

REPORT OF FINANCE MANAGER

SUBJECT:
BUDGET PERFORMANCE REPORT 9 MONTHS TO DECEMBER 2011

Revenue Budget

The detailed net revenue budget for the 9 months to 31ST December 2011 is presented in Appendix 1, with the summary by service area as follows:

	Net Budgets 2011/12	Net Profiled Budget	Net Actual & Committed	Variance £	Variance %
Conservation of the Natural Environment	694,125	529,870	516,262	13,608	2.6%
Conservation of the Historic & Cultural Env't	192,663	134,269	123,168	11,101	8.3%
Development Management	649,947	483,310	428,580	54,730	11.3%
Forward Planning & Communities	390,486	251,460	74,221	177,239	70.5%
Promoting Understanding & Enjoyment	1,098,878	884,198	764,810	119,388	13.5%
Recreation & Park Management	355,622	364,996	222,113	142,883	39.1%
Rangers, Estates & Volunteers	783,121	605,577	558,293	47,284	7.8%
Democratic Representation & Management	615,584	444,427	434,370	10,057	2.3%
Service Management & Support Services	1,209,741	883,881	843,715	40,166	4.5%
Net Cost of Services	5,990,168	4,581,988	3,965,532	616,456	13.5%

As at 31st December 2011 the Authority's net revenue expenditure was £3,966k, £616k (13.5%) under the profiled budget of £4,582k. The main reasons for the variance of actual expenditure against budget are; S.D.F. grants received in advance carried forward from 2010/11 included in the Forward Planning & Communities service, increased Car Park income in the Recreation & Park Management service, support services savings and the profiling of the budget against the actual expenditure. Details of each Service department are as follows:

- **Conservation of the Natural Environment (£14k under budget).** Within Nature Conservation travelling expenses are down £4k versus budget and the grant of £6k from South Hook LNG is yet to be spent. The Authority has been

awarded a grant of £20k from the Welsh Government's Ecosystem Resilience, Diversity and Compliance Fund. The grant is expected to achieve a reduction of woody growth, encourage regeneration and increase access of grazing stock on a number of neglected sites. Although currently below budget Cilrhedyn Woodland Centre external timber sales of £33k are up £18k, or 120%, against the same period last year. Sales are expected to be back on budget at the end of year.

- **Conservation of Cultural Heritage (£11k under budget).** The under spend within this service is in the most part due to an outstanding invoice awaited from Dyfed Archaeological Services.
- **Development Management (£54k under budget).** Planning fees income at £98k is down £42k against budget and £7k versus the same period in 2010. This short fall is offset against the Welsh Government Planning Improvement Fund (£60k) which is yet to be fully spent. There are also other under spends including professional fees and contracted services
- **Forward Planning & Communities (£177k under budget).** In Development Planning it is anticipated that grant income from P.I.F. will result in savings of approximately £30k in the LDP budget. The surplus within the Sustainable Development Fund is due to grants carried over from 2010/11 and a refund from the Offshore Renewable project
- **Promoting & Understanding (£119k under budget).** At Carew Castle admissions fees of £87k are above both the budget of £76k and last's year income of £84k. Merchandise sales are slightly below budget but in line with prior years. Admissions fees and merchandise sales at Castell Henllys are on budget & slightly up on last year's figures. Income at Tenby & Newport TIC's is marginally up versus budget and in line with last year's. At Oriol y Parc merchandise sales at £107k are above budget and prior year by £8k and £20k respectively. This coupled with salary savings should result in an under spend of £20k versus budget for the year. In addition there is expected to be a refund of approximately £25k for excess electricity charges arising from meter calibration errors.

Coast to Coast advertising income of £87k for the 2012 issue is comparable with last year's income but down approximately £2k versus budget. In light of the difficult market conditions the Communications team have done very well to deliver this level of income. Elsewhere within the Communications budget the under spend is due to savings on the County Show, Web development and salary costs. Additional income from schools programmes at £5.5k, together with contributions from Planed & The Friends of The National Park explain the under spend of £13.7k in the Education Service. The under spend in the Activities & Events budget is due to savings in the contributors costs of running the events. These events are now undertaken by the discovery rangers employed by the Authority. The under spend in the Flexible Programme budget is due to grant in advance from P.C.C. to fund the Walkability Officer for the full year.

- **Recreation & Park Management (143k under budget).** The Car Parks total income at £367k is ahead of budget by £106k and up by £93k for the same

period in 2010. Other variances in this service area are due to timing differences.

- **Rangers, Estates & Volunteers (£47k under budget).** The favourable variance in the Estates management Budget is due to the filming licences granted to several film production companies. Once again the other variances between budget and actual are due to timing differences which should be corrected during the course of the year.
- **Democratic Representation & Management (£10k under budget).** Variances are due to timing differences.
- **Service Management & Support Services (£40k under budget).** The under spend in Service Management & Support Services is due to: salary savings (£5k) and postage (£4k) the Reception and Administration budget, I.T. consumables (£3k) and software (£5k), Llanion Building solid fuel (£2k) and telephone costs (£2k), travelling costs within the Projects team (£2k) and training (£7K) in Personnel, Health & Staff training.

Forecasted Revenue Position

The forecasted revenue position for the end of the financial year shows a surplus of £14k and is broken down as follows:

2011/12 Budget Forecast	£000's
Budget Surplus	22
Movements:	
Salaries savings from early retirement	92
Reduction in the Authority's insurance premium	16
Reduction in Llanion Park cleaning contract costs	6
Planning Improvement Funds allocated internally	20
Local Development Plan Savings	30
Car Park Income	100
Filming Income	40
Additional grant income from CCW for coast path work	20
Annual Leave Purchased	12
Carew Castle Admissions Income	10
OYP Sales & salary savings	20
Support Services	30
OYP Electricity Refund	25
Early Retirement Costs (2011/12) (£126k less £40k budget)	-86
Revenue funds used for Capital Expenditure	-106
Earmarked reserve: HR System	-25
Earmarked reserve: Finance System	-35
Earmarked reserve: Planning System	-100
Earmarked reserve: Car Par Integration	-77
Revised Revenue Forecast Surplus	14

The revenue surplus of £14k includes funds allocated to the capital programme and the creation of four earmarked reserves discussed later in the report.

Capital Budget

The 2011/12 Capital Programme is presented below:

CAPITAL PROGRAMME 2011/12	<i>Original Budget 2011/12</i>	<i>Revised Budget 2011/12</i>	Funded by WG grant	Funded by Other Grant	Funded by PCNPA General Reserve	Funded by PCNPA EMR	Actual Spend as at 30.09.2011	Actual Spend as at 31.12.2011
Historic Towns Grant Scheme	100,000	100,000	50,000	50,000				29,068
ICT – Equip't	20,000	20,000			20,000		7,466	18,501
Car.Park Improvements	50,000						802	802
Carew Castle Improvement scheme	50,000	35,000				35,000	395	12,921
Mill Pond Wall		70,000	66,667		3,333			6,820
Llanion Boiler (40%)		28,000			28,000			1,668
Llanion Windows	20,000	20,000			20,000		1,668	18,148
Sageston Development							39,038	41,751
Land Rovers		23,750			23,750			23,750
VW Caddy		7,000			7,000			7,000
St Davids Toilet Block		3,523			3,523		3,523	3,523
Total	240,000	307,273	116,667	50,000	105,606	35,000	52,891	163,951

Capital programme expenditure has increased from £53k as at end of the previous quarter to £164k as at 31st Dec 2011. Since the last quarter's report there has been the addition of another Land Rover and V W Caddy to the programme. All three vehicles were previously subject to long term hire agreement and their purchase should yield revenue savings in next few years. The latest forecast expenditure has increased from the original budget of £240,000 to £307,273. The revised spend will be funded by, Earmarked Reserves £35,000, £50,000 from a CADW grant, the WG capital grant of £116,667 and the balance of £105,606 from Capital Receipts or General Reserves.

Details of the 2011/12 programme are:

- Historic Towns – funded 50% by PCNPA and 50% CADW (funding confirmation received from CADW)
- ICT – represents the usual cycle of IT equipment replacement.
- Car Park Improvement / Green Seas – deferred to 2012/13
- Carew Castle Development. The main design contract was awarded to Pembroke Design in September and phase one of the design is expected to be completed by the end of the financial year. It is expected that the main contract will be awarded by the end of March 2012.

- Llanion Boiler, Wall & Buildings. Work on replacing windows at the rear of the offices was completed in the autumn of 2011. The uncertainty regarding the rebating regulations on the proposed new biomass boiler has been clarified and the contract is expected to be awarded in January 2012.
- Carew Mill Pond Walls. The urgent remedial work for the Mill Pond walls commenced in December and it is anticipated the causeway will be reopened to the public by the end of January 2012.
- Sageston Development. This expenditure represents costs in bringing the land to a marketable condition. These development costs are expected to be in the region of £60k - £70k and will be recoverable against the proceeds of sale of the land.
- Land Rovers and VW Caddy. The Authority has purchase two Land Rover and VW Caddy which were previously used under lease agreements. It is expected the purchases should have a pay back within 3 years and result in revenue savings thereafter.
- Oriol Y Parc Toilets – This represents a final retention payment 12 months after the project completion.

The Authority's Useable Reserves:

£000's

	Year end Position 2010/11	Movement 2011/ 12	Year end Position 2011/12
General Reserves	484	14	498
Capital Receipts	215	45	260
TOTAL	699	59	758
Earmarked Reserves:			
Asset management	37		37
IT	40		40
Llanion park	69		69
LDP	120		120
Self-insurance	30		30
Carew Castle Dev	200	-35	165
Convergence funding	100		100
Poppit Car Park	30		30
Staff Restructuring	70		70
Public sector broadband	60		60
HR system		25	25
Finance system		35	35
Planning system		100	100
Car Park Integration		77	77
TOTAL EMR	756	202	958
TOTAL	1,455	261	1,716

General Reserves

In September 2011 the W.A.O. confirmed the Authority's Reserves balances at the end of the financial year 2010/11 were as detailed above. The current year's revenue forecast of surplus of £14k means the balance on the General Reserve should increase to £498k by the end of 2011/12.

Capital Receipts

The compensation from the Welsh Government on the compulsory purchase order of the Authority's former Canaston Bridge car park has been agreed at £21k. The Authority sold land at Bonivilles Court, Saunderfoot (£14k), and there have also been disposals to the National Trust of Garn Fawr and Maidenhall Car Parks at £5k each. The Balance brought forward at the start of the year was £215k so this reserve will accordingly increase to £260k by the end of the year.

Earmarked Reserves

Earmarked reserves at the beginning of this financial year were £756k. £35k of these funds will be used for the design expenditure incurred on the Carew Castle development in the 2011/12 financial year. The projected revenue surplus in 2011/12 enables the Authority to create new earmarked reserves for a HR System, Finance System, Electronic Planning and Document Management Systems and the capital cost of integrating Car Park operations with P.C.C. These projects are outlined in the 2012/13 capital programme.

Recommendation

Members are invited to ENDORSE the budgetary performance for the 9 months ended 31st December 2011 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 2011/12	December 11 Profiled Budget	December 11 Actual & Committed	Variance £	Variance %
Conservation of the Natural Environment		694,125	529,870	516,262	13,608	2.6%
CP1	Woodlands Management	179,202	133,483	131,390	2,093	1.6%
CP2	Cilrhedyn Woodland Centre	112,586	95,345	102,298	-6,953	-7.3%
CP3	Coed Cymru & Pren Preseli	22,917	33,930	30,705	3,225	9.5%
CP5	Nature Conservation	373,453	265,112	251,369	13,743	5.2%
CP11	Marine Environment	5,966	2,000	500	1,500	75.0%
Conservation of the Historic & Cultural Env't		192,663	134,269	123,168	11,101	8.3%
CP6	Conservation Areas & Historic Buildings	99,853	75,347	73,156	2,191	2.9%
CP10	CP10 - Archaeology in the Park	92,810	58,922	50,012	8,910	15.1%
Development Management		649,947	483,310	428,580	54,730	11.3%
CP8	Development Management (incl. Mineral Plan)	649,947	483,310	428,580	54,730	11.3%
Forward Planning & Communities		390,486	251,460	74,221	177,239	70.5%
CP9	Development Planning	288,116	180,687	170,586	10,101	5.6%
SDEV2	Sustainable Development Fund (£250,000 grant)	95,689			0	
SDEV3	Sustainable Development Delivery	6,681	70,773	-96,365	167,138	236.2%
Promoting Understanding & Enjoyment		1,098,878	884,198	764,810	119,388	13.5%
Q1	Carew Castle	72,227	49,931	39,009	10,922	21.9%
Q3	Castell Henllys	101,355	87,190	78,682	8,508	9.8%
Q4	Central Information Services	2,487	33,531	28,943	4,588	13.7%
Q5	Newport Information Centre	33,499	36,458	34,099	2,359	6.5%
Q7	Oriel Y Parc, St David's	192,246	174,797	152,319	22,478	12.9%
Q15	St David's Cafe	-9,578	-9,577	-5,889	-3,688	38.5%
Q13	Tenby National Park Office	71,411	65,647	62,936	2,711	4.1%
Q8	Coast to Coast	-31,796	-24,504	-21,729	-2,775	11.3%
Q9	Communications	317,345	229,644	191,324	38,320	16.7%
SUP9	Graphic Services	143,641	100,167	92,459	7,708	7.7%
Q10	Education	154,511	120,673	107,019	13,654	11.3%
Q12	Activities & Events	22,683	18,852	12,196	6,656	35.3%
Q14	Flexible Programme	4,450	389	-7,544	7,933	2039.3%
Q16	Nevern Castle Project	24,397	1,000	986	14	1.4%
Recreation & Park Management		355,622	364,996	222,113	142,883	39.1%
CP7	Sustainable Transport	82,159	76,156	74,132	2,024	2.7%
REC10/11/	National Trail	64,804	184,887	147,589	37,298	20.2%
REC13	Access Officer and Rights of Way	142,157	113,614	108,771	4,843	4.3%
REC15	Sites Management	173,015	124,596	122,691	1,905	1.5%
REC16	Local Community & Match Funds	2,605	1,954	1,954	0	0.0%
REC17	Charging Car Parks	-116,618	-141,314	-238,664	97,350	-68.9%
REC19	Mentro Allan	0	0	293	-293	

REC24	Rights of Way Improvement Plan	0	9,413	9,692	-279	-3.0%
REC25	Sustainable Tourism	6,800	-5,010	-5,000	-10	0.2%
REC26	Recreation Planning	700	700	655	45	6.4%
	Rangers, Estates & Volunteers	783,121	605,577	558,293	47,284	7.8%
REC1	Recreation Officer	137,502	105,957	103,471	2,486	2.3%
REC3	North Area	211,474	159,644	158,278	1,366	0.9%
REC4	West Area	202,241	148,909	149,261	-352	-0.2%
REC5	South Area	151,457	113,624	110,180	3,444	3.0%
REC7	Castlemartin Ranger Estates Management (incl. Surplus Properties)	10,123	5,199	5,151	48	0.9%
SUP10		70,323	72,244	31,952	40,292	55.8%
	Democratic Representation & Management	615,584	444,427	434,370	10,057	2.3%
DRM2	DRM2 - Chief Executive's Office DRM1 - Corporate Activities & Management	139,887	106,884	105,949	935	0.9%
DRM1		164,068	94,465	94,531	-66	-0.1%
DRM3	Democratic Representation	234,511	170,093	164,436	5,657	3.3%
DRM4	National Parks Wales	21,023	41,123	39,042	2,081	5.1%
DRM5	Corporate Governance	56,095	31,862	30,412	1,450	4.6%
	Service Management & Support Services	1,209,741	883,881	843,715	40,166	4.5%
	<i>(Memorandum account, recharged to services)</i>					
SUP1	Director of Conservation	75,767	55,903	55,877	26	0.0%
SUP3	Director of Recreation & Communication	74,959	54,984	55,676	-692	-1.3%
SUP5	Reception/Admin Services	99,103	74,955	63,294	11,661	15.6%
SUP2	Performance Management	57,579	41,955	39,521	2,434	5.8%
SUP6	SUP6 - Legal Services	60,854	44,886	44,756	130	0.3%
SUP7	Financial Services	129,895	94,688	92,615	2,073	2.2%
SUP8	IT Services	257,911	200,476	191,858	8,618	4.3%
SUP16	Llanion Park	102,818	72,296	67,857	4,439	6.1%
SUP12	General Building Maintenance	98,280	61,379	61,237	142	0.2%
SUP13	Projects Team	119,688	87,511	84,256	3,255	3.7%
SUP14	Pool Vehicles	7,640	3,759	3,145	614	16.3%
SUP15	Personnel, Health & Safety, Staff Training	125,246	91,089	83,623	7,466	8.2%
	TOTALS	5,990,168	#REF!	3,965,532	616,456	#REF!
	Conservation of the Natural Environment	694,125	529,870	516,262	13,608	2.6%
	Conservation of the Historic & Cultural Env't	192,663	134,269	123,168	11,101	8.3%
	Development Management	649,947	483,310	428,580	54,730	11.3%
	Forward Planning & Communities Promoting Understanding & Enjoyment	390,486	251,460	74,221	177,239	70.5%
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