

REPORT OF FINANCE MANAGER

SUBJECT:
BUDGET PERFORMANCE REPORT 3 MONTHS TO JUNE 2012

Revenue Budget

The detailed net revenue budget for the 3 months to 30th June 2012 is presented in Appendix 1, with the summary by service area as follows:

	Net Budgets 2012/13	June 12 Profiled Budget	June 12 Actual & Committed	Variance
Conservation of the Natural Environment	494,950	125,735	115,898	9,837
Conservation of the Historic & Cultural Env't	174,009	43,036	41,463	1,573
Development Management	621,422	152,979	140,894	12,085
Forward Planning & Communities	492,169	123,207	82,867	40,340
Promoting Understanding & Enjoyment	1,358,333	474,345	419,699	54,646
Recreation & Park Management	211,704	71,112	28,017	43,095
Rangers, Estates & Volunteers	1,028,531	297,755	302,211	-4,456
Democratic Representation & Management	673,465	135,573	121,138	14,435
Service Management & Support Services	1,160,582	281,011	269,259	11,752
Support Services Recharges	-1,051,901	-262,974	-259,755	-3,219
Net Cost of Services	5,163,265	1,441,779	1,261,691	180,088

As at 30th June 2012 the Authority's net revenue expenditure was £1,262k, £180k under the profiled budget of £1,442k. The main reasons for the variance of actual expenditure against budget for each Service department are as follows:

- **Conservation of the Natural Environment (£10k under budget).** The post of the Coed Cymru Officer remained vacant during the quarter resulting in an underspend of £7k. Management Agreements within the Nature Conservation Budget was also under spent by £2k.
- **Conservation of Cultural Heritage (£2k under budget).** Areas within this service are running very close to budget.
- **Development Management (£12k under budget).** Salary savings from vacant posts have contributed £10k to the underspend. At the end of the

quarter planning fee income at £33k was up £5k on the same period in 2011/12.

- **Forward Planning & Communities (£40k under budget).** The variance in this service is due to the vacant post of Research Sustainability Appraisal Officer (position filled in July), causing a saving of £10k in the period. There was also currently underspend in the allocation of Sustainable Development Fund Grants of £25k.
- **Promoting & Understanding (£54k under budget).** The vacant Tourism and Wellbeing Officer post contributed a saving of £8k in the quarter. At Carew Castle and Castle Henllys income generation remained on budget with savings in salary and site running costs resulting in underspends of £8k and £4k respectively. Income at both Tenby and Newport TIC's is also running close to budget and above last year's figures. At Oriel Y Parc merchandise sales are running above that budgeted and last years. A vacant position within the Communications budget resulted in a saving of £13k. The Discovery Team Leader was appointed in July but this also has resulted in a saving in the first quarter within the Education budget. The underspend in the Flexible Programme budget is due a contribution from PCC for the Walkability project for the 12 months being received in the first quarter.
- **Recreation & Park Management (£43k under budget).** The first quarter's Car Park income at £107k is ahead of budget by £5k but down £7k from £114k for the same period in 2011. Other variances in this service area are due to timing differences.
- **Rangers, Estates & Volunteers (£4k over budget).** Once again the variance between budget and actual is due to timing differences which should be corrected during the course of the year.
- **Democratic Representation & Management (£14k under budget).** The variance is mainly due to Member Allowances which have been budgeted for but as yet remain unclaimed.
- **Service Management & Support Services (£12k under budget).** The variance arises from a range of support services but should be rectified over the course of the year.

Income

The table below shows the budget, actual and prior year's merchandise sales, admissions income and car park income for the first quarter. Despite the poor weather during the period the Authority's income has performed well against budget with both Merchandise Sales and Admissions also up on the first quarter in 2011/12. Although up against budget Car Park income is unsurprisingly below last year's.

1st Quarter Income Versus Budget & Prior Year					
Merchandise Sales	Budget	Income	Variance	Prior Year	Variance
Carew Income	-17,500	-16,873	-627	-17,116	243
Castell Henllys	-14,200	-13,890	-310	-16,206	2,316
Oriel Y Parc	-31,500	-32,784	1,284	-28,649	-4,135
Newport Information Centre	-6,462	-6,032	-430	-5,956	-76
Tenby Visitor Centre	-6,373	-6,134	-239	-5,860	-274
	-76,035	-75,712	-323	-73,786	-1,926
Admission Fees					
Carew Income	-26,300	-26,466	166	-27,281	815
Castell Henllys	-17,200	-17,278	78	-14,511	-2,768
	-43,500	-43,744	244	-41,791	-1,953
Car Park Income					
Car Park Operations	-5,500	-5,717	217	-4,507	-1,210
Saundersfoot Car Park	-22,230	-25,798	3,568	-23,871	-1,927
Manorbier Car Park	-7,689	-7,583	-106	-12,710	5,127
Freshwater East Car Park	-5,400	-5,421	21	-7,618	2,197
Little Haven Car Park	-9,051	-9,921	870	-10,401	480
Broad Haven Car Park	-7,132	-2,609	-4,523	-7,079	4,470
St Davids Car Park	-15,992	-19,929	3,937	-18,702	-1,227
Newport Car Park	-4,000	-4,205	205	-4,589	384
Poppit Car Park	-5,000	-5,018	18	-5,037	19
Newgale Car Park	-3,500	-3,687	187	-2,127	-1,560
Solva Car Park	-17,000	-17,505	505	-17,292	-213
	-102,494	-107,395	4,901	-113,933	6,538

Revenue Forecast

As at the end of the first quarter the forecast revenue position for the full year suggests an underspend against budget of between £150k and £170k. This projected underspend is mostly due to a number of budgeted positions that remained vacant and contract hire savings in the Authority's vehicle fleet. In order to reallocate the anticipated surplus effectively requests for additional funds were issued to the budget holders in July 2012. These bids were reviewed by the Senior Management Team and it is proposed to reallocate the funds as follows:

Description	£'000s
Carew Castle: upgrade of the proposed retails & reception area together with the first phase of implementation work.	30
Greening Park buildings: installation of PV cells at Llanion and the replacement of hot water solar panels.	22
Poppit Sands Car Park: The project was originally set at £137k (Green Seas funding £57k) and with another £63k it would allow improvement to the whole site.	63
A cattle grid on Castleblythe Common	6
Extension of Walkability project from 3 to 5 days a week	10
Nevern Castle Bridge: to enable the construction of a high quality bridge.	5
To ensure all our systems are up to date on Microsoft 2010 systems.	15
Smart phones, tablets and social media skills training.	5
Total	156

The 2012/13 Capital Programme is presented below:

Capital Programme 2012/13	2012/13	Funded by WG grant	Funded by Other Grant	Funded by PCNPA EMR	PCNPA General Reserves 2012/13	PCNPA Reserves 2013/14	PCNPA Reserves 2014/15	Spend as at 30.06.2012
Project								
Historic Towns Grant Scheme	100,000	50,000	50,000					271
ICT Equipment	20,000			20,000				4,025
Solva / Porthgain Car Parks	300,000	50,000	150,000	100,000				3,340
Poppit Car Park	200,000		57,000	80,000	63,000			
Carew	565,000		400,000	165,000				450
Llanion Boiler	42,000	16,667		25,333				29,141
PSBA	60,000			60,000				
HR System	25,000			25,000				
Origins	380,000		330,000			50,000		
Car Par Integration	76,900					76,900		
Electronic Planning / Document Management	100,000					66,666	33,334	
Finance / POS System	35,000					20,000	15,000	
Ford Rangers								15,600
Sageston Development								1,423
Total	1,903,900	116,667	£987,000	475,333	63,000	213,566	48,334	54,249

The proposed capital programme has increased from the original budget of £1,840,900 to £1,903,900 to reflect the additional allocation of £63,000 for the Poppit Sands Car Park project. Of the £1,903,900, £116,667 will be funded from the WG capital grant, £987,000 will be funded by external grants (which includes £50,000 CADW grant), £475,333 from Earmarked Reserves, and the balance of £63,000 from the General Reserve. Details of the 2012/13 programme are:

- Historic Towns – funded 50% by PCNPA and 50% CADW
- ICT – represents the usual cycle of IT equipment replacement.
- Solva & Porthgain Car Park Improvement. This is a Visit Wales Coastal Tourism project, utilising European Convergence Funds and undertaken in collaboration with Pembrokeshire County Council. Total project cost is expected to be £300,000 of which the Authority will fund £150,000.

- Poppit Car Parks Improvement. This project is partially funded under European Convergence Green Seas programme also in collaboration with Pembrokeshire County Council. An additional £63,000 has been allocated for work on Poppit Sands Car park which will allow work to be undertaken to fully complete the car park.
- Carew Castle Development. The project is part of a larger Heritage Tourism Convergence Programme run in conjunction with CADW. The design contract was awarded in 2011, work commenced in June 2012 and will involve replacing the portacabins, improving car parking facilities and work on the Lesser Hall roof. The scheme is circa £600,000 and the total Authority contribution is expected to be £200,000 for which there is an earmarked reserve.
- Llanion Boiler. Under the U.K. Government Renewable Heat Incentive Scheme the Authority will replace the boiler at Llanion. The scheme is expected to yield savings to the Authority of £9k per annum.
- Origins. This is another Heritage Tourism funded project to develop a National Centre and Hub of the origins and prehistory of Wales based at Castell Henllys.
- Public Sector Broad Band Aggregation (PSBA). In 2011 members approved the creation of an earmarked reserve for PSBA. This project will improve remote site and home working access to our main information systems.
- HR System. The need for an electronic HR system was identified by a recent W.A.O. report. The contract for a web based HR system was awarded in June 2012.
- Car Park Integration. Work is in progress with Pembrokeshire County Council to integrate some of our car parking function. This will require an initial capital outlay but this should be recouped from efficiency saving within an acceptable time frame.
- 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. This expenditure is now expected in 2013/14
- Finance / Electronic Point of Sale System. The existing Finance system was installed over 15 years ago and has an estimated remaining shelf life of 3 to 4 years. The Point of Sales software used by the TIC's and heritage centres has also been in use for a number of years and needs replacements. Various replacement options are being considered in collaboration with Snowdonia National Park. This is now expected to be completed in 2013/14.

The Authority's Useable Reserves:

£000's

	Year end Position	Movement	Year end Position	Movement	Year end Position	Movement	Year end Position
	2011/12	2012 /13	2012/13	2013 /14	2013/14	2014/15	2014/15
General Reserves	490	2	492	1	493	-53	440
Capital Receipts	249		249		249		249
TOTAL	739	2	741	1	742	-53	689
Earmarked Reserves:							
Asset Management	37		37		37		37
IT	40	-20	20		20		20
Llanion Park	69	-25	44		44		44
Planning	120		120		120		120
Self-insurance	30		30		30		30
Carew Castle Dev	300	-165	135		135		135
Convergence Funding	100	-100					
Receipts in Advance	165	-165					
Poppit Sands Car park	80	-80					
Staff Restructuring	80		80		80		80
Public Sector Broadband	60	-60					
National Park Wales	25		25		25		25
HR System	25	-25					
Finance System	35		35	-35			
Planning System	100		100	-100			
Car Par Integration	77		77	-77			
Invasive Species Eradication	20	-20					
Surface Water Drainage	30	-25	5	-5			
60th Adverting Campaign	25	-25					
TOTAL EMR	1418	-710	708	-217	491		491
TOTAL	2,157	-708	1,449	-216	1,233	-53	1,180

General Reserves

At the end of the 2011/12 financial year the Authority's General Reserve stood at £490k and with the budget forecast surplus of £2k this balance should marginally increase to £492k by the end of 2012/13. Provided Welsh Government grant funding remains as advised, i.e. flat lined, there should be a similar small surplus in 2013/14. 2014/15 will be first year in the next comprehensive spending review period and for

forecasting purposes it is assumed the grant will once again remain flat lined. On this basis the National Park Authority Grant will not have increased for 4 consecutive years and it is expected that inflationary pressures will result in a budget deficit of £53k. Consequently the General Reserve balance is expected to fall back to £440k at the end of 2014/15. As a target the Authority tries to ensure that the General Reserve balance does not fall below 5% of the revenue budget, i.e. approximately £350k.

Capital Receipts

The Authority started the year with a Capital Receipts balance of £249k. While there are no definite disposal plans the Authority is continually reviewing its portfolio of properties.

Earmarked Reserves

Earmarked Reserves at the beginning of this financial year were £1,418k. It is expected that £710k of Earmarked Reserves will be released in 2013/14, predominantly to cover the 2012/13 Capital Expenditure Program as detailed above. Over the three year planning cycle the balance on Earmarked Reserves will reduce £491k.

Recommendation

I shall be pleased to address any questions members may have. Members are invited to **ENDORSE** the budgetary performance for the 3 months ended 30th June 2012 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 2012/13	June 12 Profiled Budget	June 12 Actual & Committed	Variance
	Conservation of the Natural Environment	494,950	125,735	115,898	9,837
CP2	Cilrhedyn Woodland Centre	122,934	42,949	44,769	-1,820
CP3	Coed Cymru & Pren Preseli	22,451	12,786	5,545	7,241
CP5	Nature Conservation	339,779	67,552	65,084	2,468
CP11	Marine Environment	9,785	2,448	500	1,948
	Conservation of the Historic & Cultural Env't	174,009	43,036	41,463	1,573
CP6	Conservation Areas & Historic Buildings	69,762	17,188	16,190	998
CP10	CP10 - Archaeology in the Park / Culture & Heritag	104,247	25,848	25,273	575
	Development Management	621,422	152,979	140,894	12,085
CP8	Development Management (incl. Mineral Plan)	621,422	152,979	140,894	12,085
	Forward Planning & Communities	492,169	123,207	82,867	40,340
CP9	Development Planning	255,500	64,181	46,855	17,326
SDEV2	Sustainable Development Fund (£250,000 grant)	200,000			0
SDEV3	Sustainable Development Delivery	36,670	59,026	36,012	23,014
	Promoting Understanding & Enjoyment	1,358,333	474,345	419,699	54,646
Q17	Head of Discovery	51,712	12,927	12,429	498
CP12	Tourism & Wellbeing Officer	34,852	8,712	0	8,712
Q1	Carew Castle	80,375	43,365	35,220	8,145
Q3	Castell Henllys	102,440	54,904	51,011	3,893
Q4	Central Information Services	2,148	23,284	27,185	-3,901
Q5	Newport Information Centre	39,904	17,020	19,391	-2,371
Q7	Oriel Y Parc, St David's	296,024	108,430	102,881	5,549
Q15	St David's Cafe	-7,000	-1,749	152	-1,901
Q13	Tenby National Park Office	94,853	30,242	33,286	-3,044
Q8	Coast to Coast	-33,018	4,412	7,265	-2,853
Q9	Communications	346,045	91,930	78,862	13,068
SUP9	SUP9 - Graphic Services	130,427	31,857	30,964	893
Q10	Education	176,686	45,499	27,312	18,187
Q12	Activities & Events	14,776	2,381	986	1,395
Q14	Flexible Programme	4,520	1,131	-11,244	12,375
Q16	Nevern Castle Project	23,591	0	3,105	-3,105
Q18	Your Park Your Future	0	0	894	-894
	Recreation & Park Management	211,704	71,112	28,017	43,095
CP7	Sustainable Transport	80,467	309	309	0
REC10/11/1	National Trail	57,206	58,733	44,904	13,829
REC13	Access Officer and Rights of Way	120,668	29,252	24,940	4,312
REC15	Sites Management	119,981	29,446	16,206	13,240
REC16	Local Community & Match Funds	760	190	189	

REC17	Charging Car Parks	-186,178	-54,705	-63,074	8,369
REC24	Rights of Way Improvement Plan	0	7,887	4,343	3,544
REC25	Sustainable Tourism	16,800	0	200	-200
Rangers, Estates & Volunteers		1,028,531	297,755	302,211	-4,456
REC1	Head of Park Delivery	147,399	38,179	37,614	565
REC 28	Ranger Services	169,596	41,581	38,357	3,224
REC3	North Area	314,320	82,737	87,362	-4,625
REC4	West Area	191,458	60,746	69,205	-8,459
REC5	South Area	149,353	36,259	36,433	-174
REC7	Castlemartin Ranger	8,630	7,122	8,546	-1,424
SUP10	Estates Management (incl. Surplus Properties)	47,775	31,131	24,694	6,437
Democratic Representation & Management		673,465	135,573	121,138	14,435
DRM2	DRM2 - Chief Executive's Office	122,505	29,955	29,513	442
DRM1	DRM1 - Corporate Activities & Management	212,305	28,324	24,294	4,030
DRM3	Democratic Representation	259,987	64,626	56,108	8,518
DRM4	National Parks Wales	22,305	8,577	9,027	-450
DRM5	Corporate Governance	56,363	4,091	2,196	1,895
Service Management & Support Services		1,160,582	281,011	269,259	11,752
<i>(Memorandum account, recharged to services)</i>					
SUP1	SUP1 - Director of Park Direction & Planning	74,951	18,355	17,980	375
SUP3	SUP3 - Director of Delivery & Discovery	75,291	18,446	18,124	322
SUP5	SUP5 - Reception/Admin Services	85,988	21,054	18,793	2,261
SUP2	SUP2 - Performance Management	60,905	14,772	13,330	1,442
SUP6	SUP6 - Legal Services	73,315	14,793	26,919	-12,126
SUP7	SUP7 - Financial Services	130,537	32,094	27,318	4,776
SUP8	SUP8 - IT Services	246,218	60,579	64,750	-4,171
	SUP9 - Graphic Services				0
	Estates Management (incl. Surplus Properties)				0
SUP16	SUP16 - Parc Llanion Park	85,813	21,588	23,370	-1,782
SUP12	SUP12 - General Building Maintenance	104,462	24,864	13,624	11,240
SUP13	Projects Team	59,455	13,983	13,415	568
SUP14	SUP14 - Pool Vehicles	15,592	3,898	2,333	1,565
SUP15	Personnel, Health & Safety, Staff Training	148,055	36,585	29,303	7,282
SUP17	Support Services Recharges	0	-262,974	-259,755	-3,219
TOTALS		6,215,166	1,704,753	1,521,446	183,307
Conservation of the Natural Environment		494,950	125,735	115,898	9,837
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