

Report of Finance Manager

Subject:
Budget Performance Report 9 Months to December 2022

Revenue Budget

The detailed net revenue budget for the 9 months to 31st December 2022 is presented in Appendix 1, with the summary by service area as follows:

	Net Budget 2020/21	Dec 22 Profiled Budget	Dec 22 Actual & Committed	Variance	% Variance
Conservation of the Natural Environment	776,175	662,186	652,799	9,387	1.4%
Conservation of the Historic & Cultural Env't	120,528	73,749	67,851	5,898	8.0%
Development Management	332,161	236,697	226,929	9,768	4.1%
Forward Planning & Communities	326,051	239,910	196,453	43,457	18.1%
Promoting Understanding & Enjoyment	1,303,037	805,566	680,051	125,515	15.6%
Recreation & Park Management	-113,864	-25,222	-141,046	115,824	-459.2%
Rangers, Estates & Volunteers	1,165,656	827,037	827,005	32	0.0%
Democratic Representation & Management	549,320	401,513	421,128	-19,615	-4.9%
Service Management & Support Services	1,376,054	967,917	966,698	1,219	0.1%
Net Cost of Services	5,835,117	4,189,353	3,897,868	291,485	7.0%

As at 31st December 2022 the Authority's net revenue actual and committed expenditure was £3,898k, £291k (7.0%) under the profiled budget of £4,189k. The main reasons for the variance of actual expenditure against budget for each Service department are as follows:

- **Conservation of the Natural Environment (£9k under budget).** The Cilrhedyn Woodland Centre external sales income is £15k ahead of budget. Other variances in Invasive Species work, Environment Growth and Nature Conservation Budget are expected to be resolved by the end of the financial year.
The Welsh Government funded Dawnsio ar y Dibyn project was developed to identify and share good practice in Coastal Management in Wales, building on the work that has been developed by the Llŷn Partnership in delivering the Tir a

Môr project in Gwynedd. The expenditure incurred by the Authority, £43k to date, will be reclaimed by the end of the financial year. Within the Nature Conservation service, the Authority has received a total £36k in grant income from the Pembrokeshire Coast National Park Trust for the Make More Meadows and Wild About Woodlands projects.

- **Conservation of Cultural Heritage (£6k under budget).** The underspend in the Archaeological Budget of £6k will be utilised as match funding for the Dawnsio project detailed above.
- **Development Management (£10k under budget).** Within Development Management planning fee and pre application fees income of £199k are up £48k versus budget but down £7k against the same period for 2021/22. The cost associated additional planning assistance is included in professional fees and as a result is up £32k over that budgeted. This was offset by savings in salary costs, travel fees and advertising costs.
- **Forward Planning & Communities (£43k under budget).** The Development Plans service is running under budget due to savings in LDP costs of £15k. The original SDF budget of £100k has been augmented by £100k from Welsh Government under the Sustainable Landscapes Sustainable Places scheme. During the year to date £191k of grant has been awarded to twelve projects although the payments made of £50k are in respect of prior year awards.
- **Promoting & Understanding (£126k under budget).**
The table that follows shows the current year budget, actual and prior years' figures for merchandise sales, admissions income and car park income for the 6 months ended 31st December 2022. Total Merchandise income of £266k is £71k above budget and £47k versus 2021/22. Total Admission income of £275k is above budget by £103k and £17k against the comparable period for 2021/22. Carew Castle Café of £135k is up £60k versus budget and £39k for 2021/22. There are salary savings with the Discovery budget due to the secondment of an officer to PLANED. The Authority has received income under the Ancient Connection, £53k, and Celtic Routes, £6k, projects which will be adjusted and reallocated to other partners at the completion of the projects.

Recreation & Park Management (£116k). The car park income for the 9 months to the end of December 2022 was £696k, up £145k versus budget but down £120k versus the same period in 2021/22. The breakdown of this income by car park is shown in the following table. The number of man days spent in maintaining the coast path is currently ahead of budget to the value of £13k. It is unlikely this will be recoverable from NRW National Trail grant and consequently the Authority will have to fund it. Other variances within this service should be corrected by the end of year.

- **Rangers, Estates & Volunteers (on budget).** The underspend in the Head of Nature Recovery is due post remaining vacant until the end of November 2022. The Ranger Services is over budget due to the prepayment on vehicle contract hire costs. The overspend on the Castlemartin Ranger budget is due to the contribution from NRW not being paid. At the time of writing there remains

uncertainty as to whether NRW will continue to fund the post. Other variances within this service will also be corrected by the year end.

- **Democratic Representation & Management (£20k over budget).** The overspend in the Corporate Activities Budget is due consultancy costs associated with the Authority regrading exercise and payments of grant to other bodies including Iron Man, Visit Pembrokeshire, and Pembrokeshire Coastal Forum. The underspend in the Democratic Representation budget is mainly due savings in members expenses and allowances and the corporate events budget. Contributions from the other two Welsh National Parks will be requested to support the National Parks Wales Budget which will be used to correct the current overspend. In the Corporate Governance budget there are prepayments to Audit Wales and this will be corrected at the end of the financial year.

- **Service Management & Support Services (£1k under budget).** The overspend in the IT Services budget is due the purchase of replacement tills and ancillary equipment, and implementation for use across the Authority £13k. There is also a prepayment for planning software charges which cross over to the next financial year. Included in the Fund-Raising Budget is a very generous legacy donor receipt of circa £52k. The overspend in the HR budget is due to additional Health & Safety training requirement, professional legal fees and the costs associated with job advertisements and recruitment. Other variances are expected to be corrected by the end of the financial year.

2022/23 3rd Quarter Income Versus Budget & Prior Years

Merchandise Sales	Budget	YTD Actual	Variance	2021/22	Variance	2020/21	Variance	2019/20	Variance	2018/19	Variance	2017/18	Variance
Carew Income	65,905	113,722	47,817	81,593	32,129	17,135	96,587	74,610	39,112	77,619	36,103	78,396	35,326
Castell Henllys Income	32,111	43,560	11,449	35,624	7,936	8,269	35,291	29,448	14,112	32,012	11,548	39,603	3,957
Oriel Y Parc	97,265	108,658	11,393	101,651	7,007	48,693	59,965	108,769	-111	110,683	-2,025	109,129	-471
	195,281	265,940	70,659	218,868	47,072	74,097	191,843	212,827	53,113	220,314	45,626	227,127	38,813
Admission Fees													
Carew Income	115,107	197,706	82,599	196,818	888	50,797	146,909	147,390	50,316	136,079	61,627	141,350	56,356
Castell Henllys	57,758	78,203	20,445	62,115	16,088	18,118	60,085	62,877	15,326	63,835	14,368	74,147	4,056
	172,865	275,909	103,044	258,932	16,977	68,915	206,994	210,268	65,641	199,914	75,995	215,497	60,412
Café Income	74,861	134,602	59,741	95,876	38,726	27,780	106,822	62,098	72,504	39,125	95,477		
Car Park Income													
Car Park Operations	46,290	62,808	16,518	58,233	4,575	30,287	32,521	30,287	32,521	28,113	34,695	28,128	34,680
Manorbier Car Park	42,464	50,144	7,680	67,335	-17,191	44,051	6,093	44,051	6,093	44,116	6,028	41,316	8,827
Little Haven Car Park	28,857	39,112	10,254	41,865	-2,754	29,526	9,585	29,526	9,585	29,514	9,598	27,004	12,107
St Davids Car Park	70,581	79,045	8,464	90,528	-11,484	65,944	13,101	65,944	13,101	67,942	11,103	72,311	6,734
Poppit Car Park	49,490	78,803	29,313	95,699	-16,896	60,253	18,550	60,253	18,550	54,586	24,217	52,206	26,597
Saundersfoot Car Park	63,757	57,748	-6,010	68,926	-11,178	53,827	3,921	53,827	3,921	60,976	-3,228	62,520	-4,772
Freshwater East Car Park	31,748	40,280	8,532	54,906	-14,626	24,277	16,002	24,277	16,002	23,669	16,611	23,641	16,638
Broad Haven Car Park	35,479	49,864	14,385	57,978	-8,114	23,020	26,843	23,020	26,843	21,319	28,545	22,359	27,505
Newport Car Park	21,579	32,845	11,266	39,430	-6,584	20,562	12,284	20,562	12,284	20,462	12,383	22,548	10,297
Newgale Car Park	23,340	25,910	2,571	36,338	-10,428	19,797	6,114	19,797	6,114	20,540	5,370	17,669	8,241
Solva Car Park	52,949	69,782	16,834	77,937	-8,155	53,234	16,548	53,234	16,548	54,657	15,125	55,666	14,116
Amroth Car Park	24,968	43,718	18,749	46,407	-2,689		43,718		43,718		43,718		43,718
West Angle Car Park	32,050	38,993	6,943	45,634	-6,641		38,993		38,993		38,993		38,993
Nolton Car Park	14,306	14,334	28	19,226	-4,892		14,334		14,334		14,334		14,334
Penally Car Park	12,890	12,943	53	16,362	-3,419		12,943		12,943		12,943		12,943
	550,749	696,329	145,580	816,803	-120,474	424,778	271,551	424,778	271,551	425,894	270,435	425,368	270,961

2022/23 Revenue Forecast

At the end of the second quarter the forecast revenue position for the 2022/23-year end is an operating surplus of £55k versus a nil surplus in the original budget. The movement in the position is explained as follows:

2022/23 Budget Forecast	£000's	£000's
Original Budget		0
Movements:		
Additional / Reduced Costs		
Staff Cost pay award	-277	
Staff Cost Vacant posts	50	
Professional Fees	-20	
Utility Costs	-15	
Fuel	-20	-282
Additional / Reduce Income		
Car Park Income	145	
Net Centre Income	140	
Legacy donation	52	337
Revised revenue forecast Surplus / Deficit		55
Revised revenue forecast Surplus / Deficit		55

Draft Capital Programme 2022/23	Approved Budget	Revised Budget	Funded by EMR	Other Grant Funding	Capital Receipts	Spend as at 30/12/2022
IT Replacement Equipment		11,000	11,000			11,000
Carew Causeway Repairs	80,000					6,570
Castell Henllys Programme	90,000	10,000	10,000			3,378
Castell Henllys Wood Pellet Silo	25,000	25,000	25,000			-
Green Room Redevelopment Project	495,000	150,000	150,000			35,293
OYP Interpretation & Events		23,770	23,770			13,653
Carew Castle Enhancement & Interpretation	42,500					3,200
Carew Castle Visitor Access	27,000					
Revetment Works to River at Castell Henllys	5,000					
Castell Henllys Open Sided Barn	25,000					
EV Charging Points & Infrastructure		267,477	267,477			37,043
PV 's In the Park	50,000	50,000	42,000		8,000	1,495
SLSP Community Woodland		76,030	76,030			50,668
Fleet Upgrade	112,000	391,000	241,000		150,000	185,190
Improvements to Works Depots	25,000	25,000	25,000			
Decarbonisation / Net Zero feasibility for our Buildings	100,000					
Oriel Y Parc - Resurface Courtyard	40,000	40,000		40,000		
Oriel Y Parc - Replace Digital Locking System	10,000	10,000			10,000	
Total	1,126,500	1,079,277	871,277	40,000	168,000	347,490

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. The capital programme for the year has decreased from the original budget of £1,127k to a revised budget of £1,079k. The forecast is down due to the delays associated with the Green Room development, part of which is now expected to roll forward to 2023/24 financial year, and increases due to expenditure carried forward from 2021/22, notable on the Fleet upgrade

and EV Charging Points. In addition, under the Sustainable Landscapes Sustainable Places grant scheme a Community Woodland is expected to be purchased.

Details of the capital programme are:

- Photovoltaic (PV's) Generation. This project is to look at the installation of PVs 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.
- Oriol 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 it's work wherever possible

The Authority's Useable Reserves

£000's

£000'S	Year end Position		Year end Position		Year end Position
	2020/21	Movement 2021/22	2021/22	Movement 2022/23	2022/23
General Reserves	1,008	133	1,141	55	1,196
Capital Receipts	370	19	389	-168	221
TOTAL	1,378		1,530	-113	1,417
EARMARKED RESERVES					
Receipts In Advance	3,249	-778	2,470	-854	1,617
Carryovers from Underspend 21/22 - Conservation Make More Meadows		10	10	-10	
Carryovers from Underspend 21/22 - Archaeology		19	19	-19	
Carryovers from Underspend 21/22 - Development Management		115	115	-1	114
Carryovers from Underspend 20/21 - Sustainable Transport		10	10	-10	
Carryovers from Underspend 20/21 - Access Officer		10	10	-10	
Carryovers from Underspend 21/22 - Beach Wheelchair Coordinator		5	5	-5	
Carryovers from Underspend 21/22 - Summer Rangers		12	12	-12	
Carryovers from Underspend 21/22 - Wild About Woodlands		13	13	-13	
Carryovers from Underspend 21/22 - Fire Break Cutting		4	4	-4	
Carryovers from Underspend 21/22 - Achub Brith Y Gors Nature Network Fund		45	45	-45	
Carryovers from Underspend 21/22 - Roots to Recovery Project		27	27	-27	
Asset Management	37		37		37
Planning (Formerly Local Plan)	33	-11	22		22
Self-Insurance	30		30		30
Staff Restructuring	189	571	760		760
National Park Wales	13		13		13
Planning System	89	-1	87		87
Sponsored Maintenance re Sponsor A Gate	17	11	28		28
Rangers Services - Landscape Fund	4		4		4
SDF Increase In Funds	29		29		29
NPG Reduction	287	-287			

Biodiversity	11		11		11
Planning Enforcement	98		98		98
Invasive Species	30	-8	22		22
The Pathways Project	35		35		35
Carew Causeway	154		154		154
Pollinator Project	15		15		15
Roots Project (2.252)	11	1	13		13
Digital Transformation	88	-28	60	-37	22
Green Room Redevelopment		148	148		148
Pay Regrading & Pay Award		500	500		500
Decarbonisation		250	250		250
Master Planning Exercise Porthgain				10	10
Total	4,417	639	5,056	-1,037	4,018

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 but it is considered prudent to keep above £400k. 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

General Reserve

The audited statements of accounts as at 31st March 2022 verified that the Authority's General Reserve balance at £1,141k. As detailed above the forecasted surplus for the year is expected to be £55k and the balance is therefore expected to rise to £1,196k at the year end.

Capital Receipts

The Capital Receipts reserve started the year at £389k, some of this will be used to fund in year capital expenditure and therefore this reserve is expected to fall to £221k level at the end of the 2022/23.

Earmarked Reserves

Earmarked reserves as at 31st March 2022 stood at £5,056k and these reserve are expected to be used to fund revenue and capital expenditure during the year and are therefore expected to fall by £1,037k to £4,018k at the end of 2022/23 financial year.

Recommendation

Members are invited to **NOTE** the budgetary performance for the 9 months ended 31st December 2022 as presented in this report.

(Further information is available from the Financial Manager Richard Griffiths, on 01646 624815 – email richardg@pembrokeshirecoast.org.uk)

	Revisions to Budgets 2022/23	December 22 Profiled Budget	December 22 Actual & Committed	Variance
Conservation of the Natural Environment	776,175	662,186	652,799	9,387
Cilrhedyn Woodland Centre	80,962	91,612	107,111	-15,499
Invasive Species	45,000	42,321	43,452	-1,131
SLSP Decarbonisation	-20,000	0	0	0
Achub Brith Y Gors (Nature Network Fund)	44,885	74,279	67,126	7,153
D/Lscape Carbon Action Plan	14,892	14,892	14,878	14
Dawnsio ar y Dibyn		0	44,557	-44,557
Greening Agriculture	83,854	68,480	49,816	18,664
Decarbonisation of Designated Landscapes	68,975	56,486	41,450	15,036
National Designated Landscapes	90,212	67,949	56,628	11,321
Nature Conservation	361,750	241,105	222,781	18,324
Marine Environment	5,646	5,062	5,000	62
Conservation of the Cultural Heritage	120,528	73,749	67,851	5,898
Conservation Areas & Historic Buildings	46,642	33,481	33,156	325
CP10 - Archaeology, Culture & Heritage	73,886	40,268	34,495	5,773
Heritage Guardians	0	0	200	-200
Development Control	332,161	236,697	226,929	9,768
Development Management (inc Mineral Plans)	332,161	236,697	226,929	9,768
Forward Planning & Communities	326,051	239,910	196,453	43,457
Development Planning	226,051	164,910	146,830	18,080
Sustainable Development Fund	100,000	75,000	49,623	25,377
Promoting Understanding	1,303,037	805,566	680,051	125,515
Tourism & Wellbeing Officer	43,540	30,158	26,470	3,688
Carew Castle	92,652	-97,641	-67,867	-29,774
Carew Castle Tea Room	15,238	11,493	-21,879	33,372
Castell Henllys	148,407	106,754	61,830	44,924
Oriel Y Parc, St David's	244,696	167,191	161,344	5,847
Oriel Y Parc Cafe	-20,000	-20,000	-19,705	-295
Coast to Coast	-21,307	-14,968	-12,339	-2,629
Wales Coast Path Marketing	131,143	125,687	147,523	-21,836
Communications	257,581	189,855	193,628	-3,773
SUP9 - Graphic Services	95,450	62,486	53,972	8,514
Discovery	191,762	141,118	113,310	27,808
Activities & Events	-20	-15	488	-503
Walkability Program	16,174	12,104	12,791	-687
Pembs Outdoor Schools	46,226	34,670	31,293	3,377
Celtic Routes	0	0	-6,365	6,365
Ancient Connections	0	0	-53,148	53,148
West Wales Walking	0	-15,786	-30,413	14,627
First 1000 Days Project	17,200	12,897	-9,573	22,470
Roots Project	6,414	4,806	6,491	-1,685
NPUK Volunteer Conference		0	-2	2
Beach Wheelchair & Outdoor Activities Coordinator	18,496	14,123	13,331	792
Roots to Recovery	-5,158	-1,674	6,980	-8,654
Brilliant Basics - Beach Access & Wheelchairs	6,652	28,883	33,789	-4,906
Brilliant Basics - Poppit Sands Boardwalk		0	4,250	-4,250
Brilliant Basics - Ebike Scheme		0	0	0
Brilliant Basics - Access/Arrival Improvements (Car Parks & PROW)		0	12,031	-12,031

Pathways Project	17,891	13,425	21,821	-8,396	
Recreation & Park Management	-113,864	-25,222	-141,046	115,824	
Sustainable Transport	90,593	79,330	73,861	5,469	
National Trail	42,220	167,399	199,902	-32,503	
Access Officer and Rights of Way	132,599	103,463	91,068	12,395	
Charging Car Parks	-397,921	-431,121	-573,658	142,537	
Paths & Pollinators Project	9,394	17,804	17,586	218	
Sustainable Tourism (SLSP)	9,250	9,250	11,250	-2,000	
Access Projects	0	28,653	38,945	-10,292	
Rangers, Estates & Volunteers	1,165,656	827,037	827,005	32	
Head of Park Delivery	84,944	50,480	42,798	7,682	
Ranger Services	257,762	187,968	197,287	-9,319	
North Area	346,665	253,104	251,568	1,536	
West Area	208,600	148,577	147,038	1,539	
South Area	248,713	180,652	179,856	796	
Castlemartin Ranger	14,566	5,727	10,157	-4,430	
Tenby / Newport Ranger	33,962	26,935	21,636	5,299	
Estates Management (incl. Surplus Properties)	-29,556	-26,406	-23,335	-3,071	
Democratic Representation & Management	549,320	401,513	421,128	-19,615	
DRM2 - Chief Executive's Office	112,450	81,757	81,030	727	
DRM1 - Corporate Activities & Management	87,683	78,396	86,002	-7,606	
Democratic Representation	219,797	162,399	150,906	11,493	
National Parks Wales	2,186	947	14,836	-13,889	
Corporate Governance	71,205	73,514	84,455	-10,941	
PCNP Trust	6,000	4,500	3,899	601	
Future Landscapes Wales	50,000	0	0	0	
Service Management & Support Services	1,376,054	967,917	966,698	1,219	
SUP1 - Director of Park Direction & Planning	65,408	46,827	43,118	3,709	
SUP3 - Director of Delivery & Discovery	139,396	103,628	100,368	3,260	
SUP5 - Reception/Admin Services	79,253	47,512	47,587	-75	
SUP2 - Performance Management	55,170	32,341	32,285	56	
SUP6 - Legal Services	30,000	30,000	33,196	-3,196	
SUP7 - Financial Services	209,044	157,858	160,564	-2,706	
SUP8 - IT Services	271,954	179,183	205,326	-26,143	
SUP16 - Parc Llanion Park	97,933	54,642	53,100	1,542	
SUP12 - General Building Maintenance	97,502	73,123	61,362	11,761	
Grants Officer	51,869	36,621	-16,036	52,657	
Projects Team	73,874	53,156	46,216	6,940	
SUP14 - Pool Vehicles	4,246	2,355	4,286	-1,931	
HR, Health & Safety, Staff Training	200,404	150,671	196,243	-45,572	
Kickstart Scheme		0	-917	917	
TOTALS	5,835,117	4,189,353	3,897,868	291,485	
Conservation of the Natural Environment	776,175	662,186	652,799	9,387	1.4%
Conservation of the Historic & Cultural Env't	120,528	73,749	67,851	5,898	8.0%
Development Control	332,161	236,697	226,929	9,768	4.1%
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Promoting Understanding & Enjoyment	1,303,037	805,566	680,051	125,515	15.6%
Recreation & Park Management	-113,864	-25,222	-141,046	115,824	-459.2%
Rangers, Estates & Volunteers	1,165,656	827,037	827,005	32	0.0%
Democratic Representation & Management	549,320	401,513	421,128	-19,615	-4.9%
Service Management & Support Services	1,376,054	967,917	966,698	1,219	0.1%
Net Cost of Services	5,835,117	4,189,353	3,897,868	291,485	7.0%