

REPORT OF FINANCE MANAGER

SUBJECT:
BUDGET PERFORMANCE REPORT 6 MONTHS TO SEPTEMBER 2013

Revenue Budget

The detailed net revenue budget for the 6 months to 30th September 2013 is presented in Appendix 1, with the summary by service area as follows:

	Net Budget 2013/14	Sept 13 Profiled Budget	Sept 13 Actual & Committed	Variance	% Variance
Conservation of the Natural Environment	551,266	267,473	255,251	12,222	5%
Conservation of the Historic & Cultural Env't	162,311	80,370	63,548	16,822	21%
Development Management	642,977	306,902	296,360	10,542	3%
Forward Planning & Communities	279,246	242,199	164,305	77,894	32%
Promoting Understanding & Enjoyment	1,254,146	739,740	657,226	82,514	11%
Recreation & Park Management	206,327	39,035	-4,602	43,637	112%
Rangers, Estates & Volunteers	1,059,915	570,883	521,627	49,256	9%
Democratic Representation & Management	640,625	324,315	292,871	31,444	10%
Service Management & Support Services	1,123,461	551,704	510,573	41,131	7%
Support Services Recharges	-993,299	-497,610	-497,610	0	
Net Cost of Services	4,926,974	2,625,011	2,259,549	365,462	14%

As at 30th September 2013 the Authority's net revenue expenditure was £2,260k, £365k under the profiled budget of £2,625k. The main reasons for the variance of actual expenditure against budget for each Service department are as follows:

- **Conservation of the Natural Environment (£12k under budget).** The under spend is due to two posts (1.5 FTE) remaining vacant at the Cilrhedyn Woodland Centre (£12k). There are other salary and travel expenses savings within the Coed Cymru budget which total £4k. The payment of Management Agreements within the Nature Conservation Budget is ahead of budget by £7k.
- **Conservation of Cultural Heritage (£17k under budget).** The under spend is due to the second quarter service level agreement charges from Dyfed Archaeological Services being outstanding.

- **Development Management (£11k under budget).** Due to vacant posts staffing costs are under budget by £17k at the half year whereas statutory advertising at £22k is £15k over budget. Planning Fee income at £64k is on budget and up £12k on 2012/13.
- **Forward Planning & Communities (£79k under budget).** The Authority has been awarded a £60k grant from Theme 1 and £17k grant from Theme 2 of the Planning Improvement Fund, with cash received to date of £40k. Currently the Sustainable Development Fund is under spent by £39k but it is anticipated that the entire fund will be allocated by the end of the financial year.
- **Promoting & Understanding (£83k under budget).**
The table overleaf shows the budget, actual and prior year's merchandise sales, admissions income and car park income for the 6 months ended 30th September. In total merchandise sales at £221k are down £4k versus last year and budget. At Carew Castle merchandise income, schools income and admission fee income are up against prior year, with sales at Oriell Parc, Newport and Tenby TIC's up against budget. However admissions income and merchandise sales at Castell Henllys are down against budget and prior year figures. There is a salary saving within the Discovery budget resulting from an officer being funded under the Your Park Your Future grant.
- **Recreation & Park Management (£43k under budget).** The table on the following page shows Car Park income for the half year of £317k, which is up £28k versus budget and slightly up on 2012. However income at the third party managed sites of Saundersfoot and Solva are down against comparators for 2012/13.
- **Rangers, Estates & Volunteers (£49k 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 (£31k under budget).** In the Corporate Activities & Management budget there is a surplus of £12k from reserve for additional salary costs together with an underspend on the staff wellbeing budget of £2k. Other variance should be on budget by the year end.
- **Service Management & Support Services (£41k under budget).** The Authority is yet to be billed for the jointly funded post the PCC of an Arts Officer which is budgeted for under the Directory of Delivery & Discovery. It is anticipated there will be a number of minor underspends across a range of Support Services which in total will be in excess of £10k

2nd Quarter 2013/14 Income Versus Budget & Prior Year					
Merchandise Sales	Budget	Income	Variance	Prior Year	Variance
Carew Income	53,500	48,077	5,423	44,324	-3,753
Castell Henllys Income	46,522	37,774	8,748	39,953	2,178
Oriel Y Parc	93,000	98,581	-5,581	106,624	8,043
Newport Information Centre	16,105	18,881	-2,776	15,974	-2,907
Tenby Visitor Centre	15,200	17,596	-2,396	17,779	183
	224,327	220,909	3,418	224,654	3,744
Admission Fees					
Carew Income	76,200	79,592	-3,392	64,815	14,777
Castell Henllys	52,000	47,303	4,697	47,654	-351
	128,200	126,895	1,305	112,469	14,426
Car Park Income					
Car Park Operations		4,145	-4,145	5,950	1,805
Saundersfoot Car Park	50,000	59,075	-9,075	69,706	10,631
Manorbier Car Park	32,800	34,140	-1,340	26,449	-7,691
Freshwater East Car Park	19,300	15,839	3,461	16,510	670
Little Haven Car Park	24,655	27,712	-3,057	25,517	-2,196
Broad Haven Car Park	18,836	20,986	-2,150	14,133	-6,854
St Davids Car Park	34,658	63,033	-28,375	53,624	-9,408
Newport Car Park	25,700	20,961	4,739	20,778	-182
Poppit Car Park	20,520	37,009	-16,489	25,169	-11,840
Newgale Car Park	18,500	17,579	921	15,239	-2,341
Solva Car Park	44,000	16,489	27,511	41,702	25,213
	288,969	316,968	-27,999	314,777	-2,191

Revenue Forecast

As at the end of the second quarter the forecast revenue position for the year is a budget surplus of approximately £271k. Given the reduction in the 2014/15 National Park Grant it has been considered prudent not to reallocate this surplus in 2013/14.

This projected underspend is explained as follows:

2013/14 Budget Forecast	£000's
Original Budget surplus	6
Movements:	
Salaries:	70
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
Staff Awards	24
Car Park Income	20
Professional Fees	10
Revised revenue forecast surplus	271

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	Spend as at 31.09.2013
Historic Towns Grant Scheme	102,000	100,000	50,000	50,000				786
ICT – Equipment	20,000	20,000			20,000			
Public Sector Broadband		8,000			8,000			11,160
Carew Site Development	15,000	174,000		95,000	79,000			89,690
Carew Millpond	90,000							
Carew Mill Roof	70,000							
Carew Furnishings	10,000	10,000			10,000			
Llanion Building		10,000	10,000					
Poppit Car Park	150,000	146,325	19,130	32,000	95,195			132,031
Greening Park Initiatives	10,000	12,000			12,000			
Origins	380,000	131,301		65,521	55,780	10,000		25,217
Car Par Integration	76,900							
Planning Document Management	100,000							
Finance / POS System	45,000	45,000	20,000		25,000			8,688
Portgain Harbour Walls	3,000							
St Davids Airfield	2,000							
South Team Depot	120,000	120,334			120,334			120,334
HR System		5,464					5,464	5,464
Solva Car Park		11,894	11,894					11,894
Porthgain Car Park		15,643	5,643				10,000	15,643
Total	1,193,900	809,961	116,667	242,521	425,309	10,000	15,464	420,907

The revised capital programme has decreased from the original budget of £1,192k and the £1,272k advised in the last quarterly report, to £810k. The quarterly movement reflects additional expenditure on the completion of the Solva & Porthgain car parks and HR system, together with the deferral of Llanion Buildings repairs until 2014/15 and profiling of the expenditure for the Origins Project across 2013/14 and 2014/15. Of the £810k, £117k will be funded from the WG capital grant, £243k will be funded by external grant sources which includes CADW, Heritage Lottery Fund and Targeted Match Funding (HLF), £425k from Earmarked Reserves, £10k benefit in kind (Origins project) and the balance of £15k from the Capital Receipts Reserve.

Details of the 2013/4 programme are:

- Historic Towns – funded 50% by PCNPA and 50% CADW, funding confirmation has been received from CADW and it is expected that grants will be fully allocated.
- ICT – represents the usual cycle of IT equipment replacement.
- Carew Castle. The expenditure is in respect of Heritage Tourism Convergence Programme project. The final work on the car park was completed by the end of October with interpretation of the walled garden to be completed by the end of the year.
- Llanion Buildings. It had been expected that work on the replacement windows at Llanion HQ would commence this year but the majority of the expenditure will be 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 which commenced in 2012/13 and the final account on the statement of works is due by the end of November 2013.
- 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. Much of the design work has already been completed by Smith Roberts, the appointed architects, and Image Makers the design consultants. It is anticipated that the contract for the main contractors will be going out to tender in by the end of the financial year.
- Car Park Integration. Discussions are in progress with Pembrokeshire County Council to integrate some of our car parking function although the major capital expenditure will not be until 2014/15. This will require an initial capital outlay which 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. It is anticipated that the new Finance system will go live in November 2013 with work on going to scope a replacement EPOS system.
- 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 photovoltaic 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.
- HR System. Expenditure on the new web based HR system; the development of the project has been impeded due to long term staff illness.
- 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	Forecast Movement	Forecast Year end Position
	2012/13	2013/14	2013/14
General Reserves	498	271	769
Capital Receipts	247	-15	232
TOTAL	745	256	1,001
Earmarked Reserves:			
Receipts In Advance	174	-174	
Asset Management	37		37
Llanion Park	25	-12	13
Local Development Plan	120		120
Self-Insurance	30		30
Carew Castle Dev	180	-89	91
Convergence Funding	4		4
Poppit Car Park	96	-95	1
Staff Restructuring	80		80
IT & Public Sector Broadband	28	-28	
National Park Wales	30		30
Finance System	25	-25	
Planning System	100		100
Car Par Integration	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
TOTAL	2,082	-367	1,715

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 £271k this balance should increase to £769k by the end of 2013/14. The draft Welsh Government budget shows significant reduction in funding for National Parks of 8.5% (£405k) in 2014/15 and then a further reduction of 3.8% (£179k) in 2015/16. The reserve, together with the option to access

some of the Earmarked Reserves, will act as cushion for managing the impending reduction in funding.

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 used for various capital and revenue projects including: the Sages ton 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 £15k 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 6 months ended 30th September 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	September 13 Profiled Budget	September 13 Actual & Committed	Variance
Conservation of the Natural Environment		551,266	267,473	255,251	12,222
CP2	Cilrhedyn Woodland Centre	127,805	88,132	76,050	12,082
CP3	Coed Cymru & Pren Preseli	28,585	23,174	18,653	4,521
CP5	Nature Conservation	386,876	154,667	159,048	-4,381
CP11	Marine Environment	8,000	1,500	1,500	0
Conservation of the Historic & Cultural Env't		162,311	80,370	63,548	16,822
CP6	Conservation Areas & Historic Buildings	56,719	27,883	26,786	1,097
CP10	CP10 - Archaeology, Culture & Heritage	105,592	52,487	36,762	15,725
Development Management		642,977	306,902	296,360	10,542
CP8	Development Management (incl. Mineral Plan)	642,977	306,902	296,360	10,542
Forward Planning & Communities		279,246	242,199	164,305	77,894
CP9	Development Planning	244,271	124,986	86,240	38,746
SDEV3	Sustainable Development Delivery	34,974	117,213	78,065	39,148
Promoting Understanding & Enjoyment		#REF!	739,740	657,226	82,514
Q17	Head of Discovery	52,132	26,090	25,054	1,036
CP12	Tourism & Wellbeing Officer	63,642	29,132	21,636	7,496
Q1	Carew Castle	69,985	18,346	2,585	15,761
Q3	Castell Henllys	82,940	47,631	46,311	1,320
Q4	Central Information Services	2,369	30,845	26,959	3,886
Q5	Newport Information Centre	40,989	27,645	25,389	2,256
Q7	Oriel Y Parc, St David's	302,425	170,874	185,109	-14,235
Q15	St David's Cafe	-7,000	-3,498	-4,238	740
Q13	Tenby National Park Office	98,745	60,462	52,995	7,467
Q8	Coast to Coast	-29,161	14,407	15,059	-652

		Revisions To Budgets 2013/14	September 13 Profiled Budget	September 13 Actual & Committed Variance	
Q9	Communications	280,701	148,922	145,157	3,765
SUP9	SUP9 - Graphic Services	122,504	56,982	52,299	4,683
Q10	Discovery	166,276	83,624	66,882	16,742
Q12	Activities & Events	7,555	2,104	591	1,513
Q14	Flexible Programme	44	12,174	10,799	1,375
Q16	Nevern Castle Project	#REF!	6,000		6,000
Q18	Your Park Your Future	0	8,000	-15,361	23,361
Recreation & Park Management		206,327	39,035	-4,602	43,637
CP7	Sustainable Transport	81,685	701	-552	1,253
REC10/11/	National Trail	54,540	106,328	118,394	-12,066
REC13	Access Officer and Rights of Way	121,178	63,770	56,875	6,895
REC15	Sites Management	112,761	49,075	42,766	6,309
REC16	Local Community & Match Funds	3,229	1,614	1,614	0
REC17	Charging Car Parks	-172,951	-196,976	-227,779	30,803
REC24	Rights of Way Improvement Plan	3,835	11,754	3,580	8,174
REC25	Sustainable Tourism	0	1,743	0	1,743
REC26	Recreation Planning	2,050	1,026	500	526
Rangers, Estates & Volunteers		1,059,915	570,883	521,627	49,256
REC1	Head of Park Delivery	160,582	81,989	78,129	3,860
REC 28	Ranger Services	183,058	90,546	94,057	-3,511
REC3	North Area	321,732	176,461	160,486	15,975
REC4	West Area	180,099	84,479	72,956	11,523
REC5	South Area	160,781	82,151	75,024	7,127
REC6	Kiln Park Ranger				0
REC7	Castlemartin Ranger	13,986	21,693	20,298	1,395
SUP10	Estates Management (incl. Surplus Properties)	39,678	33,564	20,677	12,887

	Revisions To Budgets 2013/14	September 13 Profiled Budget	September 13 Actual & Committed	Variance	
Democratic Representation & Management					
	640,625	324,315	292,871	31,444	
DRM2	DRM2 - Chief Executive's Office	125,160	61,257	59,609	1,648
DRM1	DRM1 - Corporate Activities & Management	173,024	85,656	72,180	13,476
DRM3	Democratic Representation	261,695	131,706	121,432	10,274
DRM4	National Parks Wales	22,674	30,046	24,165	5,881
DRM5	Corporate Governance	58,071	15,650	15,485	165
Service Management & Support Services					
	1,126,208	551,704	510,573	41,131	
<i>(Memorandum account, recharged to services)</i>					
SUP1	SUP1 - Director of Park Direction & Planning	76,457	37,492	36,256	1,236
SUP3	SUP3 - Director of Delivery & Discovery	91,455	52,859	36,126	16,733
SUP5	SUP5 - Reception/Admin Services	87,329	42,848	40,466	2,382
SUP2	SUP2 - Performance Management	56,253	27,276	25,877	1,399
SUP6	SUP6 - Legal Services	51,250	25,626	24,421	1,205
SUP7	SUP7 - Financial Services	134,757	64,815	57,855	6,960
SUP8	SUP8 - IT Services	244,893	125,497	121,504	3,993
SUP16	SUP16 - Parc Llanion Park	76,106	37,702	31,647	6,055
SUP12	SUP12 - General Building Maintenance	91,698	35,966	38,255	-2,289
SUP13	Projects Team	61,667	29,276	28,730	546
SUP14	SUP14 - Pool Vehicles	13,805	2,863	5,395	-2,532
SUP15	Personnel, Health & Safety, Staff Training	140,538	69,484	64,041	5,443
SUP17	Support Services Recharges	1,126,208	-497,610	-497,610	0
TOTALS					
	#REF!	3,122,621	2,757,159	365,462	
	Conservation of the Natural Environment	551,266	267,473	255,251	12,222 5%
	Conservation of the Historic & Cultural Env't	162,311	80,370	63,548	16,822 21%
	Development Management	642,977	306,902	296,360	10,542 3%
	Forward Planning & Communities	279,246	242,199	164,305	77,894 32%
	Promoting Understanding & Enjoyment	#REF!	739,740	657,226	82,514 11%

	Revisions To	September 13	September 13		
	Budgets	September 13	Actual &		
	2013/14	Profiled Budget	Committed	Variance	
Recreation & Park Management	206,327	39,035	-4,602	43,637	112%
Rangers, Estates & Volunteers	1,059,915	570,883	521,627	49,256	9%
Democratic Representation & Management	640,625	324,315	292,871	31,444	10%
Service Management & Support Services	1,126,208	551,704	510,573	41,131	7%
Support Services Recharges	-993,299	-497,610	-497,610	0	
Net Cost of Services	#REF!	2,625,011	2,259,549	365,462	14%