102,162	-136,066	890	1,236	0	0	-31,778
<b>Democratic Representation &amp; Management</b>	<b>545,114</b>	<b>-5,367</b>	<b>4,650</b>	<b>4,071</b>	<b>0</b>	<b>11,880</b>	<b>560,348</b>
DRM2 - Chief Executive's Office	108,432	0	2,077	35	0	-200	110,345
DRM1 - Corporate Activities & Management	103,630	-1,500	538	2,688	0	0	105,356
Democratic Representation	200,374	0	1,497	1,246	0	12,330	215,447
National Parks Wales	5,951	-3,867	0	101	0	-250	1,936
Corporate Governance	69,326	0	536	0	0	0	69,863
PCNP Trust	7,402	0	0	0	0	0	7,402
Future Landscapes Wales	50,000	0	0	0	0	0	50,000
<b>Service Management &amp; Support Services</b>	<b>1,343,426</b>	<b>-14,000</b>	<b>16,306</b>	<b>9,471</b>	<b>0</b>	<b>12,500</b>	<b>1,367,703</b>
SUP1 - Director of Park Direction & Planning	82,629	0	1,564	64	0	0	84,257
SUP3 - Director of Delivery & Discovery	123,877	0	2,451	64	0	0	126,392
SUP5 - Reception/Admin Services	89,261	0	1,352	257	0	0	90,870
SUP2 - Performance Management	51,642	0	774	36	0	0	52,452
SUP6 - Legal Services	30,000	0	0	0	0	0	30,000
SUP7 - Financial Services	163,706	0	2,275	1,835	0	12,500	180,317
SUP8 - IT Services	287,422	0	3,172	3,054	0	0	293,647
SUP16 - Parc Llanion Park	108,200	-14,000	435	2,449	0	0	97,084
SUP12 - General Building Maintenance	90,502	0	0	0	0	0	90,502
Grants Officer	67,913	0	1,290	62	0	0	69,264
Projects Team	82,531	0	1,305	29	0	0	83,866
SUP14 - Pool Vehicles	14,364	0	0	236	0	0	14,600
HR, Health & Safety, Staff Training	151,377	0	1,689	1,385	0	0	154,451
Kickstart Scheme							
<b>TOTALS</b>	<b>6,934,846</b>	<b>-1,905,536</b>	<b>84,275</b>	<b>52,592</b>	<b>-67,200</b>	<b>50,880</b>	<b>5,149,856</b>

	Draft Baseline Expend 2022/23	Draft Baseline Income 2022/23	Payrise, Inflation Costs	Inflation Other Costs	Efficiency Savings & Increased Income	Other Adjusts	Draft net Budget 2022/23
Conservation of the Natural Environment	651,788	-106,350	6,279	4,626	0	0	556,343
Conservation of the Historic & Cultural Env't	113,808	0	1,582	1,325	0	0	116,716
Development Control	528,297	-209,205	8,365	1,615	0	0	329,072
Forward Planning & Communities	290,450	0	3,291	762	0	20,000	314,503
Promoting Understanding & Enjoyment	1,763,537	-852,784	20,141	14,639		6,500	952,033
Recreation & Park Management	453,873	-552,850	3,652	7,026	-67,200	0	-155,499
Rangers, Estates & Volunteers	1,244,553	-164,980	20,010	9,055	0	0	1,108,639
Democratic Representation & Management	545,114	-5,367	4,650	4,071	0	11,880	560,348
Service Management & Support Services	1,343,426	-14,000	16,306	9,471	0	12,500	1,367,703
<b>Net Cost of Services</b>	<b>6,934,846</b>	<b>-1,905,536</b>	<b>84,275</b>	<b>52,592</b>	<b>-67,200</b>	<b>50,880</b>	<b>5,149,856</b>
Depreciation Adjustment	-258,814	0			0		-258,814
Interest receivable and investment income		-5,000				0	-5,000
<b>Net Operating Expenditure</b>	<b>6,676,032</b>	<b>-1,910,536</b>	<b>84,275</b>	<b>52,592</b>	<b>-67,200</b>	<b>50,880</b>	<b>4,886,042</b>
<u>Appropriations</u>							
Pensions interest/expected returns	-912,000						-912,000
Pension Interest Cost on Liabilities	973,000						973,000
Remeasurement of Pension Liabilities	3,788,000						3,788,000
Pension Administration Expenses	14,000						14,000
Remeasurement of Pension Assets	-2,104,000						-2,104,000
Pension Curtailment Non Redistributed	49,000						49,000
Reversal Employer Pension Contrib - MIRS	418,905						418,905
Reversal of Retirement Benefits - MIRS	-693,000						-693,000
Remeasurement of Pension Liabilities	-3,788,000						-3,788,000
Remeasurement Pension Assets - MIRS	2,104,000						2,104,000
Transfers From EMR Invasive Species	-12,789						-12,789
Transfers From EMR Future Landscapes	-50,000						-50,000
Transfers From EMR Designated Landscapes	-85,286						-85,286
Transfers From EMR Outdoor schools	-46,500						-46,500
Transfers From EMR Pathways	-40,000						-40,000
Transfers From EMR Paths & Pollenators	-17,704						-17,704
Transfer from EMR First 1000 Days Project	-24,000						-24,000
Transfers From EMR LDP	-20,000						-20,000
Transfers From EMR walkability	-16,282						-16,282
<b>NET BUDGET</b>	<b>6,213,376</b>	<b>-1,910,536</b>	<b>84,275</b>	<b>52,592</b>	<b>-67,200</b>	<b>50,880</b>	<b>4,423,387</b>
Financed by:							
National Park Grant		-3,249,986	0				-3,249,986
SLSP	0	-90,000	0				-90,000
Levy against Pembrokeshire County Council		-1,083,329	0				-1,083,329
<b>OVERALL FUNDING POSITION</b>	<b>0</b>	<b>-4,423,315</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-4,423,315</b>
<b>Deficit / Surplus</b>							<b>72</b>