

REPORT OF FINANCE MANAGER

SUBJECT:
BUDGET PERFORMANCE REPORT 9 MONTHS TO DECEMBER 2016

Revenue Budget

The detailed net revenue budget for the 9 months to 31st December 2016 is presented in Appendix 1, with the summary by service area as follows:

	Net Budget 2016/17	Dec 16 Profiled Budget	Dec 16 Actual & Committed	Variance	% Variance
Conservation of the Natural Environment	408,625	277,446	296,960	-19,514	-7.0%
Conservation of the Historic & Cultural Env't	191,164	162,978	131,963	31,015	19.0%
Development Management	521,593	383,237	335,307	47,930	12.5%
Forward Planning & Communities	439,612	326,007	297,010	28,997	8.9%
Promoting Understanding & Enjoyment	1,015,668	899,545	850,753	48,792	5.4%
Recreation & Park Management	194,340	229,742	214,505	15,237	6.6%
Rangers, Estates & Volunteers	1,044,668	832,222	786,581	45,641	5.5%
Democratic Representation & Management	594,216	478,413	410,033	68,380	14.3%
Service Management & Support Services	1,046,251	763,135	727,466	35,669	4.7%
Support Services Recharges	-988,149	-741,113	-741,112	-1	0.0%
Net Cost of Services	4,467,987	3,611,612	3,309,466	302,146	8.4%

As at 31st December 2016 the Authority's net revenue expenditure was £3,309k, £302k (8.4%) under the profiled budget of £3,611k for the 9 month period. The main reasons for the variance of actual expenditure against budget for each Service department are as follows:

- **Conservation of the Natural Environment (£20k over budget).** Cilirhedyn Woodland Centre's internal & external sales are down £28k versus budget and £7k against last year. This however has been mitigated by reduced operating costs of £11k. The Nature Conservation Budget is running £9k above budget due to the Biodiversity grants running ahead of the schedule.
- **Conservation of Cultural Heritage (£31k under budget).** The retirement of the Authority's Archaeologist has resulted in savings in salaries and associated costs

in the Archaeology Services budget. A Community Archaeologist (0.6 role) has been appointed and is due to be starting in February 2017.

- **Development Management (£48k under budget).** Within Development Management planning fee income at £120k is down £8k versus budget but is on a par with the 2015/16 figures. Unbudgeted pre-application fee income of £10k together with savings in salaries (£21k), statutory advertising (£8k), refund of legal expenses (£6k) travel costs (£3k) and other savings contribute to the underspend.
- **Forward Planning & Communities (£29k under budget).** The under spend is mainly due to the difference between the actual spend of £74k for Sustainable Development Fund grants and a half year budget spend of £91k; all available funds for 2016/17 have been allocated. Following the closure of the Regional Housing Enabler scheme the authority received a rebate of £12k from the surplus program funds which has been credited back to the Development Planning budget.
- **Promoting & Understanding (£49k under budget).**
The table that follows on page 4 shows the budget, actual and prior year's merchandise sales, admissions income and car park income for the 9 months ended 31st December 2016. Total merchandise sales are down £7k versus budget and £17k versus the prior year. While both Carew Castle and Newport TIC are exceeding budget, income at Oriol y Parc and Castell Henllys income is down £13.5k and £11k respectively versus budget. Total admission fee income at Carew Castle and Castell Henllys is £15k above budget but down £11k on 2015/16. Admission fee income at Carew continues it's very positive upward trend over the last few years increasing by £45k (62%) from the similar period in 2012/13.

The Communications department costs are running below budget by £22k mainly due to the extended maternity leave for the Communications and Marketing Manager. After a relatively slow up take the Coast to Coast advertising income is now running at £83k for the 2017 publication which is very close to budgeted income of £86k. The lease at Oriol Y Parc café was renegotiated in November 2016 and this resulted in an up lift in the rental payment; it is up £5k on budget. The Authority received a £8k grant from Groundwork UK under the Bags of Help scheme for the Portfield Gate Community Woodland project. The third cohort of trainees on the Heritage Lottery Fund funded Skills in Action program joined the Authority in September. This 3 year project funds 5 trainees each year to help them develop their skills and career opportunities in the area of land management. The Authority is also expected to receive a further £10k from Ramblers Cymru during the year to help support the very popular Walkability scheme.

- **Recreation & Park Management (£15k under budget).** The table that follows shows Car Park income for the 9 months at £409k, which is up £35k on budget and up £8k on 2015/16. With the exception of Freshwater East and Newgale income at all other car parks are close to or above budget. Pembrokeshire County Council has reduced their budget for the Greenways Bus scheme so

according to the Authority's contribution has also reduced. Other savings in the service are in the Technical Officer, National Trail & Rights of Ways areas.

- **Rangers, Estates & Volunteers (£46k under budget).** There is an under spend in the Estates Management budget of £15k, mainly due to increased concession income (£4k) and other income from filming licences (£5k). Other budget variances within this service should be corrected during the remainder of the financial year.
- **Democratic Representation & Management (£68k under budget).** In Corporate Activities & Management there are underspends in the advertising & promotion and corporate events budgets. The Corporate Governance budget is currently showing a surplus of £23k due to invoices outstanding from Wales Audit Office. In the Democratic Management budget there are savings from members' expenses, provisions and translation costs and the National Parks Wales budget is also behind profile spend by £19k.
- **Service Management & Support Services (£36k under budget).** The major variances in Service management & Support Services are due to Legal services (£8k), I.T. (£11k), Llanion Park (£9k) General Building Maintenance (£4k) and Personnel & Training (£4k). These variances should be corrected by the end of the financial year.

2016/17 3rd Quarter Income Versus Budget & Prior Years											
Merchandise Sales	Budget	Income	Variance	2015/16	Variance	2014/15	Variance	2013/14	Variance	2012/13	Variance
Carew Income	65,658	76,038	10,380	75,651	387	68,669	7,369	53,884	22,154	49,464	26,574
Castell Henllys Income	47,500	36,515	-10,985	44,185	-7,670	36,369	146	42,227	-5,712	47,725	-11,210
Oriel Y Parc	112,525	98,939	-13,586	107,492	-8,553	138,686	-39,747	121,160	-22,221	145,625	-46,686
Newport Information Centre	21,942	29,523	7,581	29,218	305	27,057	2,466	21,420	8,103	20,313	9,210
Tenby Visitor Centre	23,415	22,524	-891	23,812	-1,288	26,476	-3,952	22,381	143	25,959	-3,435
	271,040	263,539	-7,501	280,358	-16,819	297,257	-33,718	261,072	2,467	289,086	-25,547
Admission Fees											
Carew Income	102,056	118,818	16,762	116,885	1,932	99,139	19,679	89,279	29,539	73,323	45,495
Castell Henllys	56,629	54,938	-1,691	67,447	-12,509	60,226	-5,288	51,444	3,494	54,798	140
	158,685	173,756	15,071	184,332	-10,576	159,365	14,391	140,723	33,033	128,121	45,635
Car Park Income											
Car Park Operations	5,000	4,548	-452	7,958	-3,410	10,109	-5,561	3,722	826	9,085	-4,537
Saundersfoot Car Park	59,920	75,914	15,994	68,529	7,385	65,911	10,003	58,108	17,806	30,232	45,682
Manorbier Car Park	37,389	40,578	3,189	39,957	621	41,153	-575	36,425	4,153	29,505	11,073
Freshwater East Car Park	25,704	19,013	-6,691	21,822	-2,809	26,333	-7,320	17,700	1,313	40,895	-21,882
Little Haven Car Park	29,155	35,216	6,061	36,126	-910	32,144	3,072	28,454	6,762	25,719	9,497
Broad Haven Car Park	21,638	21,520	-118	21,387	133	22,871	-1,351	21,498	22	70,958	-49,438
St Davids Car Park	75,000	76,928	1,928	77,100	-172	74,706	2,222	68,057	8,871	18,918	58,010
Newport Car Park	18,757	18,863	106	15,697	3,166	26,361	-7,498	20,961	-2,098	15,541	3,322
Poppit Car Park	36,524	44,919	8,395	34,623	10,296	36,657	8,262	37,009	7,910	20,778	24,141
Newgale Car Park	19,500	17,664	-1,836	19,946	-2,282	18,646	-982	17,902	-238	16,329	1,335
Solva Car Park	45,000	53,843	8,843	57,120	-3,277	19,583	34,260	19,401	34,442	46,403	7,440
	373,587	409,006	35,419	400,265	8,741	374,474	34,533	329,236	79,769	324,363	84,643

2016 / 17 Revenue Forecast

As at the end of the third quarter, the forecast revenue position for the 2016/17 year is a budget surplus of approximately £102k and is versus an original budget surplus of nil. This projected surplus is explained as follows:

2016/17 Budget Forecast as at Dec 16	£000's	£000's
Budget Surplus		Nil
Movements:		
Expenditure savings/ costs		
Staff Savings	114	
Contract Hire	12	
National Trail	-10	
Other	20	136
Additional Income		
Additional Car Park Income	35	
Centre Sales	-3	
Admissions	15	47
Earmarked Reserves		
Stitch in Time	-25	
The Pathways project	-35	
Skills in Action	-15	-75
Contribution to Capital Expenditure	-6	-6
Revised revenue forecast surplus		102

Capital Programme 2016/17

	Draft Budget 2016/17	Revised 2016/17	Funded by EMR	Funded by other Grants	General Reserve	Spend as at 31.12.2016
ICT – Equipment	10,000	10,000	10,000			
Carew Interpretation	4,000					
Castell Henllys Roundhouses	10,000	10,000	10,000			5,807
Greening Park Initiatives	10,000	5,000	5,000			
Fleet Replacement	10,000	18,100		12,500	5,600	18,100
Car Par Integration	76,900					
Planning / Document Management	30,000	40,000	40,000			
National Park Access Capital 2016/17:						745
Little Haven car Park		40,000		40,000		350
Castell Henllys Refurb Pant Glas		10,000	10,000			
Angle Gabion Repairs		40,000		40,000		1,167
Total	150,900	173,100	75,000	92,500	5,600	26,169

The capital programme has increased from the original budget of £150.9k to a revised budget of £173.1k. This is due to the inclusion of a major car park refurbishment programme, predominately funded by a Welsh Government grant, and the deferment of the Car Park Integration project. The Fleet replacement expenditure has increased from £10k to £18.1k; the program also now includes work at the Gabion Walls in Angle and refurbishment work at Castell Henllys.

Details of the capital programme are:

- ICT – represents the usual cycle of IT equipment replacement.
- Carew Interpretation. This addition work planned for the interpretation of the walled gardens has been deferred to 2017/18.
- Castell Henllys Round House. Work on the demolition of one of the Round Houses commenced during the summer and is anticipated will be completed by the end of this financial year. It is expected that the rebuild will be undertaken in the summer of 2017.
- Greening Park Initiatives. This reflects the Authority continuing plans to allocate funds to energy saving green projects.
- Fleet Replacement. When it has been seen to be appropriate to do so the Authority purchases vehicles at the end of their contract hire agreements; during the year a Mini Bus, formally used by Your Park Your Future programme, and a Mitsubishi Outlander were acquired. It is expected these purchases should have a pay back within 3 years and result in revenue savings thereafter.
- Car Park Integration. This project has been deferred.
- Electronic Planning / Document Management Systems (DMS). The Authority has undertaken an extensive review of the DMS suitable to its needs and concluded that the system provide by Agile would be most appropriate, (details of the project are included in a separate paper for members approval). The overall project cost is circa £63k of which £40k is expected to be spent in 2016/17 financial year.
- National Park Access Capital 2016/2017. In June of this year the Authority submitted a bid for a National Park Access Capital grant and it has recently received an offer of a grant from the Welsh Government of £133k. The expenditure in 2016/17 will be in respect of Little Haven Car Park at £40k.
- Refurbishment work at Castell Henllys. The expenditure is in respect of refurbishing the Pant Glas building to create additional office space and potential more retail capacity.
- Gabion Walls Angle. In March 2016 the Welsh Government awarded the Authority an Access Grant of £105k. The grant was in respect of a number of specific projects that included repairs to the gabion wall revetment of the byway

at Point House lane, Angle. The Authority approved this project in September and work is scheduled for spring 2017.

The Authority's Useable Reserves £000's

	Year end Position		Year end Position
	2015/16	Movement 2016/17	2016/17
General Reserves	702	102	804
Capital Receipts	281	3	284
TOTAL	983	105	1,088
Earmarked Reserves:			
Receipts In Advance	171		171
Asset Management	37	-37	
Llanion Park	2	-2	
Planning (Local Development Plan)	209	-16	193
Self-Insurance	30		30
Staff Restructuring	420	-40	380
I.T.	19	-9	10
National Park Wales	90		90
Planning System	100	-40	60
Car Park Refurbishment	77		77
Invasive Species Eradication Program	10	-10	
Memorial Donations	3		3
Round Houses	100	-10	90
SDF	200	-72	128
Machinery For Delivery	10	-10	
BioDiversity	11	-11	
NPG Reduction	100		100
Car Park Resurfacing	100		100
Planning Enforcement	100		100
Stitch in Time		25	25
The Pathways project		35	35
Skill in Action		15	15
TOTAL	1,789	-182	1,607
TOTAL	2,772	-77	2,695

General Reserves

The audited statements of accounts as at 31st March 2016 verified that the Authority's General Reserve stood at £702k. The forecasted surplus for the year is expected to be £102k and the reasons for this surplus are given on page 5. Accordingly the reserve is expected to increase to £804k at the end of the current financial year.

Earmarked Reserves

Earmarked reserves as at 31/3/16 stood at £1,789k and these are expected to fall by £182k to £1,607k at the year end. The 2016/17 spend will be used for various capital and revenue projects. The Authority has also approved the creation of three further reserves for the Stitch in Time, Pathways project and Skills in Action II projects.

Capital Receipts

Capital Receipts started the year at £281k, and up to the end of December 2016 the only sale was in relation to land at Briar Bank, Poppit Sands for £3K.

Recommendation

Members are invited to **NOTE** the budgetary performance for the 9 months ended 31st December 2016 as presented in this report.

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

Appendix 1

	Revisions To Budgets 2016/17	December 16 Profiled Budget	December 16 Actual & Committed	Variance
Conservation of the Natural Environment	408,625	277,446	296,960	-19,514
Cilrhedyn Woodland Centre	59,997	47,930	57,788	-9,858
Nature Conservation	343,324	225,537	234,672	-9,135
Marine Environment	5,305	3,979	4,500	-521
Conservation of the Cultural Heritage	191,164	162,978	131,963	31,015
Invasive Species	3330	10,549	10,549	0
Conservation Areas & Historic Buildings	58,755	42,826	41,578	1,248
CP10 - Archaeology, Culture & Heritage	129,079	109,603	79,836	29,767
Development Control	521,593	383,237	335,307	47,930
Development Management (inc Mineral Plans)	521,593	383,237	335,307	47,930
Forward Planning & Communities	439,612	326,007	297,010	28,997
Development Planning	284,525	210,188	199,532	10,656
Sustainable Development Delivery	33,696	115,819	97,478	18,341
Promoting Understanding	1,015,668	899,545	850,753	48,792
Tourism & Wellbeing Officer	42,674	30,808	31,569	-761
Carew Castle	51,951	36,462	11,070	25,392
Castell Henllys	69,551	77,013	97,241	-20,228
Newport Information Centre	26,732	28,579	33,808	-5,229

	Revisions To Budgets 2016/17	December 16 Profiled Budget	December 16 Actual & Committed	Variance
Oriel Y Parc, St David's	252,298	215,939	216,700	-761
Oriel Y Parc Cafe	-10,000	-10,000	-15,326	5,326
Tenby National Park Office	73,054	96,605	88,391	8,214
Coast to Coast	-28,179	-14,498	-12,491	-2,007
Communications	256,912	190,313	167,782	22,531
SUP9 - Graphic Services	92,090	59,584	55,585	3,999
Discovery	166,140	122,092	108,745	13,347
Activities & Events	3,632	2,327	5,035	-2,708
Flexible Programme	14,812	23,861	24,266	-405
Skills in Action	0	32,603	35,029	-2,426
Pembs Outdoor Schools	4,000	7,857	2,297	5,560
NP Educators Conference 2016	0	0	-85	85
Nevern Castle Project	0	0	1,137	-1,137
Recreation & Park Management	194,340	229,742	214,505	15,237
Sustainable Transport	82,540	82,437	75,995	6,442
National Trail	58,601	169,261	173,268	-4,007
Access Officer and Rights of Way	118,404	95,141	101,541	-6,400
Technical Officer	109,109	82,247	74,442	7,805
Local Community & Match Funds	3,269	2,452	2,452	0
Charging Car Parks	-198,518	-235,505	-245,354	9,849
Rights of Way Improvement Plan	150	12,925	11,377	1,548
Access Works 2016	20,784	20,784	20,784	0

	Revisions To Budgets 2016/17	December 16 Profiled Budget	December 16 Actual & Committed	Variance
Rangers, Estates & Volunteers	1,044,668	832,222	786,581	45,641
Head of Park Delivery	125,876	92,205	92,426	-221
Ranger Services	229,803	172,088	162,773	9,315
North Area	312,246	238,953	222,930	16,023
West Area	178,828	135,947	131,041	4,906
South Area	197,915	147,507	140,839	6,668
Castlemartin Ranger	0	7,654	7,645	9
Estates Management (incl. Surplus Properties)	0	37,868	28,927	8,941
Democratic Representation & Management	594,216	478,413	410,033	68,380
DRM2 - Chief Executive's Office	129,978	94,566	93,295	1,271
DRM1 - Corporate Activities & Management	131,286	103,256	92,363	10,893
Democratic Representation	234,379	175,195	160,556	14,639
National Parks Wales	20,016	46,471	27,710	18,761
Corporate Governance	78,558	58,925	36,109	22,816
Service Management & Support Services	1,046,251	763,135	727,466	35,669
<i>(Memorandum account, recharged to services)</i>				
SUP1 - Director of Park Direction & Planning	50,071	35,442	34,826	616
SUP3 - Director of Delivery & Discovery	97,378	66,746	64,072	2,674
SUP5 - Reception/Admin Services	83,588	60,855	61,416	-561
SUP2 - Performance Management	45,844	25,372	28,136	-2,764
SUP6 - Legal Services	40,101	30,076	22,379	7,697
SUP7 - Financial Services	153,869	110,741	108,549	2,192

	Revisions To Budgets 2016/17	December 16 Profiled Budget	December 16 Actual & Committed	Variance	
SUP8 - IT Services	231,578	166,666	155,560	11,106	
SUP16 - Parc Llanion Park	94,582	72,133	63,078	9,055	
SUP12 - General Building Maintenance	92,163	74,866	70,912	3,954	
Projects Team	43,463	31,652	31,095	557	
SUP14 - Pool Vehicles	2,279	6,649	9,164	-2,515	
Personnel, Health & Safety, Staff Training	111,336	81,937	78,279	3,658	
Support Services Recharges	1,067,904	-741,113	-741,112	-1	
TOTALS	5,456,136	4,352,725	4,050,578	302,147	

Conservation of the Natural Environment	408,625	277,446	296,960	-19,514	-7.0%
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