

REPORT OF FINANCE MANAGER

SUBJECT: BUDGET PERFORMANCE REPORT 9 MONTHS TO SEPTEMBER 2012

Revenue Budget

The detailed net revenue budget for the 6 months to 30th September 2012 is presented in Appendix 1, with the summary by service area as follows:

	Net Budgets 2012/13	Sept 12 Profiled Budget	Sept 12 Actual & Committed	Variance
Conservation of the Natural Environment	492,229	232,584	219,092	13,492
Conservation of the Historic & Cultural Env't	174,039	85,442	81,445	3,997
Development Management	564,356	278,245	230,868	47,377
Forward Planning & Communities	279,018	230,095	203,992	26,103
Promoting Understanding & Enjoyment	1,258,487	702,987	668,871	13,824
Recreation & Park Management	211,084	15,761	-22,841	38,602
Rangers, Estates & Volunteers	1,053,628	585,791	556,479	29,312
Democratic Representation & Management	656,688	314,738	291,457	23,281
Service Management & Support Services	1,164,410	617,408	584,464	32,944
Support Services Recharges	-1,051,901	-525,948	-519,510	-6,438
Net Cost of Services	4,802,039	2,537,103	2,294,317	222,494

As at 30th September 2012 the Authority's net revenue expenditure was £2,294k, £223k under the profiled budget of £2,537k. The main reasons for the variance of actual expenditure against budget for each Service department are as follows:

- **Conservation of the Natural Environment (£14k under budget).** This variance is due to underspends on Management Agreements and Biodiversity expenditure within the Nature Conservation Budget.
- **Conservation of Historic and Cultural Environment (£4k under budget).** Areas within this service are running very close to budget.
- **Development Management (£47k under budget).** This is the second year the Authority has been awarded a Welsh Government Planning Improvement Fund grant of £60k and as at the end of September this is yet to be fully spent. Planning fee income for the half year of £64k remains on budget although advertising and professional fees are running ahead of budget.

- **Forward Planning & Communities (£26k under budget).** In the 6 months to September the Authority has allocated £232k of SDF grants to 10 different projects. £121k of this spend was carried over from the 2011/12 financial year with £89k remaining unallocated from the current year programme.
- **Promoting Understanding and Enjoyment (£14k under budget).** As shown in the table on page 3 the Merchandise and Admission figures are very much in line with generally lower visitor numbers for the season. At Carew Castle overall income generation is down 20% against both budget and prior year, while at Castell Henllys merchandise sales are down by 11% and admission fees down 6%. However income at Newport is close to budget and at Tenby income has been bolstered by the National Park 60th Anniversary poster sales. At Oriel Y Parc merchandise sales are running approximately 27% above that budgeted and last year's, however with higher than expected salary costs the centre is projected to end the year on budget.

The Authority was awarded a £250k grant from the Big Lottery for the social inclusion project 'Your Park Your Future' which will run over 3 year period. The underspend in Graph Services is due income received from PCC for artwork for a mobile beach unit. The Activities & Events budget underspends is due to savings in Contributor costs and additional income.

- **Recreation & Park Management (£39k under budget).** The table on page 3 shows the total Car Park income at £315k, below of budget by £18k and down £24k for the same period in 2011. The Authority has been in receipt of Visit Wales Sustainable Tourism grant which, while all grant conditions have been met, is yet to be fully spent. Other variances in this service area are due to timing differences.
- **Rangers, Estates & Volunteers (£29k under budget).** The Authority has benefited from income filming at Marloes Beach and Carew Castle Once again this year. In other areas the variance between budget and actual is due to timing differences which should be corrected during the rest of the year.
- **Democratic Representation & Management (£23k under budget).** The variance is mainly due to Member Allowances which have been budgeted for but as yet remain unclaimed. In addition while the National Parks Wales is currently underpsent it is expect that this will be resolved by the end of the financial year.
- **Service Management & Support Services (£33k under budget).** Following the retirement of our solicitor the Authority has arranged the provision of legal services jointly provided by Brecon Beacon National Park, the South West Wales Local Authority Legal Framework and Geldards Solicitors. This arrangement is being closely monitored and is expected to result in savings for the Authority. The new boiler at Llanion has been commissioned, working well and is anticipated it will make significant savings on heating cost for the building. There are likely to be savings within support services over the next few months and these funds will be reallocated to other areas in the course of the next few months.

Income

The table below shows the budget, actual and prior year's merchandise sales, admissions income and car park income as at the end of the second quarter of 2012/13. Overall merchandise sales at £225k are up £9k against both budget and last year. This however has been largely achieved due to additional income at Oriel y Parc, with the other centres sales and admissions being significantly affected by lower visitor numbers. Similarly, with the exception of Saundersfoot, car park income is down against budget and prior year's figures.

<u>2nd Quarter 2012/13 Income Versus Budget & Prior Year</u>					
Merchandise Sales	Budget	Income	Variance	Prior Year	Variance
Carew Income	55,800	44,324	-11,476	54,735	-10,411
Castell Henllys Income	45,200	39,953	-5,247	47,305	-7,353
Oriel Y Parc	83,500	106,624	23,124	82,480	24,144
Newport Information Centre	16,096	15,974	-122	16,760	-786
Tenby Visitor Centre	15,300	17,779	2,479	14,622	3,157
	215,896	224,654	8,758	215,902	8,752
Admission Fees					
Carew Income	76,499	64,815	-11,684	78,932	-14,118
Castell Henllys	50,700	47,654	-3,046	49,435	-1,781
	127,199	112,469	-14,730	128,367	-15,898
Car Park Income					
Car Park Operations	5,500	5,950	450	4,978	973
Saundersfoot Car Park	60,000	69,706	9,706	60,942	8,764
Manorbier Car Park	34,600	26,449	-8,151	39,515	-13,067
Freshwater East Car Park	19,955	16,510	-3,445	21,334	-4,824
Little Haven Car Park	26,800	25,517	-1,283	28,859	-3,342
Broad Haven Car Park	18,936	14,133	-4,803	19,138	-5,006
St Davids Car Park	57,400	53,624	-3,776	58,603	-4,979
Newport Car Park	25,650	20,778	-4,872	19,785	993
Poppit Car Park	20,525	25,169	4,644	24,700	469
Newgale Car Park	18,901	15,239	-3,662	12,501	2,738
Solva Car Park	44,300	41,702	-2,598	48,650	-6,947
	332,567	314,777	-17,790	339,005	-24,228

Revenue Forecast

In the first quarter we reported a forecast underspend for the year of between £150k and £170k and also gave details of how these surpluses would be reallocated. This has been reflected in the table below together with further likely over and underspends. Accordingly the current revenue forecast is a surplus of circa £75k which will again be relocated in the forthcoming months to ensure that Authority ends the financial year close to the original budget surplus of £2k.

2012/13 Budget Forecast	£000's
Original Budget surplus	2
Movements:	
Projected Salary Savings	160
Fleet Leasing Costs	30
Professional Fees	30
Other Support Service savings	30
Sustainable Tourism Surplus Grant	17
Management Agreement Surplus Budget	15
National Trail (due to CCW reduced funding)	10
LDP underspend.	20
Planning Improvement Funds Offset	15
Carew Income Shortfall	-18
Castell Henllys Income Shortfall	-10
Car Park Income	-20
Additional Development Management Professional Fees, Advertising cost & Income shortfall	-30
New South Area Ranger	-15
Cilrhedyn Woodland Centre Income Shortfall	-10
Sub total	226
Less funds previously reallocated:	
Microsoft 2010 systems	-15
The bridge at Nevern Castle	-5
Smart phones and Tablet Computers	-5
Carew Castle improving the interpretation	-30
Walkability Officer	-10
Poppit Sands Car park	-63
Greening the Park initiatives	-22
Castleblythe Common	-6
Revised revenue forecast surplus (subject to reallocation)	75

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 30.09.2012
Project								
Historic Towns Grant Scheme	100,000	50,000	50,000					271
ICT Equipment	20,000			20,000				20,183
Solva / Porthgain Car Parks	300,000	50,000	150,000	100,000				8,444
Poppit Car Park	200,000		57,000	80,000	63,000			2,438
Carew	565,000		400,000	165,000				218,182
Llanion Boiler	42,000	16,667		25,333				33,502
PSBA	60,000			60,000				0
HR System	25,000			25,000				7,363
Origins	380,000		330,000			50,000		0
Car Par Integration	76,900					76,900		0
Electronic Planning / Document Management	100,000					66,666	33,334	0
Finance / POS System	35,000					20,000	15,000	0
Ford Rangers								15,600
Sageston Development								1,423
Total	1,903,900	116,667	£987,000	475,333	63,000	213,566	48,334	307,406

The proposed capital programme remains as previously reported at £1,903,900 which reflects 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. The contract for the refurbishment of Solva & Porthgain was awarded to Colin Richardson Contractors from Gwent. Work started at Solva in early October and is due to commence in Porthgain within the next few weeks. Total project cost is expected to be £300,000 of which the Authority will fund £150,000.
- Poppit Car Parks Improvement. The project is due to commence early in the new year and 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 work on Lesser Hall Roof is due to be completed in the next few weeks and in September we processed the first grant claim of £177k. The second stage of the project is progressing with request for expression of interest for alteration and extension to 'denis' shed' and walled garden being issued in early October.
- Llanion Boiler. The new biomass boiler is fully installed and working.
- 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. Discussions on the details of project are ongoing with CADW.
- Public Sector Broad Band Aggregation (PSBA). It is expected that the PSBA will up and running at the end of the calendar year.
- HR System. Work on the new web based HR system is progressing and it is expected that the start of the roll out to staff will commence by the end of January 2013.
- 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 (EPOS). In the last few months the Authority, in conjunction with Snowdonia National Park, has been reviewing various replacement Finance & EPOS systems. It is anticipated that a decision on the preferred replacement software will be made by the end of the calendar year.
- Ford Rangers. As in previous years, and where it has been cost effective to do so, the Authority has purchased two vehicles at the end of their lease contract.

The Authority's Useable Reserves:

£000's

	Opening Position		Year end Position		Year end Position		Year end Position
	2012/13	Movement 2012 /13	2012/13	Movement 2013 /14	2013/14	Movement 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

The Authority approved the 2011/12 Audited Statement of Accounts on the 26th September 2012 and the opening balances for 2012/13 for its cash backed reserves are as shown in the table above. It is intended to reallocate the current predicted surplus so that the Authority ends the financial year on budget with General Reserve balance of £492k.

In late September the Welsh Government published the 2013/14 Draft Budget which shows the National Park Grant remaining as advised last year, i.e. flat lined and this therefore should result in a 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.

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.

I shall be pleased to address any questions members may have.

Recommendation

Members are invited to ENDORSE the budgetary performance for the 6 months ended 30th Sept 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	September 12 Profiled Budget	September 12 Actual & Committed	Variance
	Conservation of the Natural Environment	492,228	232,584	219,092	13,492
CP2	Cilrhedyn Woodland Centre	122,934	71,150	68,530	2,620
CP3	Coed Cymru & Pren Preseli	19,189	12,416	10,001	2,415
CP5	Nature Conservation	340,320	148,518	140,061	8,457
CP11	Marine Environment	9,785	500	500	0
	Conservation of the Historic & Cultural Env't	174,039	85,442	81,445	3,997
CP6	Conservation Areas & Historic Buildings	69,762	34,182	32,816	1,366
CP10	CP10 - Archaeology, Culture & Heritage	104,277	51,260	48,629	2,631
	Development Management	564,356	278,245	230,868	47,377
CP8	Development Management (incl. Mineral Plan)	564,356	278,245	230,868	47,377
	Forward Planning & Communities	279,018	230,095	203,992	26,103
CP9	Development Planning	242,335	112,085	108,393	3,692
SDEV3	Sustainable Development Delivery	36,684	118,010	95,599	22,411
	Promoting Understanding & Enjoyment	1,258,544	702,987	668,871	13,824
Q17	Head of Discovery	51,717	25,851	24,944	907
CP12	Tourism & Wellbeing Officer	20,647	3,219	2,541	678
Q1	Carew Castle	80,375	20,283	27,867	-7,584
Q3	Castell Henllys	74,716	46,243	47,288	-1,045
Q4	Central Information Services	2,148	27,211	25,936	1,275
Q5	Newport Information Centre	39,904	25,857	29,339	-3,482

Q7	Oriel Y Parc, St David's	296,237	175,236	169,549	5,687
Q15	St David's Cafe	-7,000	-3,500	-3,378	-122
Q13	Tenby National Park Office	94,853	56,647	51,163	5,484
Q8	Coast to Coast	-31,294	14,632	16,059	-1,427
Q9	Communications	319,438	183,350	180,559	2,791
SUP9	SUP9 - Graphic Services	130,552	61,780	58,003	3,777
Q10	Education	143,366	61,217	58,342	2,875
Q12	Activities & Events	14,776	6,545	2,009	4,536
Q14	Flexible Programme	4,520	-4,728	-4,202	-526
Q16	Nevern Castle Project	23,591	3,144	3,144	0
Q18	Your Park Your Future	0	-20,292	-20,292	0
	Recreation & Park Management	211,084	15,761	-22,841	38,602
CP7	Sustainable Transport	80,467	4,221	618	3,603
REC10/11/1	National Trail	57,206	104,723	95,892	8,831
REC13	Access Officer and Rights of Way	120,808	56,722	52,372	4,350
REC15	Sites Management	119,981	39,394	31,975	7,419
REC17	Charging Car Parks	-186,178	-215,669	-219,848	4,179
REC22	Coastal Access Improvements	0	4,250	7,560	-3,310
REC24	Rights of Way Improvement Plan	0	12,720	8,085	4,635
REC25	Sustainable Tourism	16,800	8,400	200	8,200
REC26	Recreation Planning	2,000	1,000	305	695
	Rangers, Estates & Volunteers	1,053,628	585,791	556,479	29,312
REC1	Head of Park Delivery	147,436	75,884	76,521	-637
REC 28	Ranger Services	175,846	92,770	81,383	11,387
REC3	North Area	330,468	172,988	170,413	2,575
REC4	West Area	191,458	107,845	101,979	5,866
REC5	South Area	152,015	79,489	83,092	-3,603
REC7	Castlemartin Ranger	8,630	21,632	16,919	4,713
SUP10	Estates Management (incl. Surplus Properties)	47,775	35,183	26,172	9,011

	Democratic Representation & Management	656,631	314,738	291,457	23,281	
DRM2	DRM2 - Chief Executive's Office	124,178	60,890	59,611	1,279	
DRM1	DRM1 - Corporate Activities & Management	193,787	81,003	71,807	9,196	
DRM3	Democratic Representation	259,998	129,253	122,163	7,090	
DRM4	National Parks Wales	22,305	27,966	22,705	5,261	
DRM5	Corporate Governance	56,363	15,626	15,171	455	
	Service Management & Support Services	1,164,410	617,408	584,464	32,944	
	<i>(Memorandum account, recharged to services)</i>					
SUP1	SUP1 - Director of Park Direction & Planning	74,951	36,717	36,440	277	
SUP3	SUP3 - Director of Delivery & Discovery	75,338	36,916	35,989	927	
SUP5	SUP5 - Reception/Admin Services	85,988	42,132	37,661	4,471	
SUP2	SUP2 - Performance Management	61,003	29,626	26,162	3,464	
SUP6	SUP6 - Legal Services	79,893	76,606	65,063	11,543	
SUP7	SUP7 - Financial Services	130,782	64,083	60,548	3,535	
SUP8	SUP8 - IT Services	246,565	128,178	151,169	-22,991	
SUP16	SUP16 - Parc Llanion Park	85,813	52,444	39,600	12,844	
SUP12	SUP12 - General Building Maintenance	104,462	46,703	37,298	9,405	
SUP13	Projects Team	59,474	27,899	26,713	1,186	
SUP14	SUP14 - Pool Vehicles	11,856	2,760	2,570	190	
SUP15	Personnel, Health & Safety, Staff Training	148,285	73,344	65,251	8,093	
SUP17	Support Services Recharges	0	-525,948	-519,510	-6,438	
	TOTALS	5,853,939	3,063,051	2,813,827	228,932	
	Conservation of the Natural Environment	492,228	232,584	219,092	13,492	5.80%
	Conservation of the Historic & Cultural Env't	174,039	85,442	81,445	3,997	4.68%
	Development Management	564,356	278,245	230,868	47,377	17.03%
	Forward Planning & Communities	279,018	230,095	203,992	26,103	11.34%
	Promoting Understanding & Enjoyment	1,258,544	702,987	668,871	13,824	1.97%
	Recreation & Park Management	211,084	15,761	-22,841	38,602	244.92%
	Rangers, Estates & Volunteers	1,053,628	585,791	556,479	29,312	5.00%
	Democratic Representation & Management	656,631	314,738	291,457	23,281	7.40%
	Service Management & Support Services	1,164,410	617,408	584,464	32,944	5.34%

Support Services Recharges
Net Cost of Services

-1,051,901	-525,948	-519,510	-6,438	1.22%
4,802,038	2,537,103	2,294,317	222,494	8.77%