

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

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### **Subject: Draft Budget Planning 2023/24**

#### **Contents:**

- The Draft Revenue and Capital budgets for 2023/24 and forecast 2024/25 to 2025/26
- The Draft 2023/24 Levy on Pembrokeshire County Council
- Prudential Indicators for the Capital Programme
- An Investment Strategy, Reserves & Treasury Management Policy Statements for 2023/24.

## **The Draft Revenue and Capital Budgets for 2023/24 and Forecasts 2024/25 to 2025/26**

### **Introduction**

This Draft Revenue & Capital Budget for 2023/24 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 2023/24 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 2023/24 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 2022/23 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 2023/24 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:

- NPG & Levy remain flatlined as at 2022/23 levels for 2023/24, 2024/25, 2025/26 & 2026/27.
- NJC Pay award offer of £1,925 (8.6%) for 2022/23 accepted and implemented. Pay award for 2023/24 estimated at 5% and 2.5% for 2024/25.
- Based on restructure but excludes regrading costs.
- Gas and Electricity costs will increase by 300% and 150% respectively from 1<sup>st</sup> April 2023 and 5% from 2024/25. Other expenditure subject inflation at circa 8%
- SLSP projects implemented and overhead and delivery support applied.
- No Authority contribution to the South West CJC.
- Car park and centre incomes continue to grow. Season tickets price increase results in £54k additional.
- Contract Hire & rental hire £40k saving (as a result of introducing Electric Vehicles into fleet).
- £20k Insurance Premiums increase as rebuild costs escalate.
- Prudent use of reserves to support revenue expenditure and to balance the budget deficit.
- The budgets have been prepared ensuring General Reserves remain at least £750k.

### **Revenue Budget 2022/23**

The revenue budget for 2022/23 was approved in February 2022 as shown in Appendix 1. As discussed in the December 2022 budget workshop the Authority's finances for the current financial year have been subject to significant uncertainty.

<b>2022/23 Budget Forecast</b>	<b>£000's</b>	<b>£000's</b>
<b>Movements:</b>		
<b>Additional / Reduced Costs</b>		
Staff Cost pay award	-277	
Staff Cost Vacant posts	50	
Professional Fees	-20	
Utility Costs	-15	
Fuel	-20	<b>-282</b>
<b>Additional / Reduce Income</b>		
Car Park Income	145	
Net Centre Income	140	
Legacy donation	52	<b>337</b>
<b>Revised revenue forecast Surplus / Deficit</b>		<b>55</b>
<b>Revised revenue forecast Surplus / Deficit</b>		<b>55</b>

The table above shows the current forecast for the 2022/23 is a surplus of £55k and explains the movement from the original break-even position. As a result, the General Reserve balance is therefore expected to increase to £1,196k. Capital Receipts, used to support capital expenditure in the year, are expected to fall at £221k and Earmarked Reserves decrease to £4,018k as at the end of the 2022/23 financial year.

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

The Welsh Government published its Draft Budget 2023-24 in December 2022, and it shows that the N.P.G. for the three National Parks for 2023/24 would remain at the 2021/22 level. The Welsh Government is expected to debate and publish the Final Budget 2023-24 on 8th March 2022. While the expected NPG / Levy will remain unchanged from 2022/23 level it is worth noting the total reduction between 2010/11 and 2021/22 in cash terms has been £285k. Further when the consumer prices index is applied the overall reduction in real terms since 2010/11 equates to 36.5% or circa £1.7m.

	£000's			
	2010/11	2021/22	Total	% Reduction
NPG	3,463	3,249	-214	
Levy	1,154	1,083	-71	
<b>Total Cash Reduction</b>	<b>4,617</b>	<b>4,332</b>	<b>-285</b>	<b>-6.1%</b>
<b>Consumer Prices Index</b>				
	2010/11	Oct 2022		
	92.2	122.6		-30.4%
<b>Total Reduction</b>				<b>-36.5%</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 2021/22 £4,379k was spent on employee costs compared to £4,114k in 2010/11. During the period staff costs have remained flat lined but this hides 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 135 to 133 from 2011/12 to 2021/22. The increase from the low point of 120 in 2016/17 is partially explained by a number of grant aided, fixed term appointments. The table also shows significant savings in Premises related and Transport and Travel costs during the period.

	2010/11		2018/19		2019/20		2020/21		2021/22		Movem ent	Movem ent
	£000's	%	£000's	%	£000's	%	£000's	%	£000's	%	£000's	%
Employees (ex settlements)	4,114	60%	3,696	59%	3,968	62%	4,140	62%	4,379	57%	265	6%
Premises related	907	13%	662	11%	729	11%	717	11%	1,043	14%	136	15%
Transport & Travel	299	4%	198	3%	198	3%	196	3%	264	3%	-35	-12%
Supplies, Services and Grants	1,489	22%	1,666	27%	1,526	24%	1,625	24%	1,988	26%	499	34%
<b>TOTAL REVENUE COST</b>	<b>6,809</b>	<b>100%</b>	<b>6,222</b>	<b>100%</b>	<b>6,422</b>	<b>100%</b>	<b>6,678</b>	<b>100%</b>	<b>7,674</b>	<b>100%</b>	<b>865</b>	<b>13%</b>

### **Yearly Average Staffing Levels**

**(Full Time Equivalent)**

2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
135	134	133	125	123	120	124	123	129	126	133

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 below follows shows that the actual authority generated incomes have increased by £1,053k from 2010/11 to 2021/22 with most sources of income improving.

#### **AUTHORITY GENERATED INCOME 2010/11 to 2021/22**

<b>AUTHORITY GENERATED INCOME</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>M'ment</b>	<b>M'ment</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>%</b>
Merchandise Sales and income from Information Centres	225	255	289	300	75	239	14	<b>6%</b>
Car park charges and concessions income	309	390	470	468	350	869	560	<b>181%</b>
Admissions fees and Activities & Events	172	185	269	280	71	317	145	<b>84%</b>
Advertising income	88	88	75	74	38	60	-28	<b>-32%</b>
Planning fees	135	144	253	184	347	264	129	<b>96%</b>
Timber sales	30	81	25	22	15		-30	<b>%</b>
Café sales						117	117	
Other : rents, advertising	123	285	158	235	128	223	100	<b>81%</b>
Income from investment properties	28	45	74	54	57	83	55	<b>196%</b>
Investment income	11	19	31	57	13	2	-9	<b>-82%</b>
<b>TOTAL LOCAL INCOME</b>	<b>1,121</b>	<b>1,492</b>	<b>1,644</b>	<b>1,674</b>	<b>1,094</b>	<b>2,174</b>	<b>1,053</b>	<b>94%</b>

## **Summarised Revenue Budget 2023/24 and forecast for 24/25 to 26/27**

**(Assuming funding remains at 2022/23 levels)**

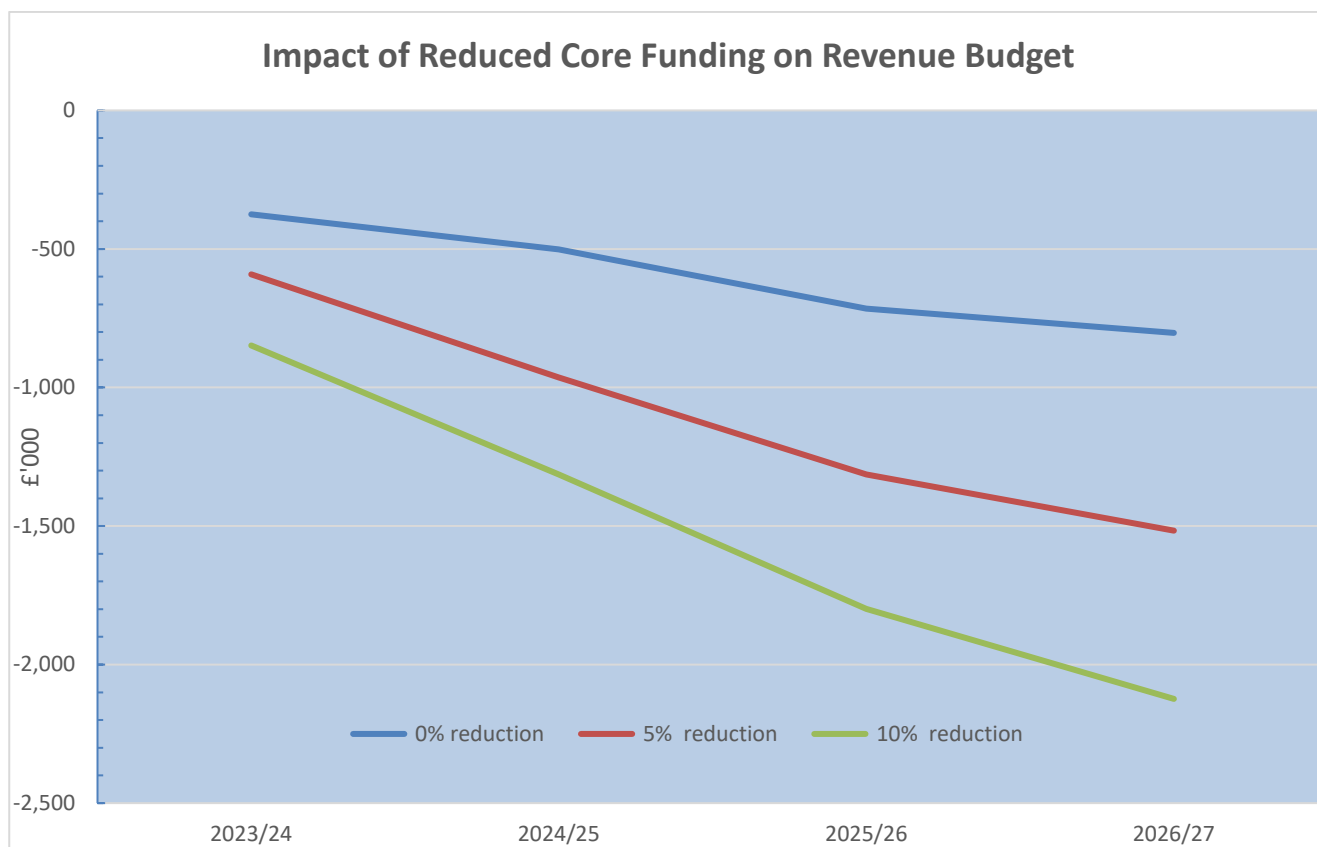
	<b>Draft Budget</b>	<b>Forecast Budget</b>		
	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Baseline gross expenditure	7,047	7,303	7,480	7,613
Payrise/Inflation etc	321	177	133	139
Other Items	-65			
Local Generated & Grant Income	-2,465	-2,514	-2,565	-2,616
Gross Budget	<b>4,838</b>	<b>4,965</b>	<b>5,048</b>	<b>5,136</b>
NPG	3,250	3,250	3,250	3,250
Levy	1,083	1,083	1,083	1,083
SLSP Support	130	130		0
Surplus / - Deficit	<b>-375</b>	<b>-502</b>	<b>-715</b>	<b>-803</b>
Transfer from Reserves	375			
Net Budget	<b>0</b>			

The summarised revenue budget for 2023/24 is shown in the above table and details were discussed in the December 2022 budget workshop. The table shows an operating budget deficit of £375k and the budget is balanced by utilising specific earmarked reserves. However, it is expected that during 2023/24 the deficit will also be managed by making efficiency savings together with additional income streams. The full breakdown of the departmental budgets and service area budget are shown in Appendix 2.



## **Sensitivity Analysis and Forecasts 2023/24 to 2026/27**

The chart and table beneath show the revenue position for the years 2023/24 to 2026/27 under a flat lined and 5% and 10% cut to core funding and shows the corresponding deficit position by 2025/26 of £803k, £1,517k and £2,124k respectively.



£000'S	2023/24		2024/25		2025/26		2026/27	
	5%	10%	5%	10%	5%	10%	5%	10%
Baseline gross expenditure	7,047	7,047	7,303	7,303	7,480	7,480	7,613	7,613
Payrise/Inflation etc	321	321	177	133	133	133	139	139
Other Items	-65	-65	0	0	0	0	0	0
Income	-2,465	-2,465	-2,514	-2,514	-2,565	-2,565	-2,616	-2,616
<b>Gross Budget</b>	<b>4,838</b>	<b>4,838</b>	<b>4,965</b>	<b>4,965</b>	<b>5,048</b>	<b>5,048</b>	<b>5,136</b>	<b>5,136</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	130	90	90	90	90	90	90	90
<b>Surplus / - Deficit</b>	<b>-592</b>	<b>-848</b>	<b>-964</b>	<b>-1,314</b>	<b>-1,314</b>	<b>-1,799</b>	<b>-1,517</b>	<b>-2,124</b>

<b>Draft Capital Programme 2023/24</b>	<b>Draft Budget</b>	<b>Funded by EMR</b>	<b>Other Funding</b>	<b>Capital Receipts</b>
Carew Causeway Repairs	80,000	80,000		
Castell Henllys Programme	90,000	86,000		4,000
Castell Henllys Wood Pellet Silo	25,000	25,000		
Green Room Redevelopment Project	495,000	245,000	100,000	150,000
Carew Castle Enhancement & Interpretation	47,500	47,500		
Carew Castle Visitor Access	32,000	32,000		
PV 's In the Park	50,000	42,000		8,000
Improvements to Works Depots	25,000			25,000
Decarbonisation / Net Zero feasibility for our Buildings	100,000	100,000		
Fleet Upgrade	50,000		50,000	
<b>Total</b>	<b>994,500</b>	<b>657,500</b>	<b>150,000</b>	<b>187,000</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:

- 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.
- 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

- Castell Henllys Wood Pellet Silo. This will allow for larger deliveries and ease the handling of wood pellets
- 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.
- 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
- 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.
- Improvements to Authority Works Depots
- 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.
- 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 number 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 2023/24. The General Reserves balance as at the end of the 2022/23 financial year is expected to be £1,196k and remain at this level until the end of 2023/24.

The Capital Receipts Reserve is used to partially fund capital expenditure is therefore expected to fall from £221k at the end of 2022/23 to £34k by the end of 2023/24.

The balances on the Earmarked Reserves are appropriate at the current time and, to partially fund the Capital program and the revenue deficit, are expected to fall from the projected end of current balance of £4,018k to £2,985k as the end of 2023/24.

## **Cash Reserves**

**£000's**

	Year end Position		Year end Position		Year end Position		Year end Position
	2020/21	Movement 2021/22	2021/22	Movement 2022/23	2022/23	Movement 2023/24	2023/24
<b>General Reserves</b>	1,008	133	1,141	55	1,196		1,196
<b>Capital Receipts</b>	370	19	389	-168	221	-187	34
<b>TOTAL</b>	<b>1,378</b>		<b>1,530</b>		<b>1,417</b>	<b>-187</b>	<b>1,230</b>
<b>Earmarked Reserves:</b>							
Receipts In Advance	3,249	-778	2,470	-853	1,617	-658	959
Authority Created Reserves	1,353	1,232	2,585	-185	2,400	-375	2,025
<b>Total</b>	<b>4,602</b>	<b>454</b>	<b>5,056</b>	<b>-1,038</b>	<b>4,017</b>	<b>-1,033</b>	<b>2,985</b>

## **Conclusion**

The draft Welsh Government 2023/24 budget published in December 2022 indicates that National Park Grant for 2023/24 will remain unchanged from that awarded in 2022/23. Like many other public sector organisations the Authority is also facing considerable, unprecedented, and unavoidable inflationary pressures. These two factors have put the Authority in the difficult position in setting an operating budget deficit for 2023/24 of £375k. However, the Authority's healthy cash reserve position provides a cushion to address this deficit in a considered and measured way. It is also worth noting that the revenue forecasts beyond 2023/24 are equally somewhat as challenging. The financial situation will therefore need to 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 2023/24, subject to noting that the NPG/Levy estimate has yet to be confirmed.
- **NOTE** the financial forecasts for 2024/25 to 2026/27.



## **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	£6,798,258
•	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	£6,798,258
	LESS	
•	Section 72, Grant (NPG)	£3,249,986
•	Income credited to the Revenue Account	£2,464,943
•	other sums not covered above which are likely to be available in the year	-
	Levy requirement	<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 2023/24.**

## **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 2021//22 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>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
<b>Capital Expenditure</b>	<b>1,521,000</b>	<b>629,000</b>	<b>1,419,000</b>	<b>995,000</b>
FINANCING COSTS (interest receivable only)	-13,000	-2,000	-5,000	-5,000
Net Revenue Funding (NPG/Levy)	4,404,000	4,642,000	4,642,000	4,642,000
<b>Ratio: Financing Costs/Net Revenue Funds</b>	<b>-0.30%*</b>	<b>-0.31%*</b>	<b>-0.35%*</b>	<b>-0.50%*</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 2024.



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 2023/24 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>2020/21</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</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>2020/21</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</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 2023/24**

The remainder of this report presents an Investment Strategy for 2023/24 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 2023/24 follows.*

## **Recommendations**

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

- **ADOPT the Prudential Indicators as presented**
- **APPROVE the Financial Reserves and the Investment Strategy & Treasury Management Policies for 2023/24 (over).**

## **Background documents**

- Welsh Government, draft budget proposals 2023/24
- 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  
2023/24**



**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><i>Budget assumptions</i></b>	<b><i>Issues to consider</i></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  
2023/24**



## **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 2023/24. Notwithstanding this, the Authority is obliged to set limits for external debt - and approved such limits, as follows, in setting the 2023/24 budget in February 2023:

Authorised Limit for External Debt	Actual 2020/21	Actual 2021/22	Estimate 2022/23	Estimate 2023/24
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 2020/21	Actual 2021/22	Estimate 2022/23	Estimate 2023/24
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 2023/24 budget report that only short term investments be entered into for the period.*

## **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 2023/24***

## Appendix 1

### Summarised Revenue Budget 2022/23

	£000's
Baseline gross expenditure	6,213
Payrise/Inflation etc	137
Additional Income & Efficiency savings	-67
Other Items	51
Local Generated & Grant Income	-1,911
Gross Budget	<b>4,423</b>
NPG	3,250
Levy	1,083
SLSP Support	90
Surplus / - Deficit	<b>0</b>

## Appendix 2

	Draft Baseline Expend 2023/24	Draft Baseline Income 2023/24	Payrise, Inflation Costs	Inflation Other Costs	Utility Costs	Efficiency Savings & Increased Income	Other Adjusts	Draft net Budget 2023/24
<b>Conservation of the Natural Environment</b>	<b>752,697</b>	<b>-141,800</b>	<b>17,634</b>	<b>4,729</b>	<b>1,530</b>			<b>634,790</b>
Cilrhedyn Woodland Centre	121,211	-39,000	2,485	815	1,530			87,041
Invasive Species	64,213		1,601					65,813
Achub Brith Y Gors (Nature Network Fund)	102,800	-102,800						
National Designated Landscapes	91,450		3,215					94,665
Nature Conservation	367,378		10,334	3,688				381,400
Marine Environment	5,646			226				5,871
<b>Conservation of the Cultural Heritage</b>	<b>111,777</b>		<b>4,339</b>	<b>937</b>				<b>117,053</b>
Conservation Areas & Historic Buildings	48,916		2,259	87				51,262
CP10 - Archaeology, Culture & Heritage	62,861		2,080	850				65,791
Heritage Guardians								
<b>Development Control</b>	<b>551,375</b>	<b>-212,071</b>	<b>22,718</b>	<b>2,466</b>				<b>364,487</b>
Development Management (inc Mineral Plans)	551,375	-212,071	22,718	2,466				364,487
<b>Forward Planning &amp; Communities</b>	<b>325,640</b>	<b>-100,000</b>	<b>8,961</b>	<b>1,583</b>				<b>236,183</b>
Development Planning	225,640		8,961	1,583				236,183
Sustainable Development Fund	100,000	-100,000						
<b>Promoting Understanding</b>	<b>2,040,310</b>	<b>-864,473</b>	<b>61,413</b>	<b>14,985</b>	<b>15,230</b>	<b>0</b>	<b>-2,000</b>	<b>1,265,464</b>
<b>Head of Regenerative Tourism</b>	<b>56,513</b>		<b>2,801</b>					<b>59,313</b>
<b>Head of Engagement</b>	<b>56,513</b>		<b>2,801</b>					<b>59,313</b>
Tourism & Wellbeing Officer	49,516		1,729	372				51,618
Carew Castle	276,378	-241,818	7,893	2,593	1,432			46,477
Carew Castle Tea Room	72,376	-100,000		1,795		0		-25,829
Castell Henllys	226,000	-109,298	8,071	1,315	3,130			129,219
Oriel Y Parc, St David's	395,805	-134,502	9,643	2,172	10,669			283,786
Oriel Y Parc Cafe		-20,000						-20,000
Coast to Coast	50,515	-75,000	499	1,883				-22,103
Communications	256,302		8,488	3,168				267,959
SUP9 - Graphic Services	95,580		3,521	630				99,731
Discovery	210,452	-5,307	8,825	579				214,549
Activities & Events	3,153	-3,173		121				102
Walkability Program	15,985		603	145				16,733
Pembs Outdoor Schools	48,559		1,600					50,159
West Wales Walking	74,832	-75,972	1,139					0
First 1000 Days Project	19,675		984					20,659
Beach Wheelchair & Outdoor Activities Coordina	11,044		316					11,359
Roots to Recovery	97,804	-99,404	1,600					0
Pathways Project	23,306		899	213			-2,000	22,419
<b>Recreation &amp; Park Management</b>	<b>711,541</b>	<b>-956,581</b>	<b>9,653</b>	<b>9,068</b>			<b>-61,500</b>	<b>-287,818</b>
Sustainable Transport	80,301			3,212				83,513
National Trail	218,826	-189,835	1,936	2,074			-1,000	32,001
Access Officer and Rights of Way	124,033	-7,318	4,144	1,673				122,532
Charging Car Parks	256,915	-746,420	2,224	2,110			-56,000	-541,171
Paths & Pollinators Project	31,468	-13,008	1,348				-4,500	15,308

	Draft Baseline Expend 2023/24	Draft Baseline Income 2023/24	Payrise, Inflation Costs	Inflation Other Costs	Utility Costs	Efficiency Savings & Increased Income	Other Adjusts	Draft net Budget 2023/24
<b>Rangers, Estates &amp; Volunteers</b>	<b>1,352,032</b>	<b>-165,651</b>	<b>51,818</b>	<b>11,959</b>	<b>2,010</b>		<b>-21,900</b>	<b>1,230,268</b>
Nature Recovery	152,113		2,859	649			-7,000	148,621
Ranger Services	219,516		8,623	1,314			-2,000	227,454
North Area	359,026		15,138	2,767			-4,000	372,931
West Area	216,051		9,734	2,646	1,430		-3,000	226,861
South Area	232,549		10,405	1,926	579		-3,900	241,560
Castlemartin Ranger	41,441	-28,914	1,511	415			-2,000	12,453
Tenby / Newport Ranger	24,759		1,163					25,922
Estates Management (incl. Surplus Properties)	106,577	-136,737	2,383	2,242				-25,534
<b>Democratic Representation &amp; Management</b>	<b>542,617</b>	<b>-5,367</b>	<b>5,329</b>	<b>4,206</b>				<b>546,785</b>
DRM2 - Chief Executive's Office	110,398		2,650	8				113,056
DRM1 - Corporate Activities & Management	81,480	-1,500		2,796				82,776
Democratic Representation	218,709		1,992	1,296				221,996
National Parks Wales	6,052	-3,867	0	105				2,291
Corporate Governance	69,978		687	0				70,665
PCNP Trust	6,000							6,000
Future Landscapes Wales	50,000							50,000
<b>Service Management &amp; Support Services</b>	<b>1,525,116</b>	<b>-14,000</b>	<b>48,617</b>	<b>9,419</b>	<b>12,892</b>		<b>20,000</b>	<b>1,602,046</b>
SUP1 - Director of Park Direction & Planning	82,869		3,920	66				86,854
SUP3 - Director of Delivery & Discovery	131,427		6,543	60				138,030
Head of Decarbonisation	84,844		4,217					89,062
SUP5 - Reception/Admin Services	95,731		3,691	267				99,689
SUP2 - Performance Management	54,760		2,088	38				56,886
SUP6 - Legal Services	25,000							25,000
SUP7 - Financial Services	213,797		7,475	2,408			20,000	243,681
SUP8 - IT Services	291,103		7,401	3,166				301,670
SUP16 - Parc Llanion Park	96,941	-14,000	1,173	1,577	12,892			98,583
SUP12 - General Building Maintenance	95,502							95,502
Grants Officer	58,689		2,940	64				61,693
Projects Team	90,505		3,560	30				94,095
SUP14 - Pool Vehicles	23,441			302				23,744
HR, Health & Safety, Staff Training	180,505		5,610	1,440				187,555
Kickstart Scheme								
<b>TOTALS</b>	<b>7,913,105</b>	<b>-2,459,942</b>	<b>230,481</b>	<b>59,352</b>	<b>31,662</b>	<b>0</b>	<b>-65,400</b>	<b>5,709,258</b>

	Draft Baseline Expend 2023/24	Draft Baseline Income 2023/24	Payrise, Inflation Costs	Inflation Other Costs	Utility Costs	Efficiency Savings & Increased Income	Other Adjusts	Draft net Budget 2023/24
Conservation of the Natural Environment	752,697	-141,800	17,634	4,729	1,530			634,790
Conservation of the Historic & Cultural Env't	111,777		4,339	937				117,053
Development Control	551,375	-212,071	22,718	2,466				364,487
Forward Planning & Communities	325,640	-100,000	8,961	1,583				236,183
Promoting Understanding & Enjoyment	2,040,310	-864,473	61,413	14,985	15,230		-2,000	1,265,464
Recreation & Park Management	711,541	-956,581	9,653	9,068			-61,500	-287,818
Rangers, Estates & Volunteers	1,352,032	-165,651	51,818	11,959	2,010		-21,900	1,230,268
Democratic Representation & Management	542,617	-5,367	5,329	4,206				546,785
Service Management & Support Services	1,525,116	-14,000	48,617	9,419	12,892		20,000	1,602,046
<b>Net Cost of Services</b>	<b>7,913,105</b>	<b>-2,459,942</b>	<b>230,481</b>	<b>59,352</b>	<b>31,662</b>		<b>-65,400</b>	<b>5,709,258</b>
Depreciation Adjustment	-396,800							-396,800
Interest receivable and investment income		-5,000						-5,000
<b>Net Operating Expenditure</b>	<b>7,516,305</b>	<b>-2,464,942</b>	<b>230,481</b>	<b>59,352</b>	<b>31,662</b>		<b>-65,400</b>	<b>5,307,458</b>
<b>Appropriations</b>								
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 To EMR								
Transfers From EMR Invasive Species	-65,813							-65,813
Transfers From EMR Future Landscapes	-50,000							-50,000
Transfers From EMR Designated Landscapes	-94,665							-94,665
Transfers From EMR Outdoor schools	-50,159							-50,159
Transfers From EMR Pathways	-22,419							-22,419
Transfers From EMR Paths & Pollenators	-15,308							-15,308
Transfer from EMR First 1000 Days Project	-20,659							-20,659
<b>NET BUDGET</b>	<b>7,047,187</b>	<b>-2,464,942</b>	<b>230,481</b>	<b>59,352</b>	<b>31,662</b>		<b>-65,400</b>	<b>4,838,340</b>
Financed by:								
National Park Grant			-3,249,986					-3,249,986
SLSP							-130,000	-130,000
Levy against Pembrokeshire County Council			-1,083,329					-1,083,329
<b>OVERALL FUNDING POSITION</b>			<b>-4,333,315</b>				<b>-130,000</b>	<b>-4,463,315</b>
<b>Operating Deficit / Surplus</b>								<b>-375,025</b>
Transfer from Reserves								<b>375,025</b>
<b>Net Budget</b>								<b>0</b>