

REPORT OF FINANCE MANAGER

SUBJECT: BUDGET PERFORMANCE REPORT 3 MONTHS TO JUNE 2013

Revenue Budget

The detailed net revenue budget for the 3 months to 30th June 2013 is presented in Appendix 1, with the summary by service area as follows:

	Net Budgets 2013/14	June 13 Profiled Budget	June 13 Actual & Committed	Variance	% Variance
Conservation of the Natural Environment	554,828	146,300	135,427	10,873	7%
Conservation of the Historic & Cultural Env't	162,207	39,197	27,548	11,649	30%
Development Management	649,768	157,352	133,140	24,212	15%
Forward Planning & Communities	478,867	118,625	71,914	46,711	39%
Promoting Understanding & Enjoyment	1,233,919	487,000	466,802	20,198	4%
Recreation & Park Management	222,669	79,102	73,343	5,759	7%
Rangers, Estates & Volunteers	1,075,848	284,272	263,328	20,944	7%
Democratic Representation & Management	652,458	155,312	133,272	22,040	14%
Service Management & Support Services	1,109,653	284,228	277,672	6,556	2%
Support Services Recharges	-993,299	-248,325	-248,325	0	0%
Net Cost of Services	5,146,917	1,503,063	1,334,121	168,942	11%

As at 30th June 2013 the Authority's net revenue expenditure was £1,334k, £169k under the profiled budget of £1,503k. The main reasons for the variance of actual expenditure against budget for each Service department are as follows:

- **Conservation of the Natural Environment (£11k under budget).** The underspend is due to two posts (1.5 FTE) remaining vacant at the Cilrhedyn Woodland Centre and an additional part time conservation officer not being appointed until May. Management Agreements within the Nature Conservation Budget was also under spent by £2k.
- **Conservation of Cultural Heritage (£12k under budget).** The under spend is due to the first quarter service level agreement charges from Dyfed Archaeological Services being outstanding.
- **Development Management (£24k under budget).** Planning Fee income at £44k, the highest first quarter income since 2006/7, is up £12k on budget and

this coupled with salary savings from a vacant sustainability planning post have contributed to the under spend of £24k.

- **Forward Planning & Communities (£47k under budget).** The variance in this service is due to under spend in the allocation of Sustainable Development Fund Grants.
- **Promoting & Understanding (£20k under budget).**
The table overleaf shows the budget, actual and prior year's merchandise sales, admissions income and car park income for the first quarter. Merchandise sales at £75k are slightly down versus last year and budget. At Carew Castle income is down due to the overrun of building works, although sales at Oriel Y Parc and Tenby TIC have exceeded both budget and prior year performance. Admission income at Carew Castle & Castell Henllys of £41k is down approximately 7% on budget and the first quarter 2012/13. There is a salary saving within the Discovery as an officer is being funded under the Your Park Your Future grant.
- **Recreation & Park Management (£6k under budget).** The table on the following page shows Car Park income in the quarter of £86k. This is down 20% from £108k for the same period in 2012/13 with noticeable shortfalls at Solva & Saundersfoot Car Parks. Investigations are underway to obtain actual income figures for the period. Other variances in this service area are due to timing differences.
- **Rangers, Estates & Volunteers (£21k under budget).** The variance between budget and actual is due to timing differences which should be corrected during the course of the year.
- **Democratic Representation & Management (£22k under budget).** In the Corporate Activities & Management budget a provision was made for the jointly funded post the PCC of an Arts Officer. The post remained vacant in the first quarter but will be filled by the end of July.
- **Service Management & Support Services (£7k under budget).** The variance arises from a range of support services but should be rectified over the course of the year.

1st Quarter 2013/14 Income Versus Budget & Prior Year

Merchandise Sales	Budget	Income	Variance	Prior Year	Variance
Carew Income	-17,500	-10,682	-6,818	-16,873	-6,191
Castell Henllys Income	-14,200	-13,748	-452	-13,890	-141
Oriel Y Parc	-31,500	-37,339	5,839	-32,784	4,555
Newport Information Centre	-6,462	-5,853	-609	-6,032	-179
Tenby Visitor Centre	-6,373	-7,101	728	-6,134	967
	-76,035	-74,723	-1,312	-75,712	-989
Admission Fees					
Carew Income	-26,300	-24,694	-1,606	-26,466	1,772
Castell Henllys	-17,200	-15,885	-1,315	-17,278	1,393
	-43,500	-40,579	-2,921	-43,744	3,165
Car Park Income					
Car Park Operations	-5,500	-3,900	-1,600	-5,717	-1,817
Saundersfoot Car Park	-22,230	-16,148	-6,082	-25,798	-9,650
Manorbier Car Park	-7,689	-9,800	2,111	-7,583	2,217
Freshwater East Car Park	-5,400	-5,488	88	-5,421	66
Little Haven Car Park	-9,051	-9,067	16	-9,921	-855
Broad Haven Car Park	-7,132	-4,830	-2,302	-2,609	2,221
St Davids Car Park	-15,992	-19,508	3,516	-19,929	-421
Newport Car Park	-4,000	-4,055	55	-4,205	-150
Poppit Car Park	-5,000	-6,721	1,721	-5,018	1,702
Newgale Car Park	-3,500	-2,946	-554	-3,687	-741
Solva Car Park	-17,000	-3,156	-13,844	-17,505	-14,349
	-102,494	-85,619	-16,875	-107,395	-21,776

Revenue Forecast

As at the end of the first quarter the forecast revenue position for the full year suggests a budget surplus of approximately £187k. Given the uncertainties surrounding the 2014/15 National Park Grant it has considered prudent not to reallocate this surplus in 2013/14.

This projected underspend is explained as follows:

2013/14 Budget Forecast	£000's
Budget surplus	6
Movements:	
Salaries: 1st Qtr	30
Annual Leave Purchased	12
Insurance	21
Planning Improvement Fund	10
NI & Pension	30
Support Services	10
Contract Hire Costs	23
Fuel	5
Training	10
Stationary	10
Travel	10
Professional Fees	10
Revised revenue forecast surplus	187

2013/14 Capital Programme	Original Budget 2013/14	Revised Budget 2013/14	Funded by WG Grant	Funded by other Grants	Funded by EMR	Funded by Benefit in Kind	Capital Receipts	Total Funding	Spend as at 30.06.2013
Historic Towns Grant Scheme	100,000	100,000	50,000	50,000				100,000	786
ICT – Equipment	20,000	20,000			20,000			20,000	
Public Sector Broadband		8,000			8,000			8,000	4,077
Carew Site Development	15,000	174,000		95,000	79,000			174,000	32,625
Carew Millpond	90,000	5,000			5,000			5,000	
Carew Mill Roof	70,000	50,000			50,000			50,000	
Carew Furnishings	10,000	10,000			10,000			10,000	1,664
Llanion Building		70,000	66,667				3,333	70,000	
Poppit Car Park	150,000	132,000		32,000	96,000		4,000	132,000	124,600
Greening Park Initiatives	10,000	12,000			12,000			12,000	
Origins	380,000	517,000		280,000	187,000	50,000		517,000	6,262
Car Par Integration	76,900								
Planning / Document Management	100,000								
Finance / POS System	45,000	45,000			25,000		20,000	45,000	3,738
Portgain Harbour Walls	3,000								
St Davids Airfield	2,000								
South Team Depot	120,000	120,000			120,000			120,000	120,329
HR System		1,128					1,128	1,128	1,338
Solva Car Park		4,063					4,063	4,063	4,063
Porthgain Car Park		4,063			4,000		63	4,063	4,063
Total	1,191,900	1,272,253	116,667	457,000	616,000	50,000	32,586	1,272,253	303,543

The proposed capital programme has increased from the original budget of £1,192k to £1,272k to reflect several additions and deferrals including the completion of work at Carew Castle, replacement windows at Llanion and additional allocation of funds for the Origins Project. Of the £1,272k, £117k will be funded from the WG capital grant, £457k will be funded by external grant sources which includes CADW, Heritage Lottery Fund and Targeted Match Funding (HLF), £616k from Earmarked Reserves, £50k benefit in kind (Origins project) and the balance of £33k from the Capital Receipts Reserve.

Details of the 2013/4 programme are:

- Historic Towns – funded 50% by PCNPA and 50% CADW (funding confirmation from CADW in early July)
- ICT – represents the usual cycle of IT equipment replacement.
- Carew Castle. The expenditure is respect of completion of Heritage Tourism Convergence Programme project with addition work planned for the Millpond Walls and Mill Roof. We currently are awaiting the result of a bid for HLF funding for the repairs to the Mill Roof.
- Llanion Buildings. It is proposed to replace the windows at Llanion HQ which have been in a poor state of repair for a number of years.
- Greening Park Initiatives. The Authority intends to spend funds on energy saving green projects and the exact nature of the expenditure is yet to be determined.
- Poppit Sands Car Park. This expenditure represents the completion of the car park refurbishment project commenced in 2012/13
- Origins. This is a Heritage Tourism funded project to develop a National Centre and Hub of the origins and prehistory of Wales based at Castell Henllys.
- Car Park Integration. Work is in progress with Pembrokeshire County Council to integrate some of our car parking function although the major capital spend will not be until 2014/15. This will require an initial capital outlay but this should be recouped from efficiency saving within an acceptable time frame.
- 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 project is likely to be deferred until 2014/15
- Finance System / Electronic Point of Sale System. The review of the replacement of the Authority's finance systems & point of sale software used by the TIC's and Heritage Centres commenced in 2012 and the installation of the new systems is expected to be completed by the end of 2013.
- Porthgain Harbour Walls. This expenditure is for an engineering study to scope the problem of the walls and develop a maintenance and improvement programme.

- St. David's Airfield. This project is a feasibility study to review large scale photo voltaic panels on the St. David's Airfield.
- South Ranger Team Depot. The purchase of the South Ranger Team depot at Milton was completed in April 2013 and the team formally took over the building at the end of June.

The Authority's Useable Reserves
£000's

	Year end Position	Movement	Year end Position	Movement	Year end Position	Movement	Year end Position
	2012/13	2013/14	2013/14	2014 /15	2014/15	2015/16	2015/16
General Reserves	498	187	685	-9	676	-31	645
Capital Receipts	247	-33	214		214		214
TOTAL	745	154	899	-9	890	-31	859
Earmarked Reserves:							
Receipts In Advance	174	-174					
Asset Management	37	-10	27		27		27
Llanion Park	25	-2	23		23		23
Local Development Plan	120		120		120		120
Self-Insurance	30		30		30		30
Carew Castle Dev	180	-144	36		36		36
Convergence Funding	4	-4					
Poppit Car Park	96	-96					
Staff Restructuring	80		80		80		80
Public Sector Broadband	28	-28					
National Park Wales	30		30		30		30
Finance System	25	-25					
Planning System	100		100	-100			
Car Par Integration	77		77	-77			
Invasive Species Eradication Program	15	-15					
Surface Water Drainage And Sewage System Capacity Project	9	-9					
South Haven Depot	120	-120					
Origins	187	-187					
Total	1,337	-814	523	-177	346		346
TOTAL	2,082	-660	1,422	-186	1,236	-31	1,205

General Reserves

At the end of the 2012/13 financial year the Authority's General Reserve stood at £498k and with the revised forecast surplus of £187k this balance should increase to £685k by the end of 2013/14. In the absence of definitive notification from Welsh Government the movements shown in the General Reserve balance for 2014/15 and 2015/16 are based upon the assumption of a zero increase or decrease in the National Park Grant (NPG). In reality a reduction in the NPG is expected for these years however the actual percentage reduction is at yet unknown. The Authority will be in a more informative position when the draft Welsh Government Budget for 2014/15 is published in late September or early October. Notwithstanding the Authority is well positioned to respond according and to ensure it manages its activities within budget.

Earmarked Reserves

Earmarked reserves as at 31/3/13 stood at £1,337k and these are expected to fall by £814k in the year. This will be used to fund various capital and revenue projects including: the Sageston South Warden Team Depot, Poppit Sands Car Park, completion of Carew Castle development, IT purchases and public sector broadband development and the new Finance EPOS systems.

Capital Receipts

Capital Receipts started the year at £247k and £33k of this is expected to be to fund the capital program. No other disposals or acquisitions are currently planned.

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 2013 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 2013/14	June 13 Profiled Budget	June 13 Actual & Committed	Variance
	Conservation of the Natural Environment	554,828	146,300	135,427	10,873
CP2	Cilrhedyn Woodland Centre	127,605	61,903	57,343	4,560
CP3	Coed Cymru & Pren Preseli	28,585	11,587	10,349	1,238
CP5	Nature Conservation	390,638	72,310	67,735	4,575
CP11	Marine Environment	8,000	500	0	500
	Conservation of the Historic & Cultural Env't	162,207	39,197	27,548	11,649
CP6	Conservation Areas & Historic Buildings	56,662	13,913	13,258	655
CP10	CP10 - Archaeology, Culture & Heritage	105,545	25,284	14,290	10,994
	Development Management	649,768	157,352	133,140	24,212
CP8	Development Management (incl. Mineral Plan)	649,768	157,352	133,140	24,212
	Forward Planning & Communities	478,866	118,625	71,914	46,711
CP9	Development Planning	243,931	60,038	61,457	-1,419
SDEV3	Sustainable Development Delivery	234,935	58,587	10,457	48,130
	Promoting Understanding & Enjoyment	1,233,919	487,000	466,802	20,198
Q17	Head of Discovery	52,088	13,023	12,587	436
CP12	Tourism & Wellbeing Officer	36,842	9,216	8,723	493
Q1	Carew Castle	72,588	35,134	35,882	-748
Q3	Castell Henllys	82,076	54,211	53,940	271
Q4	Central Information Services	2,369	29,470	29,042	428
Q5	Newport Information Centre	40,937	17,169	16,971	198
Q7	Oriel Y Parc, St David's	300,510	109,708	110,432	-724
Q15	St David's Cafe	-7,000	-3,498	-2,788	-710
Q13	Tenby National Park Office	98,603	35,633	31,734	3,899
Q8	Coast to Coast	-29,270	7,519	7,316	203

		Revisions To Budgets 2013/14	June 13 Profiled Budget	June 13 Actual & Committed	Variance
Q9	Communications	280,611	82,383	81,092	1,291
SUP9	SUP9 - Graphic Services	128,042	31,260	29,410	1,850
Q10	Discovery	167,332	42,614	33,878	8,736
Q12	Activities & Events	8,191	1,064	695	369
Q14	Flexible Programme	0	6,165	9,470	-3,305
Q18	Your Park Your Future	0	15,929	8,418	7,511
Recreation & Park Management		222,669	79,102	73,343	5,759
CP7	Sustainable Transport	81,685	-558	-651	93
REC10/11/1	National Trail	62,505	49,280	52,124	-2,844
REC13	Access Officer and Rights of Way	130,206	33,555	31,040	2,515
REC15	Sites Management	115,324	30,317	27,367	2,950
REC16	Local Community & Match Funds	3,229	807	807	0
REC17	Charging Car Parks	-172,330	-40,251	-43,071	2,820
REC24	Rights of Way Improvement Plan	0	5,439	5,227	212
REC26	Recreation Planning	2,050	513	500	13
Rangers, Estates & Volunteers		1,075,848	284,272	263,328	20,944
REC1	Head of Park Delivery	160,493	40,950	38,055	2,895
REC 28	Ranger Services	188,367	46,643	47,249	-606
REC3	North Area	325,598	88,282	84,372	3,910
REC4	West Area	187,833	51,699	49,344	2,355
REC5	South Area	162,607	37,350	34,288	3,062
REC6	Kiln Park Ranger				0
REC7	Castlemartin Ranger	12,054	10,022	11,093	-1,071
SUP10	Estates Management (incl. Surplus Properties)	38,897	9,326	-1,073	10,399

	Revisions To Budgets 2013/14	June 13 Profiled Budget	June 13 Actual & Committed	Variance	
Democratic Representation & Management					
	652,458	155,312	133,272	22,040	
DRM2	DRM2 - Chief Executive's Office	125,133	30,615	29,805	810
DRM1	DRM1 - Corporate Activities & Management	188,724	38,601	27,847	10,754
DRM3	Democratic Representation	257,943	68,262	64,080	4,182
DRM4	National Parks Wales	22,586	15,699	9,511	6,188
DRM5	Corporate Governance	58,071	2,135	2,029	106
Service Management & Support Services					
	1,109,653	284,228	277,672	6,556	
<i>(Memorandum account, recharged to services)</i>					
SUP1	SUP1 - Director of Park Direction & Planning	76,440	18,727	17,932	795
SUP3	SUP3 - Director of Delivery & Discovery	76,306	18,702	17,783	919
SUP5	SUP5 - Reception/Admin Services	87,207	21,363	20,325	1,038
SUP2	SUP2 - Performance Management	56,145	13,584	12,994	590
SUP6	SUP6 - Legal Services	51,250	12,813	13,434	-621
SUP7	SUP7 - Financial Services	134,148	30,249	28,879	1,370
SUP8	SUP8 - IT Services	242,103	68,878	69,383	-505
SUP16	SUP16 - Parc Llanion Park	78,758	23,267	21,756	1,511
SUP12	SUP12 - General Building Maintenance	91,698	23,416	21,349	2,067
SUP13	Projects Team	59,633	14,667	14,214	453
SUP14	SUP14 - Pool Vehicles	16,027	4,008	3,055	953
SUP15	Personnel, Health & Safety, Staff Training	139,938	34,554	36,568	-2,014
SUP17	Support Services Recharges	1,109,653	-248,325	-249,759	1,434
TOTALS					
	6,140,216	1,751,388	1,582,446	168,942	

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Support Services Recharges	-993,299	-248,325	-248,325	0	0%
Net Cost of Services	5,146,917	1,503,063	1,334,121	168,942	11%