

REPORT OF FINANCE MANAGER

SUBJECT:
BUDGET PERFORMANCE REPORT 6 MONTHS TO SEPTEMBER 2016

Revenue Budget

The detailed net revenue budget for the 6 months to 30th September 2016 is presented in Appendix 1, with the summary by service area as follows:

	Net Budget 2016/17	Sept 16 Profiled Budget	Sept 16 Actual & Committed	Variance	% Variance
Conservation of the Natural Environment	410,905	183,229	180,216	3,013	1.6%
Conservation of the Historic & Cultural Env't	172,437	110,614	95,254	15,360	13.9%
Development Management	521,182	257,077	227,590	29,487	11.5%
Forward Planning & Communities	396,249	195,647	185,829	9,818	5.0%
Promoting Understanding & Enjoyment	1,017,868	659,637	625,069	34,568	5.2%
Recreation & Park Management	173,117	51,103	10,767	40,336	78.9%
Rangers, Estates & Volunteers	1,083,533	570,980	526,026	44,954	7.9%
Democratic Representation & Management	593,473	323,013	282,725	40,288	12.5%
Service Management & Support Services	1,053,856	519,475	495,678	23,797	4.6%
Support Services Recharges	-988,149	-494,076	-494,074	-2	0.0%
Net Cost of Services	4,434,470	2,870,775	2,629,154	241,621	8.4%

As at 30th September 2016 the Authority's net revenue expenditure was £2,629k, £242k (8.4%) under the profiled budget of £2,871k for the 6 month period. The main reasons for the variance of actual expenditure against budget for each Service department are as follows:

- **Conservation of the Natural Environment (£3k under budget).** While operating costs at Cilrhedyn Woodland Centre are significantly down, timber sales are also running considerably below budget and prior year, with the net impact of the centre running £5k over budget. The Nature Conservation Budget is running £10k below budget due to the payments of Management Agreements and Biodiversity grants are running behind the budget schedule.
- **Conservation of Cultural Heritage (£15k under budget).** The retirement of the Authority's Archaeologist have resulted in savings in salaries and associated

costs in the Archaeology Services budget. However, we are in the process of recruiting a Community Archaeologist (0.6 role).

- **Development Management (£29k under budget).** Within Development Management planning fee income at £78k is down £7k versus budget and £14k against the same period in 2015/16. This has been compensated by unbudgeted pre-application fee income of £7k and the following savings; salaries £15k, legal costs recovered £6k, £5k for statutory advertising and travel costs of £1k.
- **Forward Planning & Communities (£10k under budget).** The under spend is mainly due to the difference between the actual spend of £38k for Sustainable Development Fund grants and a half year budget spend of £50k; all available funds for 2016/17 have been allocated.
- **Promoting & Understanding (£35k under budget).**
The table that follows on page 4 shows the budget, actual and prior year's merchandise sales, admissions income and car park income for the 6 months ended 30th September 2016. Total merchandise income is on budget, but both Carew Castle and Newport TIC are exceeding budget by more than £8k. Income at Oriel y Parc is on budget and at Castell Henllys income is down £15k down versus budget. Total admission fee for both Carew Castle and Castell Henllys is £18k above budget but down £9k on 2015/16.

The Communications department costs are running below budget by £10k mainly due to the extended maternity leave for the Communications and Marketing Manager. The third cohort of trainees on the Heritage Lottery Fund funded Skills in Action program joined the Authority in September. This 3 year project funds 5 trainees each year to help them develop their skills and career opportunities in the area of land management. The Authority is also expected to receive a further £10k from Ramblers Cymru during the year to help support the very popular Walkability scheme.

- **Recreation & Park Management (£40k under budget).** The table that follows shows Car Park income for the 6 months at £370k, which is up £69k on budget and up £17k on 2015/16. With the exception of Freshwater East all other car parks are on or above budget; with the added exception of Newgale Car Park incomes are running above 2015/16 figures. Other savings in the service are in the National Trail & Rights of Ways areas.
- **Rangers, Estates & Volunteers (£45k under budget).** There is an under spend in the Estates Management budget of £15k due to a number harbour rents being received ahead of the budget profile. Other budget variance within this service should be corrected during the remainder of the financial year.
- **Democratic Representation & Management (£40k under budget).** In Corporate Activities & Management there are underspends in the advertising & promotion and corporate events budgets. The Corporate Governance budget is currently showing a surplus of £21k due to invoices outstanding from Wales Audit Office. In the Democratic management budget there are savings from members' expenses, provisions and translation costs.

- **Service Management & Support Services (£24k under budget).** The overall underspend for the service is due a mixture of over and under spends within each department in Support Services. These variances should be corrected by the end of the financial year.

2016/17 2nd Quarter Income Versus Budget & Prior Years

Merchandise Sales	Budget	Actual	Variance	2015/16	Variance	2014/15	Variance	2013/14	Variance	2012/13	Variance
Carew Income	59,058	67,689	8,631	66,968	721	60,923	6,766	48,077	19,612	44,324	23,365
Castell Henllys Income	48,000	32,213	-15,787	37,833	-5,620	31,557	656	37,774	-5,561	39,953	-7,740
Oriel Y Parc	84,394	84,645	251	90,209	-5,564	119,939	-35,294	98,581	-13,936	106,624	-21,979
Newport Information Centre	16,456	24,647	8,191	24,751	-104	22,745	1,902	18,881	5,765	15,974	8,672
Tenby Visitor Centre	19,615	18,406	-1,209	20,009	-1,603	22,007	-3,601	17,596	810	17,779	627
	227,523	227,600	77	239,770	-12,170	257,171	-29,571	220,909	6,691	224,654	2,946
Admission Fees											
Carew Income	92,556	105,663	13,107	102,859	2,804	87,586	18,076	79,592	26,071	64,815	40,848
Castell Henllys	44,300	49,093	4,793	61,209	-12,116	54,500	-5,407	47,303	1,790	47,654	1,438
	136,856	154,755	17,899	164,068	-9,312	142,086	12,669	126,895	27,861	112,469	42,286
Car Park Income											
Car Park Operations	0	4,407	4,407	8,556	-4,150	10,562	-6,156	4,145	262	5,950	-1,543
Saundersfoot Car Park	49,025	67,607	18,581	55,583	12,023	54,049	13,558	59,075	8,532	69,706	-2,099
Manorbier Car Park	30,591	36,841	6,250	34,915	1,927	37,204	-363	34,140	2,702	26,449	10,393
Freshwater East Car Park	21,031	16,704	-4,327	20,457	-3,754	23,639	-6,935	15,839	864	16,510	194
Little Haven Car Park	23,854	32,547	8,693	31,470	1,077	30,328	2,220	27,712	4,835	25,517	7,031
Broad Haven Car Park	17,704	20,483	2,779	18,729	1,754	21,818	-1,336	20,986	-503	14,133	6,350
St Davids Car Park	61,364	70,942	9,578	68,061	2,881	47,433	23,509	63,033	7,909	53,624	17,318
Newport Car Park	15,347	18,457	3,110	15,697	2,760	38,861	-20,404	20,961	-2,504	20,778	-2,321
Poppit Car Park	29,883	38,956	9,073	34,623	4,333	36,657	2,299	37,009	1,947	25,169	13,787
Newgale Car Park	15,955	16,328	373	17,568	-1,240	17,584	-1,256	17,579	-1,251	15,239	1,089
Solva Car Park	36,818	47,192	10,374	47,628	-436	0	47,192	16,489	30,702	41,702	5,489
	301,571	370,463	68,892	353,287	17,176	318,135	52,328	316,968	53,495	314,777	3,358

2016 / 17 Revenue Forecast

As at the end of the second quarter, the forecast revenue position for the 2016/17 year is a budget surplus of approximately £97k and is versus an original budget surplus of nil. This projected surplus is explained as follows:

2016/17 Budget Forecast as at Sept 16	£000's	£000's
Budget Surplus		Nil
Movements:		
Operating Costs		
Staff Salary Savings	106	
Contract Hire Savings	12	
National Trail Budget	-10	
Other Budgets	-5	103
Additional Income		
Estates Income	10	
Car Park Income	50	
Centre Sales	-5	
Admissions	20	75
Funding Earmarked Reserves		
Stitch in Time	-25	
The Pathways project	-35	
Skill in Action	-15	-75
Contribution to Capital Expenditure	-6	-6
Revised Revenue Forecast (surplus)		97

Capital Programme 2016/17

	Draft Budget 2016/17	Revised 2016/17	Funded by EMR	Funded by other Grants	General Reserve	Spend as at 30.09.2016
ICT – Equipment	10,000	10,000	10,000			
Carew Interpretation	4,000	4,000	4,000			
Castell Henllys Roundhouses	10,000	10,000	10,000			5,332
Greening Park Initiatives	10,000	10,000	10,000			
Fleet Replacement	10,000	18,100		12,500	5,600	18,100
Car Par Integration	76,900					
Planning / Document Management	30,000	30,000	30,000			
National Park Access Capital		166,000	33,000	133,000		
Angle Gabion Walls		40,000		40,000		750
Carew Castle Car Park		25,000	25,000			
Total	150,900	313,100	122,000	185,500	5,600	24,182

The capital programme has increased from the original budget of £150.9k to a revised budget of £313.1k. This is due to the inclusion of a major car park refurbishment programme, predominately funded by a Welsh Government grant, and the deferment of the Car Park Integration project. The Fleet replacement expenditure has increased from £10k to £18.1k; the program also now includes work at the Gabion Walls in Angle and Carew Castle car park.

Details of the capital programme are:

- ICT – represents the usual cycle of IT equipment replacement.
- Carew Interpretation. This expenditure is in respect of completion of Heritage Tourism Convergence Programme project with the addition work planned for the interpretation of the walled gardens.
- Castell Henllys Round House. Work on the demolition of one of the Round Houses commenced during the summer and is anticipated will be completed by the end of this financial year. It is expected that the rebuild will be undertaken in the summer of 2017.
- Greening Park Initiatives. This reflects the Authority continuing plans to allocate funds to energy saving green projects.
- Fleet Replacement. When it has been seen to be appropriate to do so the Authority purchases vehicles at the end of their contract hire agreements; during the year a Mini Bus, formally used by Your Park Your Future programme, and a Mitsubishi Outlander were acquired. It is expected these purchases should have a pay back within 3 years and result in revenue savings thereafter.
- Car Park Integration. This project has been deferred.
- Electronic Planning / Document Management Systems. Following the implementation of the SWIFT system further outlay has been identified as a means of improving and producing a more efficient planning process and document management system. The Authority is however, in conjunction with Brecon Beacons and Snowdonia National Parks, reviewing a possibility of harmonising systems across the Parks.
- National Park Access Capital 2016/2017. In June of this year the Authority submitted a bid for a National Park Access Capital grant and it has recently received an offer of a grant from the Welsh Government of £133k. The grant will be augmented by funds from an earmarked reserve and the total project spend will be £166k broken down as follows: Saundersfoot Car Park £79k, Broad Haven Car Park £51k and Little Haven Car Park £36k.
- Gabion Walls Angle. In March 2016 the Welsh Government awarded the Authority an Access Grant of £105k. The grant was in respect of a number of specific projects that included repairs to the gabion wall revetment of the byway at Point House lane, Angle. The Authority approved this project in September and work is scheduled for Autumn 2016.

- Carew Castle Car Park. Work on the upgrading of Carew Castle Car Park is expected to commence in the autumn and be completed by the end of the financial year.

The Authority's Useable Reserves £000's

	Year end Position		Year end Position
	2015/16	Movement 2016/17	2016/17
General Reserves	702	97	799
Capital Receipts	281	3	284
TOTAL	983	100	1,083
Earmarked Reserves:			
Receipts In Advance	171		171
Asset Management	37	-37	
Llanion Park	2	-2	
Planning (Local Development Plan)	209		209
Self-Insurance	30		30
Staff Restructuring	420		420
I.T.	19	-10	9
National Park Wales	90		90
Planning System	100	-30	70
Car Par Integration	77		77
Invasive Species Eradication Program	10	-10	
Memorial Donations	3		3
Round Houses	100	-10	90
SDF	200	-22	178
Machinery For Delivery	10		10
BioDiversity	11	-11	
NPG Reduction	100		100
Car Park Resurfacing	100	-33	67
Planning Enforcement	100		100
Stitch in Time		25	25
The Pathways project		35	35
Skill in Action		15	15
TOTAL	1,789	-90	1,699
TOTAL	2,772	10	2,782

General Reserves

The audited statements of accounts as 31st March 2016 verified that the Authority's General Reserve stood at £702k. The forecasted surplus for the year is expected to be £97k and the reasons for this surplus are given on page 5. Accordingly the reserve is expected to increase to £799k at the end of the current financial year.

Earmarked Reserves

Earmarked reserves as at 31/3/16 stood at £1,789k and these are expected to fall by £90k to £1,699k at the year end. The 2016/17 spend will be used for various capital and revenue projects. The Authority has also approved the creation of three further reserves for the Stitch in Time, Pathways project and Skill in Action II projects.

Capital Receipts

Capital Receipts started the year at £281k, and up to the end of September 2016 the only sale was in relation to land at Briar Bank, Poppit Sands for £3K.

Recommendation

Members are invited to **NOTE** the budgetary performance for the 6 months ended 30th September 2016 as presented in this report.

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

Appendix 1

	Revisions To Budgets 2016/17	September 16 Profiled Budget	September 16 Actual & Committed	Variance
Conservation of the Natural Environment	410,905	183,229	180,216	3,013
Cilrhedyn Woodland Centre	62,319	36,830	41,672	-4,842
Nature Conservation	343,282	143,747	134,044	9,703
Marine Environment	5,305	2,652	4,500	-1,848
Conservation of the Cultural Heritage	174,413	110,614	95,254	15,360
Invasive Species	3330	8,754	6,935	1,819
Conservation Areas & Historic Buildings	58,506	28,578	27,789	789
Archaeology, Culture & Heritage	112,577	73,282	60,530	12,752
Development Control	518,956	257,077	227,590	29,487
Development Management (inc Mineral Plans)	518,956	257,077	227,590	29,487
Forward Planning & Communities	396,249	195,647	185,829	9,818
Development Planning	262,620	129,088	131,627	-2,539
Sustainable Development Delivery	133,628	66,559	54,202	12,357
Promoting Understanding	1,017,868	659,637	625,069	34,568
Head of Discovery	-1	0	0	0
Tourism & Wellbeing Officer	42,240	20,784	20,905	-121
Carew Castle	51,951	1,100	-12,360	13,460
Castell Henllys	69,551	49,462	66,498	-17,036
Central Information Services	1	0	0	0
Newport Information Centre	26,732	22,278	24,088	-1,810
Oriel Y Parc, St David's	252,148	150,378	138,322	12,056
Oriel Y Parc Cafe	-10,000	-5,000	-4,893	-107
Tenby National Park Office	73,054	76,888	78,128	-1,240
Coast to Coast	-28,179	14,456	14,562	-106
Communications	256,772	128,522	118,743	9,779
Graphic Services	95,271	39,673	38,062	1,611
Discovery	165,883	78,872	72,882	5,990
Activities & Events	3,632	1,024	2,561	-1,537

Appendix 1

	Revisions To Budgets 2016/17	September 16 Profiled Budget	September 16 Actual & Committed	Variance
Flexible Programme	14,812	15,908	19,166	-3,258
Skills in Action	0	58,662	44,676	13,986
Pembs Outdoor Schools	4,000	6,630	2,592	4,038
NP Educators Conference 2016	0	0	0	0
Nevern Castle Project	0	0	1,137	-1,137
Recreation & Park Management	172,967	51,103	10,767	40,336
Sustainable Transport	82,540	206	206	0
National Trail	58,601	114,073	121,018	-6,945
Access Officer and Rights of Way	118,329	65,641	70,295	-4,654
Technical Officer	109,109	54,929	53,619	1,310
Local Community & Match Funds	3,269	1,635	1,635	0
Charging Car Parks	-198,882	-210,753	-252,588	41,835
Sustainable Tourism	0	0	0	0
Rights of Way Improvement Plan	0	14,466	5,676	8,790
Access Works 2016	0	10,906	10,906	0
Rangers, Estates & Volunteers	1,083,533	570,980	526,026	44,954
Head of Park Delivery	127,624	62,435	61,528	907
Ranger Services	229,676	113,829	108,286	5,543
North Area	309,676	154,765	140,354	14,411
West Area	180,328	92,063	91,069	994
South Area	196,337	98,543	89,203	9,340
Castlemartin Ranger	9,535	19,062	20,295	-1,233
Estates Management (incl. Surplus Properties)	30,357	30,283	15,291	14,992
Democratic Representation & Management	593,473	323,013	282,725	40,288
DRM2 - Chief Executive's Office	129,271	63,502	62,710	792
DRM1 - Corporate Activities & Management	131,286	75,226	68,056	7,170
Democratic Representation	234,343	119,143	110,529	8,614
National Parks Wales	20,016	25,850	22,414	3,436

Appendix 1

	Revisions To Budgets 2016/17	September 16 Profiled Budget	September 16 Actual & Committed	Variance	
Corporate Governance	78,558	39,292	19,016	20,276	
Service Management & Support Services	1,053,856	519,475	495,678	23,797	
<i>(Memorandum account, recharged to services)</i>					
SUP1 - Director of Park Direction & Planning	50,065	23,629	23,003	626	
SUP3 - Director of Delivery & Discovery	96,995	47,492	41,493	5,999	
SUP5 - Reception/Admin Services	83,536	40,597	42,241	-1,644	
SUP2 - Performance Management	45,842	16,953	16,179	774	
SUP6 - Legal Services	40,101	20,051	12,967	7,084	
SUP7 - Financial Services	153,604	75,062	73,842	1,220	
SUP8 - IT Services	231,089	113,688	100,411	13,277	
SUP16 - Parc Llanion Park	94,582	45,539	40,408	5,131	
SUP12 - General Building Maintenance	92,163	49,577	60,530	-10,953	
Projects Team	43,401	21,075	20,997	78	
SUP14 - Pool Vehicles	11,173	11,173	11,173	0	
Personnel, Health & Safety, Staff Training	111,306	54,639	52,434	2,205	
Support Services Recharges	1,067,904	-494,076	-494,074	-2	
TOTALS	5,422,219	2,870,775	2,629,154	241,621	
Conservation of the Natural Environment	410,905	183,229	180,216	3,013	1.6%
Conservation of the Historic & Cultural Env't	174,413	110,614	95,254	15,360	13.9%
Development Control	518,956	257,077	227,590	29,487	11.5%
Forward Planning & Communities	396,249	195,647	185,829	9,818	5.0%
Promoting Understanding & Enjoyment	1,017,868	659,637	625,069	34,568	5.2%
Recreation & Park Management	172,967	51,103	10,767	40,336	78.9%
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Service Management & Support Services	1,053,856	519,475	495,678	23,797	4.6%
Support Services Recharges	-988,149	-494,076	-494,074	-2	0.0%
Net Cost of Services	4,434,070	2,870,775	2,629,154	241,621	8.4%