

**REPORT OF FINANCE MANAGER**

**SUBJECT:**  
**BUDGET PERFORMANCE REPORT 6 MONTHS TO SEPTEMBER 2011**

**Revenue Budget**

The detailed net revenue budget for the 6 months to 30<sup>th</sup> September 2011 is presented in Appendix 1, with the summary by service area as follows:

	Net Budgets 2011/12	Sept 11 Profiled Budget	Sept 11 Actual & Committed	Variance
<b>Conservation of the Natural Environment</b>	693,834	346,766	333,059	13,707
<b>Conservation of the Historic &amp; Cultural Env't</b>	192,650	87,427	85,941	1,486
<b>Development Management</b>	633,615	301,989	264,071	37,918
<b>Forward Planning &amp; Communities</b>	390,026	148,594	54,062	94,532
<b>Promoting Understanding &amp; Enjoyment</b>	1,102,470	623,501	518,581	104,920
<b>Recreation &amp; Park Management</b>	354,027	94,721	857	93,864
<b>Rangers, Estates &amp; Volunteers</b>	788,214	428,075	374,135	53,940
<b>Democratic Representation &amp; Management</b>	614,257	293,435	287,832	5,603
<b>Service Management &amp; Support Services</b>	1,218,352	39,697	12,046	27,651
<b>Net Cost of Services</b>	<b>5,987,446</b>	<b>2,364,205</b>	<b>1,930,584</b>	<b>433,621</b>

As at 30th September 2011 the Authority's net revenue expenditure was £1,931k, £434k under the profiled budget of £2,364. The main reasons for the variance of actual expenditure against budget are increased Car Park income, grants received in advance including the S.D.F. carried forward from 2010/11 and the profiling of the budget against the actual expenditure. Details of each Service department are as follows:

- **Conservation of the Natural Environment (£14k under budget).** At Cilrhedyn Woodland Centre external sales of timber furniture to the public at £25k up £14k, or 127%, against the same period last year. The Authority is in receipt of a grant of £6k from South Hook LNG which it is yet to allocate to an environment project.

- **Conservation of Cultural Heritage (£1k under budget).** Areas within this service are running to budget.
- **Development Management (£38k under budget).** After a competitive screening the Authority has been awarded £60k from the Welsh Government Planning Improvement Fund (PIF). The majority of this grant will be spent on external contractors but an element will be used to pay for in house training. The payment of this grant in advance currently offsets a shortfall in planning fees which at £60k is down £24k against budget and £12k versus the same period in 2010.
- **Forward Planning & Communities (£95k under budget).** In Development Planning it is anticipated that grant income from P.I.F. will result in savings of approximately £10k in the LDP budget. The surplus within the Sustainable Development Fund is due to grants carried over from 2010/11 which were committed but not issued.
- **Promoting & Understanding (£105k under budget).** At Carew Castle admissions fees and merchandise sales are both slightly below last year's figures. However admissions fees and merchandise sales at Castell Henllys are above budget & last year's figures. Income at Tenby & Newport TIC's are on budget and in line with last year's. At Oriel y Parc merchandise sales are above that budgeted which, coupled with salary savings, results in an under spend of £11k versus budget. (A forecast for the centre income is contained in Appendix 2).

Within the Communications budget the under spend is due to a grant of £14k received in advance from C.C.W. to market the All Wales Coast Path. Additional income from schools programmes at £4.5k, up £2k over budget, together with contributions from Planned & The Friends of The National Park explain the under spend of £12.7k in the Education Service. The under spend in the Flexible Programme budget is again due to grant in advance from P.C.C. to fund the Walkability Officer for the full year. The Authority has a surplus on the Nevern Castle Project grant brought forward from 2010/11 and it is anticipated these funds will be spent in this financial year.

- **Recreation & Park Management (£93k under budget).** The Car Park incomes at £339k are ahead of budget by £89k and up by £66k for the same period in 2010 (see Appendix 3 for details). Other variances in this service area are due to timing differences.
- **Rangers, Estates & Volunteers (£54k under budget).** The favourable variance in the Estates management Budget is due to the filming licences granted to several film production companies including Snow White & The Huntsman (£30k) & Richard II (£7k). Once again the other variances between budget and actual are due to timing differences which should be corrected during the course of the year.
- **Democratic Representation & Management (£6k under budget).** Variances are due to timing differences.

- **Service Management & Support Services (£27k under budget).** The variance arises from a range of support services but should be rectified over the course of the year.

## Forecasted Revenue Position

The forecasted revenue position for the end of the financial year shows a surplus of £125k and is broken down as follows:

<b>Description</b>	<b>£000's</b>
Budget surplus	22
<b>Movements:</b>	
Salaries savings from early retirement	90
Reduction in the Authority's insurance premium	15
Reduction in Llanion Park cleaning contract costs	5
Planning Improvement Funds allocated to training supplied internally	10
Local Development Plan Savings	20
Car Park Income	80
Filming Income	45
Additional grant income from CCW for coast path work	20
Annual Leave Purchased	11
Early Retirement Costs (2011/12)	-115
Revenue funds used for Capital Expenditure	-56
<b>Revised revenue forecast surplus</b>	<b>125</b>

## **Capital Budget**

The 2011/12 Capital Programme is presented below:

<b>CAPITAL PROGRAMME 2011/12 Project</b>	<b>Budget 2011/12</b>	<b>Revised Budget 2011/12</b>	<b>Funded by WG grant</b>	<b>Funded by Other Grant</b>	<b>Funded by PCNPA</b>	<b>Actual Spend as at 30.09.2011</b>
Historic Towns Grant Scheme	100,000	100,000	50,000	50,000	0	0
ICT – Equip't	20,000	20,000			20,000	7,466
On going Car Park Improvements / Green Seas	50,000	1,000			1,000	802
Carew Castle Improvement scheme (CADW Convergence Fund)	50,000	35,000			35,000	395
Carew Mill Pond Wall		70,000	66,667		3,333	
Llanion Boiler Walls & Windows	20,000	90,000			90,000	1,668
Sageston Development						39,038
Land Rover		11,100			11,100	0
St Davids Toilet Block					0	3,523
<b>Total</b>	<b>240,000</b>	<b>327,100</b>	<b>116,667</b>	<b>50,000</b>	<b>160,433</b>	<b>52,891</b>

The budgeted capital programme has been amended since the last quarter's report to take into consideration the deferment of the Car Park improvement work at Poppit to 2012/13 and the inclusion of the remedial work for the Carew Mill Pond walls. The latest forecast expenditure has therefore increased from the original budget of £240,000 to £327,100. The revised spend will be funded by, Earmarked Reserves £104,000, £50,000 CADW grant, the WAG capital grant of £116,667 and the balance of £56,433 from Capital Receipts or General Reserves.

Details of the 2011/12 programme are:

- Historic Towns – funded 50% by PCNPA and 50% CADW (funding confirmation received from CADW)
- ICT – represents the usual cycle of IT equipment replacement.
- Car Park Improvement / Green Seas – deferred to 2012/12
- Carew Castle Development – The main design contract was awarded to Pembroke Design in September and phase one of the design is expected to be completed by the end of the financial year. This is a Convergence fund

scheme of circa £600,000 involving replacing the portacabins, improving car parking facilities and work on the Lesser Hall roof. The details of this project are still under discussion with CADW. The total Authority contribution is expected to be £200,000 for which there is an earmarked reserve.

- Llanion Boiler, Wall & Buildings. Following the energy efficiency study into 'Greening Up' the Authority's building, additional funds have been allocated for work on Llanion. Work on replacing windows at the rear of the building is due to commence shortly. Due to uncertainty regarding the rebating regulations on the proposed new biomass boiler this expenditure may be delayed until the next financial year.
- Carew Mill Pond Walls. Further to the statutory 10 year report engineers have identified urgent remedial work needs for the Mill Pond walls. It is anticipated that this work will be completed before the end of the calendar year.
- Sageston Development. This expenditure represents costs in bringing the land to a marketable condition. These development costs are expected to be in the region of £60k - £70k and will be recoverable against the proceeds of sale of the land.
- Land Rover. The Authority has taken the opportunity to purchase a Land Rover which is it was using under a lease agreement. It is expected the purchase should have a pay back within 3 years and result in revenue savings thereafter.
- Oriol Y Parc Toilets – This represents a final retention payment 12 months after the project completion.

## The Authority's Useable Reserves:

£000's

	Opening Balance 1 April 11	Forecasted Movement 2011/12	Forecasted Closing Balance 31 March 2012	Forecasted Closing Balance 31 March 2013	Forecasted Closing Balance 31 March 2014
<b>General Reserves</b>	<b>483.5</b>	<b>125.0</b>	<b>608.5</b>	<b>638.5</b>	<b>602.5</b>
<b>Capital Receipts</b>	<b>215.1</b>	<b>50.3</b>	<b>265.4</b>	<b>265.4</b>	<b>265.4</b>
<b>Earmarked Reserves</b>					
Asset Management	37		37	37	37
I.C.T.	39.8		39.8	39.8	39.8
Llanion Park	69.2	-69.2			
Planning	120		120	70	70
Self-insurance	30		30		
Carew Castle Development	200	-35	165		
Convergence Funding	100		100		
Receipts in Advance	148.6	-148.6			
Poppit Sands Car Park	30		30		
Staff Restructuring	70		70	30	10
Public Sector Broadband	60	-60			
	<b>904.6</b>	<b>-312.8</b>	<b>591.8</b>	<b>176.8</b>	<b>156.8</b>
<b>Total Useable Reserves</b>	<b>1603.2</b>	<b>-151.8</b>	<b>1465.7</b>	<b>1080.7</b>	<b>1024.7</b>

### **General Reserves**

In September 2011 the W.A.O. confirmed the Authority's Reserves balances at the end of the financial year 2010/11 were as detailed above. The current year revenue forecast of surplus of £125k means the balance on the General Reserve should increase to £608.5k by the end of 2011/12. The indicative revenue budgets for 2012/13 and 2013/14 suggest that the General Reserve balance should be £602.5k as at 31<sup>st</sup> March 2014.

### **Capital Receipts**

The compensation from the Welsh Government on the compulsory purchase order of the Authority's former Canaston Bridge car park has been agreed at £26k. The Authority sold land at Bonivilles Court, Saunderfoot (£14k), and there have also been disposals to the National Trust of Garn Fawr and Maidenhall Car Parks at £5k each. The Balance brought forward at the start of the year was £215k so this reserve will accordingly increase to £265k by the end of the year.

### **Earmarked Reserves**

Earmarked Reserves at the beginning of this financial year were £904.6k. While the Earmarked Reserves currently appear relatively high the forecast for the next few years, as detailed above, indicate the reserve will reduce considerably.

### **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 30<sup>th</sup> September 2011 as presented in this report.

*(Further information is available from the Financial Manager Richard Griffiths, on 01646 624815 – email [richardg@pembrokeshirecoast.org.uk](mailto:richardg@pembrokeshirecoast.org.uk))*

# APPENDIX 1

	Revisions To Budgets 2011/12	September 11 Profiled Budget	September 11 Actual & Committed	Variance	
<b>Conservation of the Natural Environment</b>					
	<b>693,834</b>	<b>346,766</b>	<b>333,059</b>	<b>13,707</b>	
CP1	Woodlands Management	179,191	88,144	88,061	83
CP2	Cilrhedyn Woodland Centre	112,586	58,105	56,388	1,717
CP3	Coed Cymru & Pren Preseli	22,908	25,833	23,013	2,820
CP5	Nature Conservation	373,182	174,184	165,097	9,087
CP11	Marine Environment	5,966	500	500	0
<b>Conservation of the Historic &amp; Cultural Env't</b>					
	<b>192,650</b>	<b>87,427</b>	<b>85,941</b>	<b>1,486</b>	
CP6	Conservation Areas & Historic Buildings	99,841	51,630	50,092	1,538
CP10	CP10 - Archaeology in the Park	92,809	35,797	35,849	-52
<b>Development Management</b>					
	<b>633,615</b>	<b>301,989</b>	<b>264,071</b>	<b>37,918</b>	
CP8	Development Management (incl. Mineral Plan)	633,615	301,989	264,071	37,918
<b>Forward Planning &amp; Communities</b>					
	<b>390,026</b>	<b>148,594</b>	<b>54,062</b>	<b>94,532</b>	
CP9	Development Planning	287,797	127,075	114,387	12,688
SDEV2	Sustainable Development Fund (£250,000 grant)	95,689			0
SDEV3	Sustainable Development Delivery	6,540	21,519	-60,325	81,844
<b>Promoting Understanding &amp; Enjoyment</b>					
	<b>1,102,470</b>	<b>623,501</b>	<b>518,581</b>	<b>104,920</b>	
Q1	Carew Castle	72,943	24,426	9,257	15,169
Q3	Castell Henllys	102,125	55,385	45,027	10,358
Q4	Central Information Services	2,487	31,223	32,207	-984
Q5	Newport Information Centre	34,462	23,277	25,527	-2,250
Q7	Oriel Y Parc, St David's	192,246	114,391	103,010	11,381
Q15	St David's Cafe	-9,578	-9,577	-6,194	-3,383
Q13	Tenby National Park Office	71,411	52,500	46,234	6,266
Q8	Coast to Coast	-31,796	4,309	4,175	134
Q9	Communications	317,087	137,600	125,223	12,377
SUP9	SUP9 - Graphic Services	147,736	72,175	63,838	8,337
Q10	Education	151,817	82,850	70,054	12,796
Q12	Activities & Events	22,683	13,839	10,553	3,286
Q14	Flexible Programme	4,450	-3,294	-11,096	7,802
Q16	Nevern Castle Project	24,397	24,397	766	23,631
<b>Recreation &amp; Park Management</b>					
	<b>354,027</b>	<b>94,721</b>	<b>857</b>	<b>93,864</b>	
CP7	Sustainable Transport	82,159	4,106	1,418	2,688
REC10/	National Trail	64,804	112,064	101,354	10,710
REC13	Access Officer and Rights of Way	140,571	73,125	72,240	885
REC15	Sites Management	173,015	68,886	67,211	1,675
REC16	Local Community & Match Funds	2,605	1,302	1,302	0
REC17	Charging Car Parks	-116,627	-168,332	-252,655	84,323
REC19	Mentro Allan	0	0	5,400	-5,400
REC24	Rights of Way Improvement Plan	0	0	4,587	-4,587
REC25	Sustainable Tourism	6,800	3,220	0	3,220
REC26	Recreation Planning	700	350	0	350
<b>Rangers, Estates &amp; Volunteers</b>					
	<b>788,214</b>	<b>428,075</b>	<b>374,135</b>	<b>53,940</b>	
REC1	Recreation Officer	138,983	72,388	69,947	2,441
REC3	North Area	211,474	105,982	104,119	1,863
REC4	West Area	205,136	104,150	104,181	-31
REC5	South Area	151,457	77,489	73,812	3,677
REC7	Castlemartin Ranger	10,123	17,789	19,075	-1,286
SUP10	Estates Management (incl. Surplus Properties)	71,040	50,277	3,001	47,276



	<b>Democratic Representation &amp; Management</b>	<b>614,257</b>	<b>293,435</b>	<b>287,832</b>	<b>5,603</b>
<b>DRM2</b>	DRM2 - Chief Executive's Office	139,681	76,623	76,420	203
<b>DRM1</b>	DRM1 - Corporate Activities & Management	164,068	68,364	68,279	85
<b>DRM3</b>	Democratic Representation	234,202	113,026	109,915	3,111
<b>DRM4</b>	National Parks Wales	21,023	16,431	14,316	2,115
<b>DRM5</b>	Corporate Governance	55,283	18,991	18,902	89
	<b>Service Management &amp; Support Services</b>	<b>1,218,352</b>	<b>39,697</b>	<b>12,046</b>	<b>27,651</b>
	<i>(Memorandum account, recharged to services)</i>				
<b>SUP1</b>	SUP1 - Head of Conservation Services	75,760	36,655	36,635	20
<b>SUP3</b>	SUP3 - Head of Recreation & Communication	74,948	36,131	36,654	-523
<b>SUP5</b>	SUP5 - Reception/Admin Services	99,087	49,181	44,350	4,831
<b>SUP2</b>	SUP2 - Performance Management	57,463	28,076	26,532	1,544
<b>SUP6</b>	SUP6 - Legal Services	60,854	28,912	28,949	-37
<b>SUP7</b>	SUP7 - Financial Services	129,708	61,827	59,982	1,845
<b>SUP8</b>	SUP8 - IT Services	258,878	139,652	132,527	7,125
<b>SUP16</b>	SUP16 - Parc Llanion Park	108,251	54,956	52,116	2,840
<b>SUP12</b>	SUP12 - General Building Maintenance	98,280	51,416	51,078	338
<b>SUP13</b>	Projects Team	118,802	59,268	57,953	1,315
<b>SUP14</b>	SUP14 - Pool Vehicles	11,521	5,751	2,467	3,284
<b>SUP15</b>	Personnel, Health & Safety, Staff Training	124,799	61,292	55,734	5,558
	<b>Support Services Recharges</b>	<b>1,218,352</b>	<b>-573,420</b>	<b>-572,931</b>	<b>-489</b>
	<b>TOTALS</b>	<b>5,987,446</b>	<b>1,790,785</b>	<b>1,930,584</b>	<b>433,621</b>
	<b>Conservation of the Natural Environment</b>	<b>693,834</b>	<b>346,766</b>	<b>333,059</b>	<b>13,707</b>
	<b>Conservation of the Historic &amp; Cultural Env't</b>	<b>192,650</b>	<b>87,427</b>	<b>85,941</b>	<b>1,486</b>
	<b>Development Management</b>	<b>633,615</b>	<b>301,989</b>	<b>264,071</b>	<b>37,918</b>
	<b>Forward Planning &amp; Communities</b>	<b>390,026</b>	<b>148,594</b>	<b>54,062</b>	<b>94,532</b>
	<b>Promoting Understanding &amp; Enjoyment</b>	<b>1,102,470</b>	<b>623,501</b>	<b>518,581</b>	<b>104,920</b>
	<b>Recreation &amp; Park Management</b>	<b>354,027</b>	<b>94,721</b>	<b>857</b>	<b>93,864</b>
	<b>Rangers, Estates &amp; Volunteers</b>	<b>788,214</b>	<b>428,075</b>	<b>374,135</b>	<b>53,940</b>
	<b>Democratic Representation &amp; Management</b>	<b>614,257</b>	<b>293,435</b>	<b>287,832</b>	<b>5,603</b>
	<b>Service Management &amp; Support Services</b>	<b>1,218,352</b>	<b>39,697</b>	<b>12,046</b>	<b>27,651</b>
	<b>Net Cost of Services</b>	<b>5,987,446</b>	<b>2,364,205</b>	<b>1,930,584</b>	<b>433,621</b>

## APPENDIX 2

### Centre Income Comparison 2011/12

Centre	Apr to Sept 2010	Apr to Sept 2011	(+/-)
Carew Castle	56,741	54,735	-2,006
Castle Henllys	44,062	47,290	3,228
Info Centre - General	1,577	2,304	727
Info Centre - General (PCNPA)	9,619	7,688	-1,931
Oriel Y Parc	76,797	82,480	5,683
Newport	16,819	16,759	-60
Tenby	14,428	14,621	193
	<b>220,043</b>	<b>225,877</b>	<b>5,834</b>

### Projected Centre Income 2011/12

Centre	Apr to Sept 2011	Oct 2010 to March 2011	Projected Income 2011/12
Carew Castle	54,735	4,976	59,711
Castle Henllys	47,290	9,763	57,053
Info Centre - General	2,304	0	2,304
Info Centre - General (PCNPA)	7,688	2,167	9,855
Oriel Y Parc	82,480	19,343	101,823
Newport	16,759	4,662	21,421
Tenby	14,621	4,244	18,865
	<b>225,877</b>	<b>45,155</b>	<b>271,032</b>

**Projected 2011/12 Income against 2011/12 budget**

<b>Centre</b>	<b>Budget</b>	<b>Income</b>	<b>Variance</b>
Carew Castle	67,719	59,711	-8,008
Castle Henllys	52,367	57,053	4,686
Info Centre - General	5,332	2,304	-3,028
Info Centre - General (PCNPA)	14,931	9,855	-5,076
Oriel Y Parc	107,111	101,823	-5,288
Newport	20,591	21,421	830
Tenby	20,000	18,865	-1,135
	<b>288,051</b>	<b>271,032</b>	<b>-17,019</b>

**Admissions Income 2011/12**

<b>Centre</b>	<b>Apr to Sept 2010</b>	<b>Apr to Sept 2011</b>	<b>(+/-)</b>
Carew Castle	79,133	78,932	-201
Castell Henllys	45,432	49,435	4,003
	<b>124,565</b>	<b>128,367</b>	<b>3,802</b>

**Projected Income 2011-12**

<b>Centre</b>	<b>Apr to Sept 2011</b>	<b>Oct 2010 to March 2011</b>	<b>Projected Income 2011/12</b>
Carew Castle	78,932	7,800	86,732
Castell Henllys	49,435	8,742	58,177
	<b>128,367</b>	<b>16,542</b>	<b>144,909</b>

**Projected 2011/12 Income against 2011/12 budget**

<b>Centre</b>	<b>Budget</b>	<b>Income</b>	<b>Variance</b>
Carew Castle	78,906	86,732	7,826
Castell Henllys	55,842	58,177	2,335
	<b>134,748</b>	<b>144,909</b>	<b>10,161</b>

## APPENDIX 3

### Car Park Income Comparison 2011/12

Car Park	Apr to Sept 2010	Apr to Sept 2011	(+/-)
Saundersfoot	56,258	60,942	4,684
Manorbier	29,487	39,515	10,028
Freshwater East	17,531	21,333	3,802
Little Haven	23,001	28,859	5,858
Broad Haven	15,141	19,138	3,997
St Davids	50,213	58,603	8,390
Newport	28,857	19,785	-9,072
Poppit	18,885	24,700	5,815
Newgale	8,454	12,500	4,046
Solva	20,108	48,650	28,542
	<b>267,935</b>	<b>334,025</b>	<b>66,090</b>

### Projected Car Park Income 2011/12

Car Park	Apr to Sept 2011	Oct 2010 to Mar 2011	Projected income 2011/12
Saundersfoot	50,232	15,990	66,222
Manorbier	32,635	5,754	38,389
Freshwater East	18,324	3,880	22,204
Little Haven	22,666	5,489	28,155
Broad Haven	16,466	4,172	20,638
St Davids	47,273	14,485	61,758
Newport	18,525	4,230	22,755
Poppit	22,341	2,332	24,673
Newgale	10,276	1,338	11,614
Solva	37,319	7,939	45,258
	<b>276,057</b>	<b>65,609</b>	<b>341,666</b>

Projected 2011/12 Income against 2011/12 Budget			
Car Park	Budget	Income	Variance
Saundersfoot	64,920	66,222	1,302
Manorbier	23,380	38,389	15,009
Freshwater East	23,863	22,204	-1,659
Little Haven	24,116	28,155	4,039
Broad Haven	19,496	20,638	1,142
St Davids	34,650	61,758	27,108
Newport	25,756	22,755	-3,001
Poppit	20,525	24,673	4,148
Newgale	10,000	11,614	1,614
Solva	15,001	45,258	30,257
	<b>261,707</b>	<b>341,666</b>	<b>79,959</b>