

REPORT OF FINANCE MANAGER

SUBJECT: BUDGET PERFORMANCE REPORT 9 MONTHS TO DECEMBER 2012

Revenue Budget

The detailed net revenue budget for the 9 months to 31st December 2012 is presented in Appendix 1, with the summary by service area as follows:

	Net Budgets 2012/13	Dec 12 Profiled Budget	Dec12 Actual & Committed	Variance	%
Conservation of the Natural Environment	498,837	358,512	351,494	7,018	2.0%
Conservation of the Historic & Cultural Env't	174,216	128,355	122,098	6,257	4.9%
Development Management	593,944	437,671	384,767	52,904	12.1%
Forward Planning & Communities	260,201	339,996	306,718	33,278	9.8%
Promoting Understanding & Enjoyment	1,251,648	974,288	949,987	27,548	2.8%
Recreation & Park Management	216,691	224,258	221,638	2,620	1.2%
Rangers, Estates & Volunteers	1,068,364	863,659	813,100	50,559	5.9%
Democratic Representation & Management	661,199	487,924	447,221	40,703	8.3%
Service Management & Support Services	1,166,399	867,539	809,509	58,030	6.7%
Support Services Recharges	-	-788,922	-779,265	-9,657	1.2%
Net Cost of Services	4,839,599	3,893,280	3,627,267	266,013	6.9%

As at 31st December 2012 the Authority's net revenue expenditure was £3,627k, £266k under the profiled budget of £3,893k. The main reasons for the variance of actual expenditure against budget for each Service department are as follows:

- **Conservation of the Natural Environment (£7k under budget).** While external sales of Timber at the Cilrhedyn Woodland are under budget, the savings in the salary costs following the retirement of a member of staff has more than compensated this. Funding from Pembrokeshire County Council for the Coed Cymru Officer (circa £10k) was withdrawn during the year but the Authority has managed to absorb this shortfall.
- **Conservation of Historic and Cultural Environment (£6k under budget).** The Authority ran another successful Archaeology day at Pembrokeshire College this year and the income from which has contributed to the surplus in this service.
- **Development Management (£53k under budget).** Planning fee income for the 9 months of £104k is up £9k on the same period last year although down £5k against

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 December this is yet to be fully spent. It is anticipated that salary costs charged to the grant will result in saving of approximately £25k for the year.

- **Forward Planning & Communities (£33k under budget).** In the 9 months to December the Authority has allocated £226k of SDF grants with £121k of this spend carried over from the 2011/12. Currently £70k of 2012/13 funding is yet to be allocated and may be carried forward to 2013/14.
- **Promoting Understanding and Enjoyment (£28k under budget).** As shown in the table on page 3 the Merchandise and Admission figures reflect lower visitor numbers for the season. At Carew Castle merchandise sales are down 22% against budget and 20% versus prior year, while admission income is down 15% against budget and 17% against last year. The development work can explain some reduction but most of it is due to lower visitor numbers. At Castell Henllys merchandise sales are down by 12% and admission fees down 5% versus budget. Income is also down 5% at Newport while income at Tenby is up 28% and has been bolstered by the National Park 60th Anniversary poster sales. At Oriel Y Parc merchandise sales are running approximately 24% above that budgeted and up 21% on last year.

Coast to Coast advertising income the year is likely to be in the region of £74k down £12k from £86k in 2011/12. The contract for the 2013/14 publication went out to tender in November 2012 and was awarded to Polestar Print UK Ltd. The under spend in Graph Services is due savings in photocopying digital aerial costs and income received from PCC for artwork for a mobile beach unit. The Activities & Events and Discovery budget underspends are due to savings in contributor costs and additional income.

- **Recreation & Park Management (£3k under budget).** The table on page 3 shows the total Car Park income at £316k, below the budget by £12k and down £30k for the same period in 2011/12. Other variances in this service area are due to timing differences and grants income outstanding or received in advance.
- **Rangers, Estates & Volunteers (£51k under budget).** Once again this year the Authority has benefited from income filming at Marloes Beach and Carew Castle. 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 (£41k under budget).** The variance is mainly due to Member Allowances which have been budgeted for but as yet remain unclaimed. While the National Parks Wales budget is currently under spent it is expect that this will be resolved by the end of the financial year. Within the Corporate Governance the under spend is due to outstanding invoices due from the Wales Audit Office.
- **Service Management & Support Services (£58k under budget).** The under spend with Building Services will be eliminated by the end of the year but there are likely to be savings within a number of othersupport services.

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 third quarter. Overall merchandise sales at £265k are up £9k against budget and £8k versus last year. This however has been largely achieved due to additional income at Oriel y Parc and Tenby with the other centres struggling to meet sales targets. Admissions fee income is significantly affected by lower visitor numbers particularly at Carew Castle.

Saundersfoot and Poppit are the only car parks where income is up against both budget and last year's although Newgale and Newport car parks are ahead of prior year's figures.

9 months to 31st December 2012 Income Versus Budget & Prior Year					
Merchandise Sales	Budget	Income	Variance	Prior Year	Variance
Carew Income	62,800	48,901	-13,899	60,402	-11,501
Castell Henllys Income	51,479	45,408	-6,071	52,820	-7,412
Oriel Y Parc	103,500	129,060	25,560	106,521	22,539
Newport Information Centre	20,196	18,544	-1,652	20,148	-1,604
Tenby Visitor Centre	18,100	23,369	5,269	17,195	6,175
	256,075	265,281	9,206	257,085	8,196
Admission Fees					
Carew Income	83,899	71,400	-12,499	87,035	-15,636
Castell Henllys	56,100	52,775	-3,325	54,440	-1,665
	127,199	112,469	-15,825	128,367	-17,301
Car Park Income					
Car Park Operations	0	5,950	5,950	7,811	-1,861
Saundersfoot Car Park	64,920	68,539	3,619	68,512	27
Manorbier Car Park	37,387	29,806	-7,581	42,247	-12,442
Freshwater East Car Park	21,705	18,596	-3,109	22,882	-4,286
Little Haven Car Park	28,155	27,828	-327	30,315	-2,487
Broad Haven Car Park	20,536	15,296	-5,240	19,838	-4,542
St Davids Car Park	39,758	41,418	1,660	43,506	-2,088
Newport Car Park	25,756	20,778	-4,978	19,785	993
Poppit Car Park	20,525	25,719	5,194	24,700	1,019
Newgale Car Park	20,001	16,090	-3,911	13,273	2,817
Solva Car Park	50,000	46,403	-3,597	54,183	-7,780
	328,743	316,424	-12,319	347,052	-30,628

Revenue Forecast

In the first half of the year we reported a forecast underspend for the year of approximately £226k and which projects these surpluses would be reallocated. This has been reflected in the table below together with further likely over and underspends and now results in the net revenue forecast is a surplus of circa £188k. It is expected that these additional surpluses will be used to create further earmarked reserves for: a Pembrokeshire Tourism Digital Tourism bid to develop a mobile App for county, a contingency for repair works on the Carew Mill Pond Walls and for the purchase of the South Team Ranger premises. Consequently the latest revenue forecasted position will be in line with budget.

2012/13 Budget Forecast	£000's
Budget surplus	2
Movements:	
Projected Salary Savings	160
Fleet Costs	39
Professional Fees	30
Management Agreement	15
National Trail (CCW reduced funding)	10
Oriel Y Parc Income	10
Carew Income Shortfall	-22
Castell Henllys	-10
Car Park Income	-20
D .M. Additional Development Management Professional Fees, Advertising cost & Income shortfall	-20
Pension Strain W E Evans	-22
Llanion utilities	12
Training	12
Coast to Coast income shortfall	-12
Legal Services / Fees	28
Corporate Activities	29
Communications Dept	20
Discovery Dept	20
South Area Ranger	-15
Cilrhedyn Net savings	10
Local Development Plan savings	20
Graphics Dept Other income, Photocopying & Digital aerial	8
Planning Improvement Funds Offset	25
Other savings	10
Sub total	339

2012/13 Budget Forecast continued	
Less Funds Reallocated	
Microsoft 2010 systems	-15
Smart phones and Tablet Computers	-5
Carew Castle Improving Interpretation	-30
Walkability Officer	-10
Poppit Sands Car park	-63
Greening the Park initiatives	-22
Castleblythe Common	-6
Revenue forecast surplus	188
Proposed Earmarked Reserves	
South Haven Depot	-120
Digital Tourism	-25
Carew Millpond wall	-41
Revised revenue forecast surplus	2

The 2012/13 Capital Programme is presented below:

Capital Programme 2012/13	Budget 2012/13	Revised Budget 2012/13	Funded by WG grant	Funded by Other Grant	Funded by PCNPA EMR	Funded by PCNPA General Reserves 2012/13	Spend as at 31.12.12	Income as at 31.12.12
Project								
Historic Towns Grant Scheme	100,000	100,000	50,000	50,000			7,322	
ICT – Equipment	20,000	35,000			35,000		20,183	
ICT - Smart Phones		5,000				5000		
Solva / Porthgain Car Parks	300,000	310,000	50,000	150,000	100,000	10000	130,362	-5,167
Poppit Car Park	137,000	50,000		20,500	29,500		2,779	
Carew	565,000	565,000		400,000	165,000		325,204	-118,067
Llanion Boiler	42,000	42,000	16,667		25,333		37,084	
Greening Park Initiatives		22,000				22,000		
PSBA	60,000	60,000			60,000		26,479	
HR System	25,000	25,000			25,000		20,864	
Origins	380,000	15,000		15,000				
Car Par Integration	76,900							
Electronic Planning / Document Management	100,000							
Finance / POS System	35,000	15,000		15,000				
Ford Rangers		15,600				15,600	15,600	
Sageston Development		2,929				2,929	2,929	
Total	1,840,900	1,262,529	116,667	650,500	439,833	55,529	588,805	-123,234

The proposed capital programme has reduced from an original budget of £1,840,900 to a latest forecast of £1,262,529. This reflects partial or complete deferment of the following projects from 2012/13 to 2013/14: Poppit Sand Car Park, Origins, Car Park Integration and Electronic Planning Documentation. The table also reflects the additional allocation of funds to: ICT projects, Greening Park Initiatives, the Ford Rangers and Sageston Development.

The total spend of £1,262,529, will be funded £116,667 from the WG capital grant, £650,500 funded by external grants (which includes £50,000 CADW grant), £439,833 from Earmarked Reserves, and the balance from current year revenues budget surpluses. 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 refurbishment work at Solva Car Park is now complete and Porthgain is also expected to be completed within the next few weeks. Total project cost is expected to be £300,000 of which the Authority will fund £150,000 and the rest grant funded.
- Poppit Car Parks Improvement. 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. The scheme will commence in March but, due to issues outside the control of the Authority will, not be completed until May
- Carew Castle Development. The work on Lesser Hall Roof is due to be complete and payment for the first grant claim of £118k was received in December 2012. The second claim of £181k was made in January 2013. The Contract for the second stage of the project, extension to 'denis' shed' and walled garden, was awarded to WJG Evans in November and is on time and to budget.
- Llanion Boiler. The new biomass boiler is fully installed and working. The application for the Renewable Heat Incentive scheme rebate program was successful and rebates for the biomass pellets will commence from December 2012.
- 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 contract for the Interpretation Plan for Castell Henllys was awarded in January 2013 to Red Kite Consultancy of Stroud and the remaining expenditure will be rolled forward to 2013/14.
- Public Sector Broad Band Aggregation (PSBA). There remains some uncertainty as to whether the PSBA project will now be completed in the current financial year.
- HR System. Work on the new web based HR system is progressing and the roll out to staff commenced in 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. Tenders were received in January 2013 and the Finance team are undertaking further reviews and evaluation of the

preferred supplier. This includes site visits to Cardiff University and Peak District NPA. The contract is expected to be awarded by March 2013.

- 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.
- Sageston Development. Further costs of £3k have been received in respect of the Sageston Development. Cumulatively circa £70k has been incurred in preparation of the development of the site for future disposal.

The Authority's Useable Reserves:

£000's

	Year end Position		Year end Position		Year end Position		Year end Position
	2011/12	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	-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					
South Team Depot		120	120	-120			
Digital Tourism project		25	25				
Carew Millpond walls		41	41				
TOTAL EMR	1418	-444	974	-417	491		491
TOTAL	2,157	-442	1,715	-416	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.

Capital Receipts

The Authority started the year with a Capital Receipts balance of £249k. It had been previously reported the funds from for the South Team Depot would be sourced from this reserve, however with the additional projected revenue underspends, it is proposed to make an earmarked reserve to cover this cost.

Earmarked Reserves

Earmarked Reserves at the beginning of this financial year were £1,418k. It is expected that £630k of Earmarked Reserves will be released in 2012/13, predominantly to cover the 2012/13 Capital Expenditure Program as detailed above. In addition the creation of 3 further reserves is planned for the South Team Depot, Digital Tourism Project and Carew Millpond Walls so the end of year balance will be £974k.

Recommendation

Members are invited to ENDORSE the budgetary performance for the 9 months ended 30th Dec 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	December 12 Profiled Budget	December 12 Actual & Committed	Variance	
	Conservation of the Natural Environment	142,423	358,512	351,494	7,018	2.0%
CP2	Cilrhedyn Woodland Centre	123,234	102,178	97,704	4,474	4.4%
CP3	Coed Cymru & Pren Preseli	19,189	20,045	18,124	1,921	9.6%
CP5	Nature Conservation	0	235,789	235,166	623	0.3%
CP11	Marine Environment	0	500	500	0	0.0%
	Conservation of the Historic & Cultural Env't	174,566	128,355	122,098	6,257	4.9%
CP6	Conservation Areas & Historic Buildings	69,897	51,602	49,821	1,781	3.5%
CP10	CP10 - Archaeology, Culture & Heritage	104,669	76,753	72,277	4,476	5.8%
	Development Management	594,217	437,671	384,767	52,904	12.1%
CP8	Development Management (incl. Mineral Plan)	594,217	437,671	384,767	52,904	12.1%
	Forward Planning & Communities	260,704	339,996	306,718	33,278	9.8%
CP9	Development Planning	223,772	162,843	170,447	-7,604	-4.7%
SDEV3	Sustainable Development Delivery	36,933	177,153	136,271	40,882	23.1%
	Promoting Understanding & Enjoyment	1,252,845	974,288	949,987	27,548	2.8%
Q17	Head of Discovery	52,152	38,850	37,956	894	2.3%
CP12	Tourism & Wellbeing Officer	20,647	1,931	257	1,674	86.7%
Q1	Carew Castle	78,521	54,975	63,138	-8,163	-14.8%
Q3	Castell Henllys	74,716	71,300	72,800	-1,500	-2.1%
Q4	Central Information Services	2,148	24,116	24,075	41	0.2%
Q5	Newport Information Centre	39,904	35,071	41,957	-6,886	-19.6%
Q7	Oriel Y Parc, St David's	296,237	243,295	245,019	-1,724	-0.7%
Q15	St David's Cafe	-7,000	-3,500	-2,005	-1,495	42.7%
Q13	Tenby National Park Office	94,853	79,921	72,441	7,480	9.4%

		Revisions To Budgets 2012/13	December 12 Profiled Budget	December 12 Actual & Committed	Variance	
Q8	Coast to Coast	-31,294	-21,407	-3,408	-17,999	84.1%
Q9	Communications	320,262	248,991	249,350	-359	-0.1%
SUP9	SUP9 - Graphic Services	120,429	85,460	74,391	11,069	13.0%
Q10	Discovery	143,853	98,784	89,878	8,906	9.0%
Q12	Activities & Events	14,308	9,618	5,680	3,938	40.9%
Q14	Flexible Programme	4,520	98	4,785	-4,687	-4782.7%
Q16	Nevern Castle Project	28,591	6,785	6,785	0	0.0%
Q18	Your Park Your Future	0	3,247	-33,112	36,359	1119.8%
	Recreation & Park Management	136,263	224,258	221,638	2,620	1.2%
CP7	Sustainable Transport	0	80,166	76,558	3,608	4.5%
REC10/11/1	National Trail	57,206	153,296	154,910	-1,614	-1.1%
REC13	Access Officer and Rights of Way	120,991	91,493	83,256	8,237	9.0%
REC15	Sites Management	119,981	68,825	60,891	7,934	11.5%
REC16	Local Community & Match Funds	760	567	567	0	0.0%
REC17	Charging Car Parks	-181,475	-200,817	-190,013	-10,804	5.4%
REC22	Coastal Access Improvements	0	2,297	17,938	-15,641	-680.9%
REC24	Rights of Way Improvement Plan	0	14,331	17,026	-2,695	-18.8%
REC25	Sustainable Tourism	16,800	12,600	200	12,400	98.4%
REC26	Recreation Planning	2,000	1,500	305	1,195	79.7%
	Rangers, Estates & Volunteers	1,068,461	863,659	813,100	50,559	5.9%
REC1	Head of Park Delivery	150,166	115,807	116,249	-442	-0.4%
REC 28	Ranger Services	178,488	133,124	131,981	1,143	0.9%
REC3	North Area	330,468	254,363	245,474	8,889	3.5%
REC4	West Area	195,374	154,039	134,067	19,972	13.0%
REC5	South Area	157,314	122,978	117,024	5,954	4.8%
REC7	Castlemartin Ranger	8,632	26,331	18,974	7,357	27.9%
SUP10	Estates Management (incl. Surplus Properties)	48,019	57,017	49,331	7,686	13.5%

		Revisions To Budgets 2012/13	December 12 Profiled Budget	December 12 Actual & Committed	Variance	
	Democratic Representation & Management	643,253	487,924	447,221	40,703	8.3%
DRM2	DRM2 - Chief Executive's Office	125,001	91,225	88,976	2,249	2.5%
DRM1	DRM1 - Corporate Activities & Management	174,678	116,244	106,114	10,130	8.7%
DRM3	Democratic Representation	260,619	194,205	187,961	6,244	3.2%
DRM4	National Parks Wales	26,510	47,811	35,747	12,064	25.2%
DRM5	Corporate Governance	56,445	38,439	28,423	10,016	26.1%
	Service Management & Support Services	1,162,500	867,539	809,509	58,030	6.7%
	<i>(Memorandum account, recharged to services)</i>					
SUP1	SUP1 - Director of Park Direction & Planning	75,034	55,123	55,090	33	0.1%
SUP3	SUP3 - Director of Delivery & Discovery	75,473	55,508	54,451	1,057	1.9%
SUP5	SUP5 - Reception/Admin Services	86,841	64,016	60,811	3,205	5.0%
SUP2	SUP2 - Performance Management	61,206	44,495	39,308	5,187	11.7%
SUP6	SUP6 - Legal Services	79,899	61,409	50,081	11,328	18.4%
SUP7	SUP7 - Financial Services	131,211	96,551	91,117	5,434	5.6%
SUP8	SUP8 - IT Services	246,878	186,590	207,949	-21,359	-11.4%
SUP16	SUP16 - Parc Llanion Park	85,813	67,743	53,195	14,548	21.5%
SUP12	SUP12 - General Building Maintenance	104,462	74,387	50,373	24,014	32.3%
SUP13	Projects Team	60,116	42,319	42,093	226	0.5%
SUP14	SUP14 - Pool Vehicles	6,702	9,233	4,893	4,340	47.0%
SUP15	Personnel, Health & Safety, Staff Training	148,865	110,165	100,148	10,017	9.1%
SUP17	Support Services Recharges	0	-788,922	-779,265	-9,657	1.2%
	TOTALS	5,435,233	4,682,202	4,406,532	278,917	6.0%
	Conservation of the Natural Environment	142,423	358,512	351,494	7,018	2.0%
	Conservation of the Historic & Cultural Env't	174,566	128,355	122,098	6,257	4.9%
	Development Management	594,217	437,671	384,767	52,904	12.1%
	Forward Planning & Communities	260,704	339,996	306,718	33,278	9.8%

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Promoting Understanding & Enjoyment	1,252,845	974,288	949,987	24,301	2.5%
Recreation & Park Management	136,263	224,258	221,638	2,620	1.2%
Rangers, Estates & Volunteers	1,068,461	863,659	813,100	50,559	5.9%
Democratic Representation & Management	643,253	487,924	447,221	40,703	8.3%
Service Management & Support Services	1,162,500	867,539	809,509	58,030	6.7%
Support Services Recharges	-1,051,901	-788,922	-779,265	-9,657	1.2%
Net Cost of Services	4,383,332	3,893,280	3,627,267	266,013	6.8%