

## REPORT OF HEAD OF FINANCE

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**SUBJECT:**  
**BUDGET PERFORMANCE REPORT 9 MONTHS TO DECEMBER 2023**

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## Revenue Budget

The detailed net revenue budget for the 9 months to 31st December 2023 is presented in Appendix 1 & 3, with the summary by service area as follows:

|   | Dec 23<br>Actual &<br>Committe<br>d | Dec 23<br>Profiled<br>Budget | Variance          | %<br>variance | Net<br>Budget<br>Yr<br>2023/24 |
|---|-------------------------------------|------------------------------|-------------------|---------------|--------------------------------|
| Conservation of the Natural Environment       | 576,268                             | 572,050                      | ✘ -4,218          | ✘ 1%          | 658,187                        |
| Conservation of the Historic & Cultural Env't | 81,307                              | 82,559                       | ✔ 1,252           | ✔ 2%          | 113,140                        |
| Development Management                        | 294,642                             | 306,132                      | ✔ 11,490          | ✔ 4%          | 418,321                        |
| Forward Planning & Communities                | 329,215                             | 357,788                      | ✔ 28,573          | ✔ 8%          | 419,669                        |
| Promoting Understanding & Enjoyment           | 742,910                             | 947,817                      | ✔ 204,907         | ✔ 22%         | 1,334,801                      |
| Recreation & Park Management                  | -313,480                            | -194,846                     | ✔ 118,634         | ✔ 61%         | -260,559                       |
| Rangers, Estates & Volunteers                 | 859,498                             | 841,634                      | ✘ -17,864         | ✘ 2%          | 1,211,496                      |
| Democratic Representation & Management        | 375,536                             | 431,715                      | ✔ 56,179          | ✔ 13%         | 553,783                        |
| Service Management & Support Services         | 1,208,591                           | 1,217,709                    | ✔ 9,118           | ✔ 1%          | 1,666,387                      |
| <b>Net Cost of Services</b>                   | <b>4,154,487</b>                    | <b>4,562,558</b>             | <b>✔ 408,071</b>  | <b>✔ 9%</b>   | <b>6,115,225</b>               |
| <b>Financed by:</b>                           |                                     |                              |                   |               |                                |
| National Park Grant                           | -2,437,075                          | -2,437,490                   | ✘ -415            | ✔ 0%          | -3,249,986                     |
| SLSP  | -116,249                            | -97,500                      | ✔ 18,749          | ✔ 19%         | -130,000                       |
| Levy against Pembrokeshire County Council     | -812,497                            | -812,497                     | -                 | ✔ 0%          | <b>-1,083,329</b>              |
| Interest receivable and investment income     | -109,120                            | -3,750                       | ✔ 105,370         | ✔ 2810%       | -5000                          |
| Pension fund movement                         | -                                   | -                            | -                 | ✔ 0%          | -399,696                       |
| Transfer from EMRs                            | -503854                             | -938,014                     | ✘ -434,160        | ⚠ -46%        | -486,647                       |
| Depreciation adjustment 23-24                 | -                                   | -                            | -                 | ✔ 0%          | -385275                        |
|   | <b>-3,978,795</b>                   | <b>-4,289,251</b>            | <b>✘ -310,456</b> | <b>✔ 7%</b>   | <b>-5739933</b>                |
| <b>Deficit/(Surplus)</b>                      | <b>175,691</b>                      | <b>273,307</b>               | <b>✔ 97,616</b>   | <b>✔ 36%</b>  | <b>375,292</b>                 |

As at 31<sup>st</sup> December 2023 the Authority's net revenue actual and committed expenditure was £4,154k (September 2023: £2,820k), £408k (9%) better than budget (September 2023: £197k (6.5%) better than budget). The main reasons for the variance of actual expenditure against budget for each area is as follows:

- **Conservation of the Natural Environment (£4k over budget).** This category includes several grant funded projects. The results include an estimate for NHLF grants due of £56k for expenditure incurred on the Invasive Species project and £25k for NRW grants. These, combined with SLSP current expenditure which will be met out of grants due, result in the department remaining within 1% of budget.
- **Development Management (£11k under budget).** Generally, the underspend is due to vacant posts during the period resulting in £16k of savings in the salary budget to date.

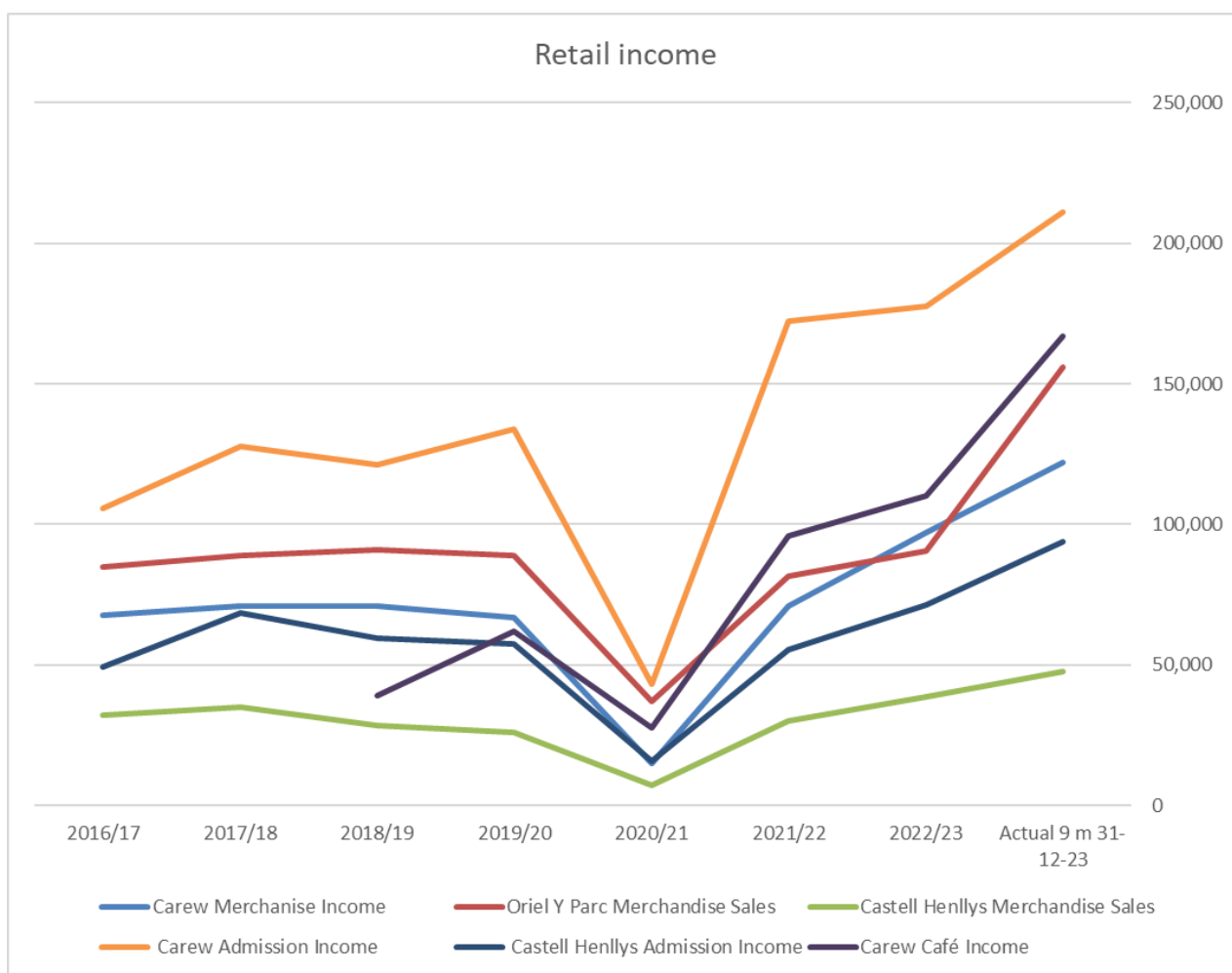
- **Forward Planning & Communities (£29k under budget).** This includes the Sustainable Development Fund project which has an underspend of £27k to date. This is funded from the Welsh Government Sustainable Landscapes Sustainable Places scheme. During the period, grants of £85k have been awarded and £127k of grants have been paid out in respect of projects which include prior year awards.
- **Promoting & Understanding (£204k under budget).** This department includes several grant funded projects as well as some of the income generation activities of the Authority. Whilst the centres have increased their income and returns (see graph below), they have also suffered from increased costs such as electricity and wages.

Generally, all projects are within or under budget due to funding received/receivable or delays in recruitment.

The following projects show material over expenditure:

1. There is a reserve / surplus of £34k shown on the Ancient Connections project which is in relation to the unbilled cash contribution which the Authority agreed to pay.
2. Work on the Nevern Castle Tower has been untaken during the year. The funding will be met from an existing earmarked reserve and the Archaeology budget.
3. Wales Coast Path Marketing – a WG grant is expected for this post.

The table below shows the current year budget, actual and prior years' figures for merchandise sales, admissions income and car park income for the 9 months ended 31st December 2023 with the trend shown in the graph below:



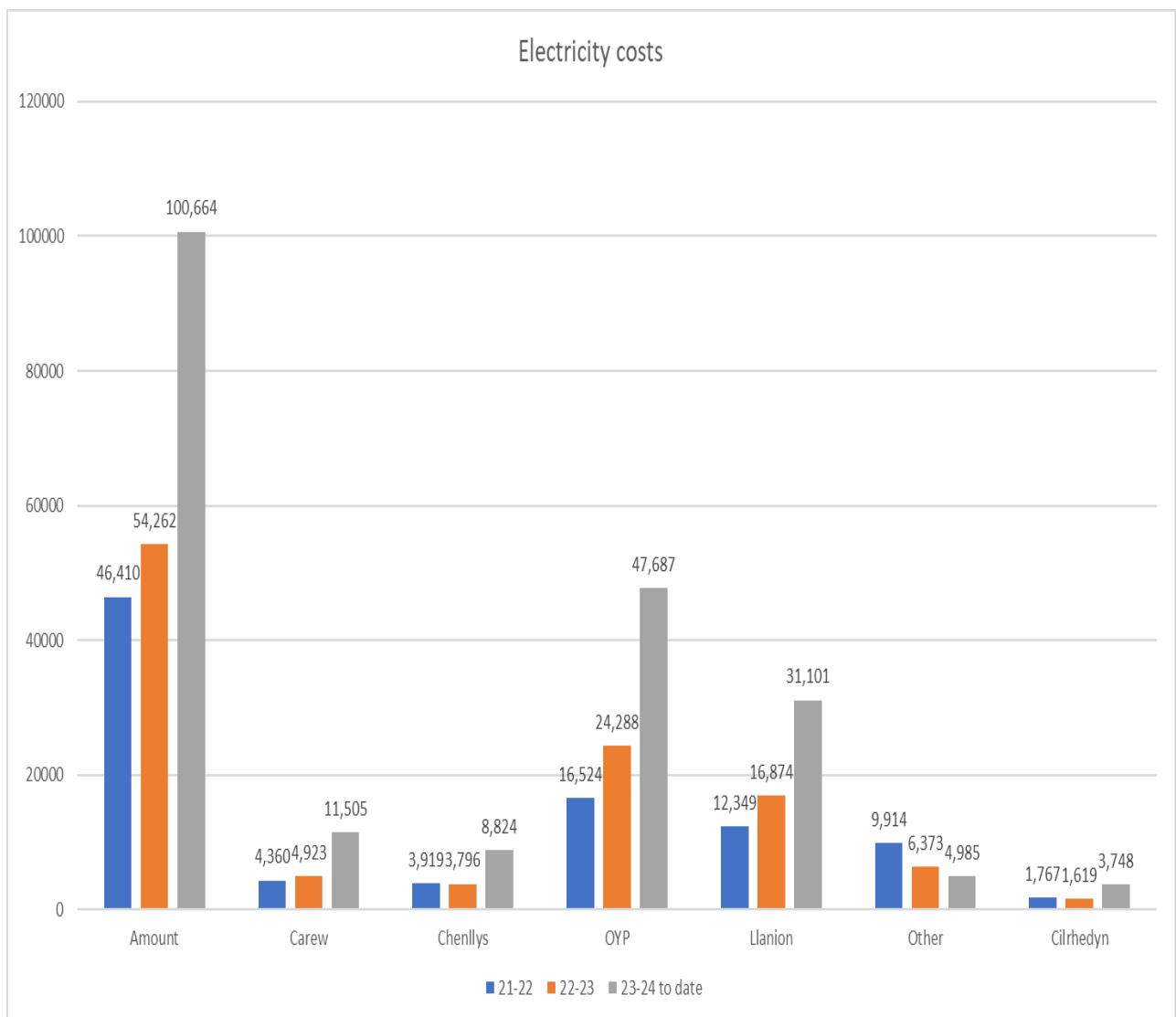
- Recreation & Park Management (£118k under budget).** This department includes funded projects such as Access Projects and National Trail. Grants due of £153k have been provided for which have reduced the reported costs. In contrast, car park income has underperformed by £107k for the year due to poor summer weather, drop in season tickets (by 30% on budget) and increased costs (pay by phone app), increased enforcement costs, contractor costs and materials.
- Rangers, Estates & Volunteers (£18k over budget).** These have seen an increase in salary and material costs to date. This is due to an extra assistant warden post in the west area not budgeted for.
- Democratic Representation & Management (56k under budget).** The underspend in the Corporate Activities Budget is associated BMW partnership participation grant of £10k awarded to each of the 15 UK National Parks. The underspend in the Democratic Representation budget is mainly due to savings in salaries, arising from the two months when there was vacancy in the Democratic Services Officer post, and the corporate events budget. In the Corporate Governance Budget there are prepayments to Audit Wales and these will be corrected at the end of the financial year. The strategic lead role relates to the inclusion officer post which is grant funded with £38k included to date to cover costs.

- **Service Management & Support Services (£38k over budget).**

The overspend in the HR, Health & Safety budget of £39k is due to the cost of consultancy to assist with the regrading exercise, Health & Safety and COSH training for all senior and direct staff.

The head of decarbonisation budget is overbudget due to an additional post of decarbonisation services manager at Llanion whilst the IT budget is underbudget due to salary savings from vacant posts.

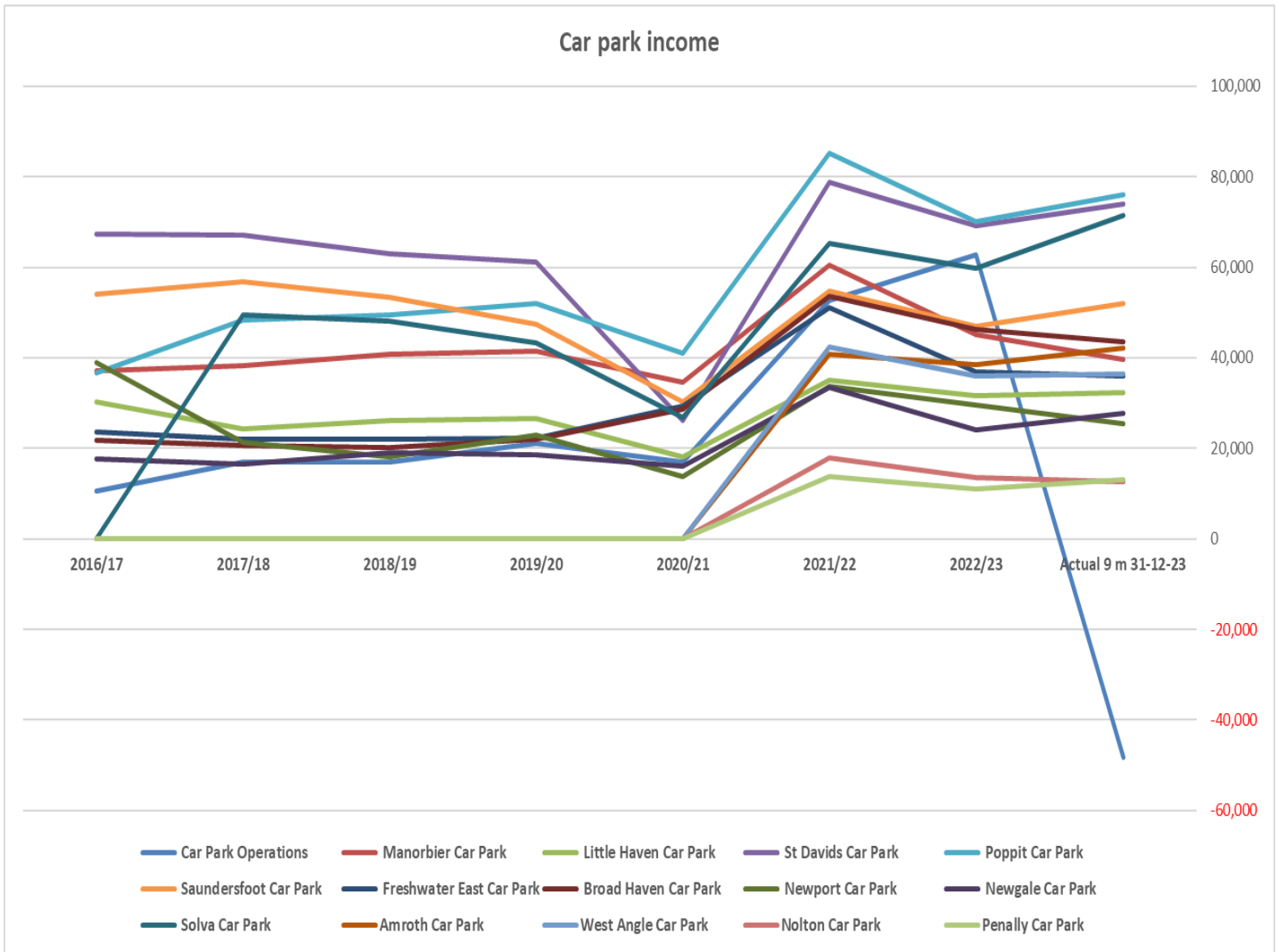
It is worth noting that the Authority is facing increases in costs with electricity being a key example of the challenges faced. Electricity rates increased by 180% over 22-23 and standing charges by 50%. The graph below illustrates the significant increase in costs. Whereas the Authority escaped major price rises in 22-23, this year the energy was purchased in previous high markets hence the inevitable price hike for 23-24. It is hoped that the unit costs will reduce from April 24 due to forward buying in a lower cost market.



There is evidence however that other costs continue to increase by more than inflation e.g. cash collection charges will increase by 9% from April 2024.

**2023/24 3rd Quarter Income Versus Budget & Prior Years**

|                          | Actual 9 m<br>31-12-23 | Budget 9m 31-<br>12-23 | Variance        | 2022/23        | Variance       | 2021/22        | Variance        | 2020/21        | Variance       | 2019/20        | Variance       | 2018/19        | Variance       | 2017/18        | Variance       | 2016/17        | Variance       |
|--------------------------|------------------------|------------------------|-----------------|----------------|----------------|----------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Merchandise Sales</b> |                        |                        |                 |                |                |                |                 |                |                |                |                |                |                |                |                |                |                |
| Carew Income             | 121,858                | 90,000                 | 31,858          | 97,156         | 24,702         | 70,752         | 51,106          | 15,041         | 106,817        | 66,875         | 54,983         | 70,978         | 50,880         | 71,006         | 50,852         | 67,689         | 54,169         |
| Oriel Y Parc             | 156,009                | 120,000                | 36,009          | 90,592         | 65,417         | 81,479         | 74,530          | 37,116         | 118,893        | 88,724         | 67,285         | 90,977         | 65,032         | 88,927         | 67,082         | 84,645         | 71,364         |
| Castell Henllys Income   | 47,559                 | 38,000                 | 9,559           | 38,665         | 8,894          | 29,875         | 17,684          | 7,133          | 40,426         | 25,906         | 21,653         | 28,533         | 19,026         | 34,906         | 12,653         | 32,213         | 15,346         |
|                          | <b>325,426</b>         | <b>248,000</b>         | <b>77,426</b>   | <b>226,413</b> | <b>99,013</b>  | <b>182,106</b> | <b>143,320</b>  | <b>59,290</b>  | <b>266,136</b> | <b>181,504</b> | <b>143,922</b> | <b>190,488</b> | <b>134,938</b> | <b>194,839</b> | <b>130,587</b> | <b>184,547</b> | <b>140,879</b> |
| <b>Admission Fees</b>    |                        |                        |                 |                |                |                |                 |                |                |                |                |                |                |                |                |                |                |
| Carew Income             | 211,134                | 175,000                | 36,134          | 177,434        | 33,700         | 172,265        | 38,869          | 43,221         | 167,913        | 133,784        | 77,350         | 121,061        | 90,073         | 127,882        | 83,252         | 105,663        | 105,471        |
| Castell Henllys          | 93,959                 | 66,000                 | 27,959          | 71,131         | 22,828         | 55,184         | 38,775          | 15,557         | 78,402         | 57,479         | 36,480         | 59,446         | 34,513         | 68,614         | 25,345         | 49,093         | 44,866         |
|                          | <b>305,093</b>         | <b>241,000</b>         | <b>64,093</b>   | <b>248,565</b> | <b>56,528</b>  | <b>227,449</b> | <b>77,644</b>   | <b>58,779</b>  | <b>246,314</b> | <b>191,263</b> | <b>113,830</b> | <b>180,507</b> | <b>124,586</b> | <b>196,496</b> | <b>108,597</b> | <b>154,756</b> | <b>150,337</b> |
| <b>Carew Café Income</b> | <b>166,754</b>         | <b>110,000</b>         | <b>56,754</b>   | <b>110,020</b> | <b>56,734</b>  | <b>95,876</b>  | <b>70,878</b>   | <b>27,780</b>  | <b>138,974</b> | <b>62,098</b>  | <b>104,656</b> | <b>39,125</b>  | <b>127,629</b> |                |                |                |                |
| <b>Car Park Income</b>   |                        |                        |                 | 41,222         |                |                |                 |                |                |                |                |                |                |                |                |                |                |
| Car Park Operations      | -48,231                | 17,339                 | -65,570         | 62,683         | -110,914       | 52,708         | -100,939        | 16,878         | -65,109        | 21,170         | -69,401        | 16,948         | -65,179        | 16,944         | -65,175        | 10,562         | -58,793        |
| Manorbier Car Park       | 39,621                 | 50,571                 | -10,950         | 45,180         | -5,559         | 60,392         | -20,771         | 34,506         | 5,115          | 41,430         | -1,809         | 40,687         | -1,066         | 38,251         | 1,370          | 37,204         | 2,417          |
| Little Haven Car Park    | 32,339                 | 34,663                 | -2,324          | 31,574         | 765            | 35,038         | -2,699          | 18,188         | 14,151         | 26,663         | 5,676          | 26,064         | 6,275          | 24,348         | 7,991          | 30,328         | 2,011          |
| St Davids Car Park       | 73,952                 | 68,329                 | 5,623           | 69,254         | 4,698          | 78,754         | -4,802          | 26,164         | 47,788         | 61,058         | 12,894         | 62,937         | 11,015         | 67,038         | 6,914          | 67,433         | 6,519          |
| Poppit Car Park          | 75,924                 | 76,800                 | -876            | 70,100         | 5,824          | 85,296         | -9,372          | 41,056         | 34,868         | 52,004         | 23,920         | 49,400         | 26,524         | 48,391         | 27,533         | 36,657         | 39,267         |
| Saundersfoot Car Park    | 52,038                 | 58,923                 | -6,885          | 46,955         | 5,083          | 54,819         | -2,781          | 30,169         | 21,869         | 47,470         | 4,568          | 53,271         | -1,233         | 56,750         | -4,712         | 54,049         | -2,011         |
| Freshwater East Car Park | 35,932                 | 48,000                 | -12,068         | 36,917         | -985           | 51,027         | -15,095         | 29,323         | 6,609          | 22,203         | 13,729         | 21,956         | 13,976         | 21,921         | 14,011         | 23,639         | 12,293         |
| Broad Haven Car Park     | 43,529                 | 49,705                 | -6,176          | 46,301         | -2,772         | 53,704         | -10,175         | 28,751         | 14,778         | 22,054         | 21,475         | 20,089         | 23,440         | 20,728         | 22,801         | 21,818         | 21,711         |
| Newport Car Park         | 25,477                 | 33,600                 | -8,123          | 29,644         | -4,167         | 33,578         | -8,101          | 13,668         | 11,809         | 23,033         | 2,444          | 18,186         | 7,291          | 21,356         | 4,121          | 38,861         | -13,384        |
| Newgale Car Park         | 27,685                 | 30,720                 | -3,035          | 24,019         | 3,666          | 33,521         | -5,836          | 16,009         | 11,676         | 18,675         | 9,010          | 19,038         | 8,647          | 16,619         | 11,066         | 17,584         | 10,101         |
| Solva Car Park           | 71,516                 | 64,529                 | 6,987           | 59,709         | 11,807         | 65,167         | 6,349           | 26,844         | 44,672         | 43,245         | 28,271         | 48,112         | 23,404         | 49,449         | 22,067         | 0              | 71,516         |
| Amroth Car Park          | 42,100                 | 38,400                 | 3,700           | 38,495         | 3,605          | 40,814         | 1,286           | 0              | 42,100         | 0              | 42,100         | 0              | 42,100         | 0              | 42,100         | 0              | 42,100         |
| West Angle Car Park      | 36,344                 | 40,320                 | -3,976          | 35,945         | 399            | 42,380         | -6,036          | 0              | 36,344         | 0              | 36,344         | 0              | 36,344         | 0              | 36,344         | 0              | 36,344         |
| Nolton Car Park          | 12,726                 | 16,320                 | -3,594          | 13,465         | -739           | 17,933         | -5,207          | 0              | 12,726         | 0              | 12,726         | 0              | 12,726         | 0              | 12,726         | 0              | 12,726         |
| Penally Car Park         | 13,058                 | 14,400                 | -1,342          | 11,037         | 2,021          | 13,851         | -793            | 0              | 13,058         | 0              | 13,058         | 0              | 13,058         | 0              | 13,058         | 0              | 13,058         |
|                          | <b>534,010</b>         | <b>642,619</b>         | <b>-108,609</b> | <b>621,278</b> | <b>-87,268</b> | <b>718,983</b> | <b>-184,973</b> | <b>281,555</b> | <b>252,455</b> | <b>379,004</b> | <b>155,006</b> | <b>376,688</b> | <b>157,322</b> | <b>381,796</b> | <b>152,214</b> | <b>338,135</b> | <b>195,875</b> |



Note the negative 'car park operations' category reflects the drop in season ticket revenue together with increased costs of enforcement, pay by phone app and maintenance.

## 2023/24 Revenue Forecast

At the end of the third quarter the forecast revenue position for the 2023/24 year end is an operating deficit of £112k, £263k better than the budgeted deficit of £375k. The forecast movement in the position is explained as follows:

| <b>2023/24 Budget Forecast</b>                  | <b>£000's</b> | <b>£000's</b> |
|---|---------------|---------------|
| Original Budget (Deficit)                       |               | <b>-375.0</b> |
|   |               |               |
| <b>Movements:</b>                               |               |               |
| <b>Additional / Reduced Costs Versus Budget</b> |               |               |
| Staff Cost pay award/vacant posts               | -99.0         |               |
| Health & Safety / Training                      | -19.0         |               |
| Electric  | -61.0         |               |
|   |               | <b>-179.0</b> |
| <b>Additional / Reduce Income Versus Budget</b> |               |               |
| Bank Interest                                   | 110.0         |               |
| Car Park Income                                 | -73.0         |               |
| Additional Centre Income:                       |               |               |
| Merchandise sales net costs                     | 7.0           |               |
| Admissions & events                             | 122.0         |               |
| Café Sales                                      | 66.0          |               |
| Other income                                    | 42.0          |               |
|   |               | <b>274.0</b>  |
|   |               |               |
| Transfer from reserve to cover pay award        |               | <b>168.0</b>  |
|   |               |               |
| <b>Revised revenue forecast Deficit</b>         |               | <b>-112.0</b> |



## Capital programme.

| Draft Capital Programme 2023/24                          | Approved Budget | Revised Budget   | Funded by EMR  | Capital receipts unapplied | Capital/Grant Receipts | Spend as at 31/12/2023 |
|--|-----------------|------------------|----------------|----------------------------|------------------------|------------------------|
| Plant & Equipment  |                 | 195,000          |                | 195,000                    |                        | 176,925                |
| Carew Causeway Repairs                                   | 80,000          | 80,000           | 80,000         |                            |                        | 7,978                  |
| Castell Henllys Programme                                | 90,000          | 90,000           | 86,000         |                            | 4,000                  | -                      |
| Castell Henllys Wood Pellet Silo                         | 25,000          | 25,000           | 25,000         |                            |                        | -                      |
| Green Room Redevelopment Project                         | 495,000         | 495,000          | 245,000        |                            | 250,000                | 1,420                  |
| OYP Resurface Yard                                       |                 | 51,035           | 35             |                            | 51,000                 | 51,035                 |
| Purchase of Land   |                 | 124,000          |                | 124,000                    |                        | 124,000                |
| Newport Sands Development                                |                 | 3,405            | 3,405          |                            | 0                      | 3,405                  |
| Fleet Upgrade  | 50,000          | 50,000           |                |                            | 50,000                 | 27,154                 |
| Decarbonisation / Net Zero feasibility for our Buildings | 100,000         | 100,000          | 100,000        |                            |                        | -                      |
| Angle Gabions Refurbishment                              |                 | 5,508            | 5,508          |                            |                        | 5,508                  |
| Carew Castle Enhancement & Interpretation                | 47,500          | 47,500           | 47,500         |                            |                        | -                      |
| Carew Castle Visitor Access                              | 32,000          | 32,000           | 32,000         |                            |                        | -                      |
| SLSP EV Charge Point                                     |                 | 61,000           | 61,000         |                            | 0                      | 40,012                 |
| PV 's In the Park  | 50,000          | 50,000           | 42,000         |                            | 8,000                  | -                      |
| Improvements to Works Depots                             | 25,000          | 25,000           |                |                            | 25,000                 |                        |
| OYP Chiller  |                 | 35,000           | 35,000         |                            |                        |                        |
| <b>TOTAL</b>   | <b>994,500</b>  | <b>1,469,448</b> | <b>762,448</b> | <b>319,000</b>             | <b>388,000</b>         | <b>437,436</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. The capital programme for the year has increased from the original budget of £995k to a revised budget of £1,469k. The forecast is up due to the acquisition of land at Newport Sands at £125k funded from bespoke Welsh Government and £195k on new warden cutting machinery, funding for which came from a Local Places for Nature grant administered by the Welsh Council for Voluntary Action. In addition, there was a further payment for the installation of E.V. charging points which are now fully installed and operational as well as urgent replacement of the chiller at Oriel y Parc.

Expenditure as at the 31st December was £437,436 (30<sup>th</sup> September was £430k) which is behind target due to resource and design/tender issues. Details of the capital programme are:

- Plant Equipment. Funded by the Welsh Council for Voluntary action the Authority purchased three specialist remote control mowers for grass cutting for difficult locations and reduce HAVS risk.
- 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. The works are currently out to tender with the intention of completing by the end of March. However, there is a risk this may run into the 2024-25 financial year. The repairs programme will be phased over a five-year period with a total estimated cost of £154k.
- 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 which include access ramp and drainage. However, this will be delayed to the 24-25 financial year with a reduced budget.
- Castell Henllys Wood Pellet Silo. This will allow for larger deliveries and ease the handling of wood pellets. However, this will be delayed to the 24-25 financial year.
- Green Room Redevelopment Project. In September 2021 the Authority approved expenditure on the redevelopment of the “Green” room which is approaching end of life. The current facilities are comprised of a series of Portacabins installed over twenty years ago as a temporary measure. The costs associated with this redevelopment however exceed the set budget. Renewed options & costs are to be presented to Members in March 2024 for consideration.
- Oriel Y Parc Resurface Yard. This has been completed.
- Land at Newport Sands. In the February 2023 meeting the Authority approved the purchase of land at Newport Sands. Funded by a Welsh Government Grant the primary purpose was prohibiting the practise of beach parking.
- Newport Sands development. This is to meet the costs of developing car park facilities at Newport Sands, funded by the SLSP project. This is a phased project with major works starting in 24-25, completing in 25-26 an included in the 24-25 budget.
- Fleet upgrade. The Authority is gradually switching to electric vehicles to undertake it’s work wherever possible.
- Decarbonisation of PCNPA Buildings. This includes detailed surveys of the Authority’s buildings to advise on opportunities for refurbishments and renewals to ensure our buildings contribute to meeting our Net zero objectives. The recommendations should contribute towards reducing the overhead costs of the Authority.

- Angle Gabions Refurbishment. This funds a feasibility study for future refurbishment.
- Carew Castle Enhancing Visitor and Interpretation. The proposals are currently being developed with our consultants and discussions on going the CADW. 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. This is deferred to 24-25.
- Carew Castle Access. Following capital investment to enhance the visitor experience at Carew Castle the Authority additional physical infrastructure works to improve the accessibility of the site for visitors with mobility problems and/or for families with pushchairs is planned, although likely to be deferred to 24-25.
- EV charging points – this represents the final instalment on the EV charging installation project.
- PVs in the park. This project considers the feasibility of installing PVs at suitable sites across the Authority. This is funded as part of the Sustainable Landscapes Sustainable Places grant.
- Improvements to Authority Works Depots. This has been shelved due to other capital program priorities.
- Oriol y Parc Chiller – The failure of the current chiller system for the gallery has required a new installation, agreed by the members in September 2023. This was installed in February 2024.

## The Authority's Useable Reserves

|                                  | As at<br>31/03/2023 | Movement<br>2023/24 to<br>date | Position as<br>@ 31-12 23 | Forecast<br>Movement<br>2023/24 to<br>31-3-24 | Forecast<br>Position<br>as @ 31-<br>3-23 |
|----------------------------------|---------------------|--------------------------------|---------------------------|---|--|
|                                  | £'000               | £'000                          | £'000                     | £'000   | £'000                                    |
| <b>GENERAL RESERVES</b>          |                     |                                |                           |   |  |
| General Reserves                 | 1,141               | -176                           | 965                       | 64  | 1,029                                    |
| Capital Receipts                 | 389                 | -51                            | 338                       | -8  | 330                                      |
| Capital Grants Unapplied         | 319                 | -319                           |                           |   |  |
| <b>TOTAL</b>                     | <b>1,849</b>        | <b>-546</b>                    | <b>1,303</b>              | <b>56</b>                                     | <b>1,359</b>                             |
|                                  |                     |                                |                           |   |  |
| <b>EARMARKED RESERVES</b>        | <b>£</b>            | <b>£</b>                       | <b>£</b>                  |   | <b>£</b>                                 |
| Receipts in advance              | 2,176               | -347                           | 1,829                     | -266  | 1,563                                    |
| Total authority created reserves | 2,762               | -157                           | 2,605                     | -168  | 2,437                                    |
|                                  | <b>4,938</b>        | <b>-504</b>                    | <b>4,434</b>              | <b>-434</b>                                   | <b>4,000</b>                             |
|                                  |                     |                                |                           |   |  |
| <b>TOTAL RESERVES</b>            | <b>6,787</b>        | <b>-1,050</b>                  | <b>5,737</b>              | <b>-378</b>                                   | <b>5,359</b>                             |

### 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 £750k in accordance with the financial reserves policy. Earmarked Reserves are reserves that have been built up from revenue funding over several 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 statements of accounts as at 31<sup>st</sup> March 2023 verified that the Authority's General Reserve balance at £1,141k. As detailed above the forecasted deficit for the year is expected to be £112k and the balance is therefore expected to fall to £1,029k 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 reduce to £330k at the end of the 2023/24.

### **Capital Grant Unapplied**

The capital grants unapplied reserve reflects the capital grants received but unspent in the year of receipt. The grants have now been utilised on the purchase of land at Newport and remote mowing equipment.

### **Earmarked Reserves**

Earmarked reserves as at 31st March 2023 stood at £4,938k. These reserves are being used to fund revenue and capital expenditure during the year and are expected to fall by £938k to £4,000k at the end of 2023/24 financial year.

### **Recommendation**

Members are invited to **NOTE** the budgetary performance for the 9 months ended 31st December 2023 as presented in this report.

*(Further information is available from the Head of Finance & Fundraising, on 01646 624900)*

## Appendix 1 – Detailed cost centre report

| Dept | CC No |  | December 23 Profiled Budget | December 23 Actual & Committed | Variance      |
|------|-------|--|-----------------------------|--------------------------------|---------------|
|      |       | <b>Conservation of the Natural Environment</b> | <b>572,050</b>              | <b>576,268</b>                 | <b>-4,218</b> |
| 1    | 10-20 | Cilrhedyn Woodland Centre                      | 107,878                     | 111,217                        | -3,339        |
| 1    | 150   | Invasive Species                               | 21,410                      |                                | 21,410        |
| 1    | 155   | SLSP Decarbonisation                           | 35,345                      | 48,126                         | -12,781       |
| 1    | 156   | SLSP Wild Coast                                | 11,318                      | 35,703                         | -24,385       |
| 1    | 160   | Environmental Growth Project                   |                             | 16,986                         | -16,986       |
| 1    | 165   | Achub Brith Y Gors (Nature Network Fund)       | 42,755                      | 35,228                         | 7,527         |
| 1    | 185   | Dawnsio ar y Dibyn                             |                             | -10,450                        | 10,450        |
| 1    | 190   | Greening Agriculture                           |                             | 4,551                          | -4,551        |
| 1    | 195   | Decarbonisation of Designated Landscapes       |                             | 430                            | -430          |
| 2    | 280   | National Designated Landscapes                 | 70,999                      | 65,367                         | 5,632         |
| 1    | 600   | Nature Conservation                            | 273,474                     | 260,464                        | 13,010        |
| 1    | 602   | Marine Environment                             | 8,871                       | 8,646                          | 225           |
|      |       | <b>Conservation of the Cultural Heritage</b>   | <b>82,559</b>               | <b>81,307</b>                  | <b>1,252</b>  |
| 1    | 400   | Conservation Areas & Historic Buildings        | 35,454                      | 34,564                         | 890           |
| 1    | 410   | CP10 - Archaeology, Culture & Heritage         | 47,105                      | 46,743                         | 362           |
| 1    | 411   | Heritage Guardians                             |                             |                                |               |
|      |       | <b>Development Control</b>                     | <b>306,132</b>              | <b>294,642</b>                 | <b>11,490</b> |
| 1    | 100   | Development Management (inc Mineral Plans)     | 306,132                     | 294,642                        | 11,490        |
|      |       | <b>Forward Planning &amp; Communities</b>      | <b>357,788</b>              | <b>329,215</b>                 | <b>28,573</b> |
| 1    | 110   | Development Planning                           | 200,030                     | 198,610                        | 1,420         |
| 4    | 401   | Sustainable Development Fund                   | 157,758                     | 130,605                        | 27,153        |

|   | <b>Promoting Understanding</b>                               | <b>947,817</b>  | <b>742,910</b>  | <b>204,907</b> |
|---|--|-----------------|-----------------|----------------|
| 2 | <b>230</b> Head of Regenerative Tourism                      | 45,363          | 39,675          | 5,688          |
| 2 | <b>302</b> Head of Engagement                                | 44,728          | 43,998          | 730            |
| 2 | <b>130</b> Tourism & Wellbeing Officer                       | 26,082          | 12,768          | 13,314         |
| 2 | <b>201-206</b> Carew Castle                                  | -41,025         | -51,762         | 10,737         |
|   | <b>207</b> Carew Castle Tea Room                             | -17,580         | -32,384         | 14,804         |
| 2 | <b>402-406</b> Castell Henllys                               | 77,874          | 56,797          | 21,077         |
| 2 | <b>211</b> Oriel Y Parc, St David's                          | 156,995         | 178,720         | -21,725        |
| 2 | <b>215</b> Oriel Y Parc Cafe                                 | -20,000         | -19,705         | -295           |
| 2 | <b>213</b> Coast to Coast                                    | 9,124           | 15,620          | -6,496         |
| 2 | <b>220</b> Wales Coast Path Marketing                        |                 | 17,924          | -17,924        |
| 2 | <b>221</b> Communications                                    | 182,145         | 165,270         | 16,875         |
| 3 | <b>640</b> SUP9 - Graphic Services                           | 67,999          | 55,247          | 12,752         |
| 2 | <b>231</b> Discovery   | 133,031         | 95,939          | 37,092         |
| 2 | <b>241</b> Activities & Events                               | 14,666          | 9,289           | 5,377          |
| 2 | <b>242</b> Walkability Program                               | 12,550          | 12,223          | 327            |
| 2 | <b>244</b> Pembs Outdoor Schools                             | 37,619          | 14,249          | 23,370         |
| 2 | <b>246</b> Celtic Routes                                     |                 | 1,558           | -1,558         |
| 2 | <b>247</b> Ancient Connections                               |                 | -33,661         | 33,661         |
| 2 | <b>248</b> West Wales Walking                                | 56,979          |                 | 56,979         |
| 2 | <b>250</b> Nevern Castle Project                             |                 | 24,660          | -24,660        |
| 2 | <b>251</b> First 1000 Days Project                           | 15,494          | 2,763           | 12,731         |
| 2 | <b>252</b> Roots Project                                     | 2,877           | 9,360           | -6,483         |
| 2 | <b>255</b> Beach Wheelchair & Outdoor Activities Coordinator | 17,013          | 10,629          | 6,384          |
| 2 | <b>265</b> Roots to Recovery                                 | -5,551          | -12,744         | 7,193          |
| 2 | <b>266</b> Brilliant Basics - Beach Access & Wheelchairs     |                 | 600             | -600           |
|   | <b>268</b> Ebike Scheme                                      | 3,624           | 4,505           | -881           |
| 2 | <b>269</b> Brilliant Basics - Arrival Improvements           |                 | 178             | -178           |
| 2 | <b>270</b> Pathways Project                                  | 16,814          | 21,518          | -4,704         |
| 2 | <b>275</b> SLSP Designated Landscapes Education              | 36,055          | 10,735          | 25,320         |
| 2 | <b>276</b> SLSP Sustainable Tourism                          | 74,941          | 88,941          | -14,000        |
|   |  |                 |                 |                |
|   |  |                 |                 |                |
|   |  |                 |                 |                |
|   | <b>Recreation &amp; Park Management</b>                      | <b>-194,846</b> | <b>-313,480</b> | <b>118,634</b> |
| 1 | <b>140</b> Sustainable Transport                             | 83,513          | 67,861          | 15,652         |
| 2 | <b>370-376</b> National Trail                                | 206,237         | 44,952          | 161,285        |
| 2 | <b>380</b> Access Officer and Rights of Way                  | 101,342         | 100,104         | 1,238          |
| 2 | <b>383</b> Acces Projects                                    | 44,466          |                 | 44,466         |
| 2 | <b>800-814</b> Charging Car Parks                            | -642,336        | -535,000        | -107,336       |
| 2 | <b>385</b> Paths & Pollinators Project                       | 11,932          | 8,603           | 3,329          |
| 2 | <b>305</b> Sustainable Tourism                               |                 |                 |                |

|   |     |   |                  |                  |                |
|---|-----|---|------------------|------------------|----------------|
|   |     | <b>Rangers, Estates &amp; Volunteers</b>                  | <b>841,634</b>   | <b>859,498</b>   | <b>-17,864</b> |
| 2 | 301 | Nature Recovery   | 93,334           | 88,954           | 4,380          |
| 2 | 360 | Ranger Services   | 159,964          | 141,132          | 18,832         |
| 2 | 320 | North Area  | 269,935          | 266,759          | 3,176          |
| 2 | 330 | West Area   | 133,306          | 150,240          | -16,934        |
| 2 | 340 | South Area  | 177,460          | 195,822          | -18,362        |
| 2 | 342 | Castlemartin Ranger                                       | 3,519            | 6,831            | -3,312         |
| 2 | 365 | Seasonal Tourism Team                                     | 3,695            | 3,068            | 627            |
| 3 | 650 | Estates Management (incl. Surplus Properties)             | 421              | 6,692            | -6,271         |
|   |     |   |                  |                  |                |
|   |     | <b>Democratic Representation &amp; Management</b>         | <b>431,715</b>   | <b>375,536</b>   | <b>56,179</b>  |
| 7 | 710 | DRM2 - Chief Executive's Office                           | 82,768           | 84,871           | -2,103         |
| 7 | 700 | DRM1 - Corporate Activities & Management                  | 72,542           | 60,692           | 11,850         |
| 7 | 715 | Democratic Representation                                 | 165,123          | 146,365          | 18,758         |
| 7 | 755 | National Parks Wales                                      | 1,026            | 4,700            | -3,674         |
| 7 | 716 | Corporate Governance                                      | 56,814           | 74,073           | -17,259        |
| 7 | 717 | PCNP Trust  | 4,500            | 4,835            | -335           |
| 7 | 718 | Strategic Lead Role                                       | 48,942           |                  | 48,942         |
| 7 | 725 | Future Landscapes Wales                                   |                  |                  |                |
| 7 | 727 | SPF - Shared Prosperity Fund                              |                  |                  |                |
|   |     |   |                  |                  |                |
|   |     | <b>Service Management &amp; Support Services</b>          | <b>1,217,709</b> | <b>1,208,591</b> | <b>9,118</b>   |
| 3 | 50  | SUP1 - Director Placemaking, Decarbonisation & Engagement | 61,495           | 60,556           | 939            |
| 3 | 60  | SUP3 - Director of Nature Recovery & Tourism              | 80,824           | 84,262           | -3,438         |
| 3 | 680 | Head of Decarbonisation                                   | 65,833           | 80,001           | -14,168        |
| 3 | 601 | SUP5 - Reception/Admin Services                           | 53,890           | 61,075           | -7,185         |
| 3 | 605 | SUP2 - Performance Management                             | 33,624           | 33,576           | 48             |
| 3 | 610 | SUP6 - Legal Services                                     | 38,750           | 41,612           | -2,862         |
| 3 | 620 | SUP7 - Financial Services                                 | 179,686          | 163,518          | 16,168         |
| 3 | 630 | SUP8 - IT Services  | 228,389          | 181,779          | 46,610         |
| 3 | 651 | SUP16 - Parc Llanion Park                                 | 61,882           | 63,342           | -1,460         |
| 3 | 654 | SUP12 - General Building Maintenance                      | 131,907          | 111,650          | 20,257         |
| 3 | 660 | Fund Raising Officer                                      | 41,907           | 46,471           | -4,564         |
| 3 | 670 | Projects Team   | 66,864           | 68,722           | -1,858         |
| 3 | 720 | SUP14 - Pool Vehicles                                     | 2,163            | 2,830            | -667           |
| 3 | 740 | HR, Health & Safety, Staff Training                       | 170,495          | 209,197          | -38,702        |
|   |     |   |                  |                  |                |
|   |     | <b>TOTALS</b>   | <b>4,562,558</b> | <b>4,154,487</b> | <b>408,071</b> |



## Appendix 2 – Balance Sheet

| <b>PCNPA</b>                                |  |  |            |                   |
|---|--|--|------------|-------------------|
| <b>BALANCE SHEET AS AT 31 DECEMBER 2023</b> |  |  |            |                   |
|   |  |  | £          | £                 |
| <b>Fixed Assets</b>                         |  |  |            |                   |
| Buildings                                   |  |  | 15,622,468 |                   |
| Plant & Machinery                           |  |  | 1,699,742  |                   |
|   |  |  |            | 17,322,210        |
| Pensions asset                              |  |  |            | 4,922,539         |
| <b>Current Assets</b>                       |  |  |            |                   |
| Stock                                       |  |  | 84,408     |                   |
| Debtors                                     |  |  | 39,648     |                   |
| Grants due                                  |  |  | 514,117    |                   |
| Prepayments                                 |  |  | 113,736    |                   |
| VAT   |  |  | 26,684     |                   |
| Bank & cash                                 |  |  | 5,538,883  |                   |
|   |  |  | 6,317,476  |                   |
| <b>Current Liabilities</b>                  |  |  |            |                   |
| Trade creditors                             |  |  | 70,163     |                   |
| Purchase cards                              |  |  | 5,339      |                   |
| Sundry creditors                            |  |  | 29,455     |                   |
| Other taxes & social security               |  |  | 98,144     |                   |
| Pensions                                    |  |  | 56,135     |                   |
| Commitments                                 |  |  | 329,587    |                   |
| Provisions                                  |  |  | 10,992     |                   |
|   |  |  | 599,816    |                   |
| <b>Net current assets</b>                   |  |  |            | 5,717,661         |
|   |  |  |            | <b>27,962,410</b> |
| <b>Reserves</b>                             |  |  |            |                   |
| <b>Useable reserves</b>                     |  |  |            |                   |
| Earmarked revenue reserves                  |  |  | 4,433,451  |                   |
| Capital receipts                            |  |  | 338,053    |                   |
| General reserves                            |  |  | 1,141,431  |                   |
| Surplus/(Deficit) for year to date          |  |  | -175,691   |                   |
|   |  |  |            | 5,737,244         |
| <b>Non-useable reserves</b>                 |  |  |            |                   |
| Revaluation reserve                         |  |  | 5,770,999  |                   |
| Capital adjustment account                  |  |  | 11,531,628 |                   |
| Pensions reserve                            |  |  | 4,922,539  |                   |
|   |  |  |            | 22,225,166        |
|   |  |  |            | <b>27,962,410</b> |

## Appendix 3 – Revenue Statement

| <b>Revenue Statement</b>              |                   |                   |                 |
|---------------------------------------|-------------------|-------------------|-----------------|
| <b>For the 9 months December 2023</b> |                   |                   |                 |
|                                       | <b>Actual</b>     | <b>Budget</b>     | <b>Variance</b> |
|                                       | <b>£</b>          | <b>£</b>          | <b>£</b>        |
| <b>Income</b>                         |                   |                   |                 |
| Grants                                | -3,967,700        | -3,534,046        | 433,654         |
| Merchandise sales                     | -374,380          | -256,459          | 117,921         |
| Car parks income                      | -721,780          | -794,862          | -73,082         |
| Admission & events                    | -375,052          | -252,811          | 122,240         |
| Education                             | -9,818            | -13,497           | -3,679          |
| Hire of facilities                    | -16,103           | -12,624           | 3,479           |
| Café sales                            | -166,758          | -100,625          | 66,133          |
| Planning income                       | -158,277          | -159,106          | -829            |
| Advertising                           | 0                 | 0                 | -0              |
| Sponsorship                           | 0                 | 0                 | 0               |
| Donations & legacies                  | -11,331           | -7,576            | 3,755           |
| Rents                                 | -97,570           | -82,311           | 15,258          |
| Investment income                     | -109,144          | -3,750            | 105,394         |
| Other income                          | -73,968           | -31,613           | 42,355          |
| Sale of assets                        | 0                 | -75               | -75             |
| <b>Total income</b>                   | <b>-6,081,880</b> | <b>-5,249,356</b> | <b>832,524</b>  |
| <b>Costs</b>                          |                   |                   |                 |
| Wages & salaries                      | 3,928,770         | 3,823,772         | -104,998        |
| Other staff costs                     | 18,037            | 18,265            | 228             |
| Member costs & salaries               | 84,051            | 85,908            | 1,856           |
| Staff training                        | 44,193            | 35,503            | -8,691          |
| Staff travelling & subsistence        | 35,902            | 35,551            | -350            |
| Volunteer costs                       | 8,620             | 13,863            | 5,243           |
| Rates, water etc                      | 105,236           | 105,543           | 307             |
| Building & site Maintenance           | 539,427           | 546,895           | 7,468           |
| Countryside maintenance               | 33,828            | 34,023            | 195             |
| Tools & equipment                     | 24,976            | 45,710            | 20,734          |
| Machinery & equipment maintenance     | 45,305            | 16,012            | -29,293         |
| Car parks                             | 47,198            | 29,485            | -17,713         |
| Heat & light                          | 117,242           | 63,191            | -54,051         |
| Rent                                  | 29,471            | 27,050            | -2,421          |
| Vehicle costs                         | 116,457           | 97,431            | -19,026         |
| Marketing & advertising               | 98,309            | 114,858           | 16,549          |
| Office costs                          | 61,429            | 73,165            | 11,735          |
| IT costs                              | 138,086           | 146,183           | 8,097           |
| Finance costs                         | 13,825            | 8,955             | -4,871          |
| Grants awarded                        | 267,024           | 302,860           | 35,836          |
| Partnership costs                     | 10,000            | 11,760            | 1,760           |
| Professional fees                     | 285,626           | 264,407           | -21,220         |
| Audit costs                           | 52,787            | 35,693            | -17,094         |
| Insurance                             | 61,700            | 69,233            | 7,533           |
| Merchandising costs                   | 321,752           | 194,039           | -127,712        |
| Project costs                         | 217,208           | 184,511           | -32,698         |
| Subscriptions                         | 24,748            | 15,534            | -9,214          |
| H&S                                   | 21,389            | 8,288             | -13,101         |
| Uniforms                              | 8,828             | 15,077            | 6,249           |
| Commitments - other                   | 0                 | 0                 | 0               |
|                                       | 6,761,425         | 6,422,762         | -338,662        |
| <b>(Surplus)/Deficit</b>              | <b>679,545</b>    | <b>1,173,407</b>  | <b>493,862</b>  |
| Trfr TO/FROM earmarked reserves       | -503,854          | -938,014          | -434,160        |
| <b>(Surplus)/Deficit</b>              | <b>175,691</b>    | <b>235,393</b>    | <b>59,701</b>   |