

REPORT OF FINANCE MANAGER

SUBJECT:
BUDGET PERFORMANCE REPORT 9 MONTHS TO DECEMBER 2013

Revenue Budget

The detailed net revenue budget for the 9 months to 31st December 2013 is presented in Appendix 1, with the summary by service area as follows:

	Net Budget 2013/14	Dec 13 Profiled Budget	Dec 13 Actual & Committed	Variance	% Variance
Conservation of the Natural Environment	552,815	403,784	376,476	27,308	7%
Conservation of the Historic & Cultural Env't	163,035	122,563	111,853	10,710	9%
Development Management	650,620	470,555	425,261	45,294	10%
Forward Planning & Communities	482,696	366,051	385,235	-19,184	-5%
Promoting Understanding & Enjoyment	1,246,858	1,066,315	915,114	151,201	14%
Recreation & Park Management	198,776	239,163	210,864	28,299	12%
Rangers, Estates & Volunteers	1,050,947	833,246	785,240	48,006	6%
Democratic Representation & Management	643,503	490,350	469,345	21,005	4%
Service Management & Support Services	1,126,265	817,959	754,139	63,820	8%
Support Services Recharges	-993,299	-745,461	-745,461		
Net Cost of Services	5,122,215	4,064,525	3,688,066	376,459	9%

As at 31st December 2013 the Authority's net revenue expenditure was £3,688k, £376k under the profiled budget of £4,064k. The main reasons for the variance of actual expenditure against budget for each Service department are as follows:

- **Conservation of the Natural Environment (£27k under budget).** The under spend is due to two posts (1.5 FTE) remaining vacant at the Cilrhedyn Woodland Centre £15k. Despite reduced staff numbers external timber sales are up £8k, 29%, against budget and up £16k versus the same period in 2012/13. Due to long term illness there has been salary and travel expenses savings within the Coed Cymru budget which total £9k. The payment of Management Agreements within the Nature Conservation Budget is on budget.

- **Conservation of Cultural Heritage (£11k under budget).** The under spend in this service area is due to the third quarter service level agreement charge from Dyfed Archaeological Services being outstanding.
- **Development Management (£45k under budget).** Within Development Management there are savings in staffing costs of £25k and £3k in associated travel costs which offset the over spend of £9k on statutory advertising. Planning Fee income at £135k is up £15k versus budget and up £30k on for the comparable period in 2012/13.
- **Forward Planning & Communities (£19k over budget).** The Authority has been awarded a grant of £60k from Theme 1 and £17k from Theme 2 of the Planning Improvement Fund, with cash received to date of £40k. The payment of the Sustainable Development Fund grants as at the end of December is ahead of budget by £50k and it is anticipated that the entire fund will be allocated by the end of the financial year.
- **Promoting & Understanding (£151k under budget).**
The table overleaf shows the budget, actual and prior year's merchandise sales, admissions income and car park income for the 9 months ended 31st December. Merchandise sales at £261k are down £4k versus last year and £3k against budget. At Carew Castle merchandise income, schools income and admission fee income are up against prior year, with sales at Oriel Y Parc, Newport and Tenby TIC's up against budget. Oriel Y Parc staffing and merchandise costs are running ahead of budget but should be closer to budget by the end of the year. Admissions income and merchandise sales at Castell Henllys are down against budget and prior year figures.

Within the Communications & Marketing budget the underspend is due to salary savings together with grant income from Natural Resources Wales for marketing the All Wales Coast Path project. The Discovery budget is under spent due to an officer being funded under the Your Park Your Future grant. The surplus on Your Park Your future includes grant received in advance from the Big Lottery fund.

- **Recreation & Park Management (£28k under budget).** The table on the following page shows Car Park income for the 9 months of £309k, which down £16k versus budget and £7k on 2012/13. While the investment at Poppit car park has yielded significant increases in revenue, the income at the third party managed sites of Saundersfoot and Solva is down against budget and 2012/13.
- **Rangers, Estates & Volunteers (£48k under budget).** Most of the variances between budget and actual in this service area are due to timing differences which should be corrected in the remainder of the year. The good weather during the summer has resulted in a considerable increase in the Authority's rental income at the Caravan Club site in Freshwater East which is up from £13k in 2012/13 to £25k in 2013/14.
- **Democratic Representation & Management (£21k under budget).** Democratic Representation is running £16k below budget after 9 months largely due to savings in members' allowances, conference fees and translations costs. In the Corporate Activities & Management budget there is a surplus of £12k from

reserve for additional salary costs which has been offset with additional professional fees.

- **Service Management & Support Services (£64k under budget)** Although the current underspend is £64k it is anticipated that this will be reduced by the end of the year and with savings across a range of Support Services amounting to £20k

9 months to 31st December 2013 Income Versus Budget & Prior Year					
Merchandise Sales	Budget	Actual Income	Variance	Prior Year	Variance
Carew Income	63,500	53,884	-9,616	48,901	4,983
Castell Henllys Income	52,222	42,227	-9,995	45,408	-3,180
Oriel Y Parc	110,000	121,160	11,160	129,060	-7,900
Newport Information Centre	19,705	21,420	1,715	18,544	2,877
Tenby Visitor Centre	19,000	22,381	3,381	23,369	-988
	264,427	261,072	-3,355	265,281	-4,209
Admission Fees					
Carew Income	83,400	89,279	5,879	71,400	17,879
Castell Henllys	57,500	51,444	-6,056	52,775	-1,331
	140,900	140,723	-177	124,174	16,548
Car Park Income					
Car Park Operations	0	3,722	3,722	5,950	-2,228
Saundersfoot Car Park	63,920	58,108	-5,812	68,539	-10,430
Manorbier Car Park	36,800	36,425	-375	29,806	6,619
Freshwater East Car Park	21,305	17,700	-3,605	18,596	-896
Little Haven Car Park	27,155	28,454	1,299	27,828	626
Broad Haven Car Park	20,436	21,498	1,062	15,296	6,202
St Davids Car Park	39,658	48,057	8,399	41,418	6,639
Newport Car Park	25,752	20,961	-4,791	20,778	182
Poppit Car Park	20,520	37,009	16,489	25,719	11,290
Newgale Car Park	19,701	17,902	-1,799	16,090	1,812
Solva Car Park	50,000	19,401	-30,599	46,403	-27,002
	325,247	309,236	-16,011	316,424	-7,188

Revenue Forecast

As at the end of the third quarter the forecast revenue position for the year suggests a budget surplus of approximately £291k. Given the reduction in the 2014/15 National Park Grant it has been considered prudent not to reallocate this surplus in 2013/14 but to add it to the general reserve balance.

This projected underspend is explained as follows:

2013/14 Budget Forecast	£000's
Original Budget Surplus	6
Movements:	
Salaries: 3rd Qtr	60
Annual Leave Purchased	12
Insurance Premium	21
Planning Improvement Fund Staff Time	10
NI & Pension	30
Support Services	20
Contract Hire Costs	23
Fuel	5
Training	10
Stationary	10
Travel	10
Staff Awards	24
Professional Fees	10
Planning Income	10
Cilrhedyn Timber Sales	10
Staff Time on Storm Damage	20
Revised revenue forecast surplus	291

CAPITAL PROGRAM 2013 / 14

	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 31.12.2013	Total spend to date	Income as at 31.12.2013
Historic Towns Grant Scheme	102,000	96,000	48,000	48,000				96,000	4,495		
ICT – Equipment	20,000	20,000			20,000			20,000			
Public Sector Broadband		8,000			8,000			8,000	7,839		
Carew Site Development	15,000	174,000		95,000	79,000			174,000	125,541	584,401	-56,325
Carew Millpond	90,000										
Carew Mill Roof	70,000										
Carew Furnishings	10,000										
Poppit Car Park	150,000	146,325	21,130	32,000	93,195			146,325	136,094	194,768	-32,591
Greening Park Initiatives	10,000	12,000			12,000			12,000			
Origins	380,000	131,301		65,521	55,780	10,000		131,301	67,956	80,476	
Car Par Integration	76,900										
Planning / Document Management	100,000										
Finance / POS System	45,000	45,000	20,000		25,000			45,000	13,637	23,975	
Porthgain Harbour Walls	3,000										
St Davids Airfield	2,000										
South Team Depot	120,000	120,334			120,334			120,334	120,852	120,852	
HR System		5,464					5,464	5,464	2,718	27,373	
Solva Car Park		11,894	11,894					11,894	11,894	304,545	-3,697
Porthgain Car Park		15,643	15,643					15,643	15,643	15,643	
Total	1,193,900	785,961	116,667	240,521	413,309	10,000	5,464	785,961	506,668	1,364,368	-92,614

The revised capital programme has decreased from the original budget of £1,193k and the £810 advised in the last quarterly report, to £786k. The quarterly movement reflects revision to expenditure on Carew and Llanion Buildings. Of the £786k, £117k will be funded from the WG capital grant, £241k will be funded by external grant sources which includes CADW, Heritage Lottery Fund and Targeted Match Funding (HLF), £413k from Earmarked Reserves, £10k benefit in kind (Origins project) and the balance of £5k from the Capital Receipts Reserve.

Details of the 2013/4 programme are:

- Historic Towns funded 50% by PCNPA and 50% CADW, due to a number of withdrawals from the scheme there is a potential underspend of between £4k and £30k.
- ICT – represents the usual cycle of IT equipment replacement.
- Carew Castle. The project has been completed with the exception of interpretation work on the walled garden. A final payment on the heritage centre (£30k) is due to be paid by the end of January.
- Llanion Buildings. The work on the replacement windows at Llanion HQ has been deferred to in 2014/15.
- 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
- 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. The separate contracts for the main contractors and interpretation work went out to tender in January 2014 and it is expected that they will be awarded by the end of February.
- Finance System / Electronic Point of Sale System. The Authority's new Finance system was successfully implemented in November 2013 and barring a few minor issues is working very well. Work is on going to scope a replacement EPOS system.
- 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.
- HR System. Expenditure on the new web based HR system; the development of the project has been impeded due to long term staff illness however it is expected to be operational by the end of January 2014.
- Solva & Porthgain Car Park Improvement. This final expenditure reflects the completion of both the projects.

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	291	789		789		789
Capital Receipts	247	-5	242		242		242
TOTAL	745	286	1,031		1,031		1,031
Earmarked Reserves:							
Receipts In Advance	174	-174					
Asset Management	37		37		37		37
Llanion Park	25	-12	13		13		13
Local Development Plan	120		120		120		120
Self-Insurance	30		30		30		30
Carew Castle Dev	180	-89	91		91		91
Convergence Funding	4		4		4		4
Poppit Car Park	96	-95	1		1		1
Staff Restructuring	80		80		80		80
IT & 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	-56	131				
Total	1,337	-623	714	-177	406		406
TOTAL	2,082	-337	1,745	-177	1,437		1,437

General Reserves

At the end of the 2012/13 financial year the Authority's audited General Reserve stood at £498k and with the revised forecast surplus of £291k this balance should increase to £789k by the end of 2013/14.

Earmarked Reserves

Earmarked reserves as at 31/3/13 stood at £1,337k and these are expected to fall to £714k at the year end with funds being will be used for 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 systems.

Capital Receipts

Capital Receipts started the year at £247k and £5k 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 9 months ended 31st December 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	December 13 Profiled Budget	December 13 Actual & Committed	Variance
Conservation of the Natural Environment	552,815	403,784	376,476	27,308
Woodlands Management	0			0
Cilrhedyn Woodland Centre	127,805	122,096	103,782	18,314
Coed Cymru & Pren Preseli	28,585	30,097	21,576	8,521
Nature Conservation	388,425	250,091	249,618	473
Marine Environment	8,000	1,500	1,500	0
Conservation of the Historic & Cultural Env't	163,035	122,563	111,853	10,710
Conservation Areas & Historic Buildings	56,910	41,863	40,111	1,752
CP10 - Archaeology, Culture & Heritage	106,125	80,700	71,742	8,958
Development Management	647,092	470,555	425,261	45,294
Development Management (incl. Mineral Plan)	647,092	470,555	425,261	45,294
Forward Planning & Communities	482,696	366,051	385,235	-19,184
Development Planning	247,208	190,021	161,467	28,554
Sustainable Development Fund	200,000			0
Sustainable Development Delivery	235,487	176,030	223,768	-47,738

	Revisions To Budgets 2013/14	December 13 Profiled Budget	December 13 Actual & Committed	Variance
Promoting Understanding & Enjoyment	1,246,858	1,066,315	915,114	151,201
Head of Discovery	52,262	39,163	35,690	3,473
Tourism & Wellbeing Officer	64,010	50,916	32,290	18,626
Carew Castle	70,008	49,271	26,846	22,425
Castell Henllys	82,940	80,118	74,493	5,625
Central Information Services	869	25,603	20,853	4,750
Newport Information Centre	40,989	38,567	37,943	624
Oriel Y Parc, St David's	302,433	255,043	278,051	-23,008
St David's Cafe	-7,000	-6,996	-6,081	-915
Tenby National Park Office	100,245	84,945	75,857	9,088
Coast to Coast	-29,161	-14,345	-25,326	10,981
Communications	282,769	217,458	182,095	35,363
SUP9 - Graphic Services	110,096	82,017	77,289	4,728
Discovery	168,620	124,637	101,287	23,350
Activities & Events	7,555	4,313	3,169	1,144
Flexible Programme	223	17,534	19,788	-2,254
Nevern Castle Project	0	12,000	0	12,000
Your Park Your Future	0	6,071	-19,130	25,201
Recreation & Park Management	198,776	239,163	210,864	28,299
Sustainable Transport	81,685	81,685	80,214	1,471

	Revisions To Budgets 2013/14	December 13 Profiled Budget	December 13 Actual & Committed	Variance
National Trail	54,540	161,079	168,461	-7,382
Access Officer and Rights of Way	122,027	96,224	91,272	4,952
Technical Officer	104,361	69,818	60,530	9,288
Local Community & Match Funds	3,229	2,421	2,421	0
Charging Car Parks	-172,951	-193,087	-203,326	10,239
Mentrol Allan	0			0
Coastal Access Improvements	0			0
Rights of Way Improvement Plan	3,835	19,484	10,792	8,692
Sustainable Tourism	0	0	0	0
Recreation Planning	2,050	1,539	500	1,039
Rangers, Estates & Volunteers	1,050,947	833,246	785,240	48,006
Head of Park Delivery	151,107	115,613	116,792	-1,179
Ranger Services	183,254	134,000	132,959	1,041
North Area	321,732	250,355	235,900	14,455
West Area	179,849	130,011	121,931	8,080
South Area	160,781	122,964	109,159	13,805
Castlemartin Ranger	13,986	25,689	25,200	489
Estates Management (incl. Surplus Properties)	40,239	54,614	43,299	11,315

	Revisions To Budgets 2013/14	December 13 Profiled Budget	December 13 Actual & Committed	Variance
Democratic Representation & Management	643,503	490,350	469,345	21,005
DRM2 - Chief Executive's Office	127,350	93,270	92,362	908
DRM1 - Corporate Activities & Management	173,024	115,653	111,915	3,738
Democratic Representation	262,290	194,328	177,949	16,379
National Parks Wales	22,674	57,841	57,841	0
Corporate Governance	58,164	29,258	29,278	-20
Service Management & Support Services	1,129,793	817,959	754,139	63,820
<i>(Memorandum account, recharged to services)</i>				
SUP1 - Director of Park Direction & Planning	75,477	55,393	54,813	580
SUP3 - Director of Delivery & Discovery	92,251	71,450	58,044	13,406
SUP5 - Reception/Admin Services	87,508	64,307	59,451	4,856
SUP2 - Performance Management	57,053	41,382	39,188	2,194
SUP6 - Legal Services	51,250	38,439	33,837	4,602
SUP7 - Financial Services	135,503	95,285	90,255	5,030
SUP8 - IT Services	249,978	185,719	181,333	4,386
SUP9 - Graphic Services				0
Estates Management (incl. Surplus Properties)				0
SUP16 - Parc Llanion Park	76,121	56,790	48,188	8,602
SUP12 - General Building Maintenance	103,948	62,122	52,696	9,426
Projects Team	61,996	43,997	43,727	270

	Revisions To Budgets 2013/14	December 13 Profiled Budget	December 13 Actual & Committed	Variance	
SUP14 - Pool Vehicles	-2,172	-1,332	-1,870	538	
Personnel, Health & Safety, Staff Training	140,880	104,407	94,477	9,930	
Support Services Recharges	1,129,793	-745,461	-745,461	0	
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TOTALS	6,115,514	4,809,986	4,433,527	376,459	
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Conservation of the Natural Environment	552,815	403,784	376,476	27,308	7%
Conservation of the Historic & Cultural Env't	163,035	122,563	111,853	10,710	9%
Development Management	647,092	470,555	425,261	45,294	10%
Forward Planning & Communities	482,696	366,051	385,235	-19,184	-5%
Promoting Understanding & Enjoyment	1,246,858	1,066,315	915,114	151,201	14%
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Support Services Recharges	-993,299	-745,461	-745,461	0	0%
Net Cost of Services	5,122,215	4,064,525	3,688,066	376,459	9%