

REPORT OF FINANCE MANAGER

SUBJECT:
BUDGET PERFORMANCE REPORT 6 MONTHS TO SEPTEMBER 2017

Revenue Budget

The detailed net revenue budget for the 6 months to 30th September 2017 is presented in Appendix 1, with the summary by service area as follows:

	Net Budget 2017/18	Sept 17 Profiled Budget	Sept 17 Actual & Committed	Variance	% Variance
Conservation of the Natural Environment	342,860	177,646	174,549	3,097	1.7%
Conservation of the Historic & Cultural Env't	135,701	62,620	54,173	8,447	13.5%
Development Management	305,687	144,659	69,454	75,205	52.0%
Forward Planning & Communities	663,358	228,374	138,010	90,364	39.6%
Promoting Understanding & Enjoyment	869,047	454,029	414,919	39,110	8.6%
Recreation & Park Management	103,878	37,361	-81,310	118,671	317.6%
Rangers, Estates & Volunteers	971,731	464,804	467,577	-2,773	-0.6%
Democratic Representation & Management	468,958	241,421	228,953	12,468	5.2%
Service Management & Support Services	1,073,631	480,929	477,692	3,237	0.7%
Net Cost of Services	4,934,852	2,291,843	1,944,017	347,826	15.2%

As at 30th September 2017 the Authority's net revenue expenditure was £1,944k, £348k (15.2%) under the profiled budget of £2,292k for the 6 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 (£3k under budget).** Cilirhedyn Woodland Centre's internal & external sales are down £16k versus budget this however has been mitigated by reduced operating costs. The Nature Conservation Budget is running £14k below budget due to the allocation of Biodiversity grants running behind the schedule.
- **Conservation of Cultural Heritage (£8k under budget).** The under spend within the service is due to savings in the Archaeology budget.

- **Development Management (£75k under budget).** Within Development Management a significant planning application has resulted in planning fee income of £134k, up £49k versus budget and up £56k against the 2016/17 figures. Unbudgeted pre-application fee income (£5k) together with savings in statutory advertising (£5k), professional fees (£17k), travel costs (£1k) and other savings contribute to the under spend.
- **Forward Planning & Communities (£90k under budget).** The under spend is due to the difference between the actual spend of £25k for Sustainable Development Fund grants and a half year budget spend of £100k. It is worth noting however that, subject to clarification on one project, only £15k of a total of £200k allocated for 2017/18 has yet to be fully allocated. There is also an under spend in the Development Planning budget on funds allocated to the local development plan, this is expected to be fully spent by the end of the year.
- **Promoting & Understanding (£39k 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 6 months ended 30th September 2017. Total merchandise sales are up £11k versus the prior year and down 3k versus budget. While year on year sales continue to grow at Carew Castle and Newport, Oriel y Parc and Castell Henllys sales income is down £9k and £5k respectively versus budget. Total admission fee income of £197k at Carew Castle and Castell Henllys is £44k above budget and £41k versus 2016/17. Admission fee income at Carew continues it's very positive upward trend over the last few years increasing by £65k (nearly 100%) from the similar period in 2013/14.

The Communications department costs are running above budget by £17k and this is mainly due to the most of the annual marketing budget being spent in advance of the Communication Manager's maternity leave. The third cohort of trainees on the Heritage Lottery Fund funded Skills in Action program the Authority left in July with the grant claim for the last quarter being submitted in early October 2017. The project is intended for trainees to develop their skills and career opportunities in the area of land management and was due to run for 3 years. However as there was surplus funds at the end this has allowed funding for a further 2 apprentices for a 6 month period; these posts are currently being advertised.

In March 2017 the Authority received Welsh Government funding for the following specific projects:

Pathways	£250,000
Stitch In Time	£100,000
Welsh Coast Path	£180,000

Building on previous social inclusion work undertaken by the Authority and its partners, The Pathways project aims to enable increased and sustained use of the outdoors and in particular Pembrokeshire Coast National Park amongst disadvantaged communities in Pembrokeshire, providing a range of benefits and

improved outcomes for those involved, with a particular focus on health and wellbeing. The project will target disadvantaged groups and communities locally including young people, those suffering from mental health issues and older people to achieve the following objectives

Stitch in Time Project for a further 2 years. The continuation will involve the employment of an INNS coordinator for 3 days per week. This two year extension would deliver the following: progressive INNS control in the Gwaun Valley and in the Clydach sub-catchment of the Nevern Valley, continued support and coordination of volunteers, community groups and landowners already engaged in the current project and a training programme for National Park staff, in particular rangers and wardens to share the strategic approach developed by Stitch in Time for potential application elsewhere in the park (e.g. in small 'catchments' such as coastal streams).

The funding for the promotion of the Welsh Coast Path will be allocated to various projects in consultation with Natural Resources Wales

- **Recreation & Park Management (£118k under budget).** The table that follows shows Car Park income for the 6 months at £382k, which is up £58k on budget and up £11k for the comparable period 2016/17. With the exception of Little Haven 2017/18 income at all other car parks is close to or above budget. However increased season tickets sales, as show in the Car Park Operations line, explain this reduction along with the decreased year on years income at Little Haven, St.Davids and Saundersfoot. The under spends in the Sustainable Transport and Technical Officer budgets also contribute to the overall under spend although these are expected to correct themselves by the end of the financial year.
- **Rangers, Estates & Volunteers (£3k over budget).** There were no significant variances in this service area.
- **Democratic Representation & Management (£12k under budget).** In the National Parks Wales and Corporate Governance budget are behind profile expenditure by £3k and £9k respectively.
- **Service Management & Support Services (3k under budget).** In total there is no significant budget variance in Service Management & Support Serves with over spend in the Financial Services and General Building Maintenance budget being compensated by saving the IT Services budget. These variances should be corrected by the end of the financial year.

2017/18 2nd Quarter Income Versus Budget & Prior Years

Merchandise Sales	Budget	YTD Actual	Variance	2016/17	Variance	2015/16	Variance	2014/15	Variance	2013/14	Variance
Carew Income	61,120	71,006	9,886	67,689	3,317	66,968	4,038	60,943	10,063	48,077	22,929
Castell Henllys Income	39,608	34,906	-4,702	32,213	2,693	37,833	-2,927	31,618	3,288	37,774	-2,868
Oriel Y Parc	98,121	88,927	-9,194	84,645	4,282	90,209	-1,282	120,197	-31,270	98,591	-9,664
Newport Information Centre	24,744	25,735	991	24,647	1,088	24,751	984	23,326	2,409	18,881	6,854
	223,593	220,574	-3,019	209,194	11,380	219,761	813	236,084	-15,510	203,323	17,251
Admission Fees											
Carew Income	98,509	127,882	29,373	105,663	22,219	102,859	25,023	87,625	40,257	64,815	63,067
Castell Henllys	54,114	68,614	14,500	49,093	19,521	61,209	7,405	54,587	14,027	47,654	20,960
	152,623	196,496	43,873	154,756	41,740	164,068	32,428	142,212	54,284	112,469	84,027
Car Park Income											
Car Park Operations	8,182	16,944	8,762	4,407	12,538	8,556	8,388	10,562	6,382	4,145	12,799
Saundersfoot Car Park	53,935	56,750	2,815	67,607	-10,857	55,583	1,167	54,049	2,701	59,075	-2,324
Manorbier Car Park	33,864	38,251	4,387	36,841	1,410	34,915	3,336	37,204	1,047	34,140	4,111
Freshwater East Car Park	19,803	21,921	2,118	16,704	5,218	20,457	1,464	23,639	-1,718	15,839	6,082
Little Haven Car Park	27,945	24,348	-3,597	32,547	-8,200	31,470	-7,122	30,328	-5,980	27,712	-3,364
Broad Haven Car Park	18,113	20,728	2,615	20,483	245	18,729	1,999	21,818	-1,090	20,986	-258
St Davids Car Park	61,364	67,038	5,675	70,942	-3,904	68,061	-1,023	47,433	19,606	63,033	4,005
Newport Car Park	12,892	21,356	8,465	18,457	2,899	15,697	5,660	38,861	-17,505	20,961	396
Poppit Car Park	29,065	48,391	19,325	38,956	9,434	34,623	13,767	36,657	11,734	37,009	11,382
Newgale Car Park	15,955	16,619	665	16,328	291	17,568	-949	17,584	-965	17,579	-960
Solva Car Park	42,545	49,449	6,904	47,192	2,258	47,628	1,822	0	49,449	16,489	32,960
	323,662	381,796	58,134	370,463	11,333	353,287	28,509	318,135	63,661	316,968	64,828

2017 / 18 Revenue Forecast

As at the end of the second quarter, the forecast revenue position for the 2017/18 financial year is a budget surplus of approximately £229k against an original budget surplus of nil. This projected surplus is explained as follows:

2017/18 Budget Forecast	£000's	£000's
Original Budget Surplus		Nil
Movements:		
Additional Costs		
Voluntary redundancy	-12	
Professional Fees	8	
Advertising	8	
Audit Fees	10	
Traveling	10	
Telephones	10	
Fuel	10	
Salary Savings	31	
Archaeology	10	
Stationary	8	
Other (Non identified) Savings	10	103
Additional Income		
Centre Income	50	
Additional Car Park Income	40	
Planning Fee Income	30	
Estates	10	
Centre Events	10	140
Undergrounding Reserve	-14	-14
Revised revenue forecast (surplus)		229

Capital Programme 2017/18

	Original Budget	Revised Budget	Funded by EMR	Funded by other Grants	General Reserve	Capital Receipts Reserve
ICT – Equipment	10,000	10,000	4,000		6,000	
Carew Interpretation / Café	15,000	84,175				84,175
Carew Path	15,000					
Castell Henllys Roundhouses	30,000	30,000	30,000			
Oriel y Parc	10,000	10,000			10,000	
Pantglas Castell Henllys	10,000	10,000			10,000	
Greening Park Initiatives	5,000	5,000			5,000	
Fleet Replacement	10,000	10,000			10,000	
Planning / Document Management	25,000	39,000	39,000			
Saundersfoot Regency Car Park	195,000	98,000	98,000			
Broad Haven Car Park	100,000					
Carew Mill Roof		13,234				13,234
Carew Castle Causeway		117,000			117,000	
Total	425,000	426,409	171,000		158,000	97,409

The 2017/18 Capital Programme has increased from the original budget of £425k to a revised budget of £426.4k. This is due to the inclusion of a Carew Café, increased planned expenditure on the Planning Document Management System, lower than anticipated cost of repairs at Saundersfoot Regency Car Park, settlement of the costs to repair the Carew Castle Mill Roof and the repairs to the Carew Castle Causeway..

Details of the capital programme are:

- ICT – represents the usual cycle of IT equipment replacement.
- Carew Interpretation / cafe. In the September 2017 National Park Authority Meeting work to build a Café on site was approved. It is expected that build will be completed by 31st March 2018 at a cost of £84,175 which will be funded from the Authority Capital Receipts Reserve. The Authority also approved work on the Walled Garden at Carew and it expected that this will be undertaken in the autumn of 2018. Encouragingly the recent Visit Wales grant application to fund the Walled Garden project was successful.
- Castell Henllys Round House. Work on the demolition of one of the Round Houses completed during the summer and is anticipated the rebuild will be finished by the end of this financial year.
- Oriel Y Parc Refurbishment. Alterations to the shop layout at Oriel Y Park are due to commence early in spring 2018. The Authority will be working with our new clothing sponsors, Columbia Clothing, in the design of the new retail space.
- Pantglas Castell Henllys. The refurbishment of the Pantglas cottage at Castell Henllys to provide additional office space is scheduled for Autumn 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 these funds are available to allow the Authority purchases vehicles.
- Planning / Document Management. The completion of the installation of a new document management system is due in the autumn of 2017. The revised cost of £39k from the original budget of £25k is to allow historical data of up to five to be uploaded into the system.
- 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.
- Saundersfoot Regency Car Park. Funded by the 2016/17 Welsh Government Access grant the repairs to the Saundersfoot Regency Car Park are due to commence in November 2017. Following a Sell-to-Wales tendering process the contract was recently awarded to GD Harries of Narberth.

- Broad Haven Car Park. Due volume of other major projects planned the scheme to redevelop the Broad Haven Car has been deferred until 2018 /19 financial year.
- Carew Mill Roof. The Carew Mill roof was replaced in 2016/17 financial year. And unfortunately there have been protracted discussions with the contractor with regard the settlement of the final account for the project. This was finally agreed in September 2017.
- Carew Causeway Repairs. In 2016 the Carew Mill Pond, Causeway & Mill were inspected under the Reservoirs Act 1975 with any of the inspector's findings being enforceable by order of Natural Resources Wales. The inspection identified significant repairs to the Causeway were urgently required and these will be done in the forthcoming months.

The Authority's Useable Reserves

£000's

	Year end Position		Year end Position		Year end Position
	2015/16	Movement 2016/17	2016/17	Movement 2017/18	2017/18
General Reserves	438		939	71	1,010
Capital Receipts	280	1	281	-97	185
TOTAL	718		1,220	-26	1,195
Earmarked Reserves:					
Receipts In Advance	171	-25	146	-5	141
Asset Management	37		37		37
Llanion Park	2		2	-2	
Local Development Plan	209	-21	188	-55	133
Self-Insurance	30		30		30
Staff Restructuring	420	-101	319	-14	305
I.T.	19	-15	4	-4	
National Park Wales	90	-36	54		54
Planning System	100	-6	94	-39	55
Car Par Integration	77		77		77
Invasive Species Eradication Program	10	-10			
Memorial Donations	3		3		3
Round Houses	100		100	-30	70
SDF	200	-71	129	-100	29
Machinery For Delivery	10	-6	4	-4	
NPG Reduction	100		100		100
Car Park Resurfacing	100	-2	98	-98	
Bio Diversity Action Plan	11		11	-11	
Planning Enforcement	100		100		100
Portfield Gate		2	2	-2	
Stitch in Time		25	25		25
The Pathways project		35	35		35
Skills in Action		15	15		15
Pathway		250	250	-55	195
Stitch In Time		100	100	-50	50
Welsh Coast Path		180	180		180
Car Park Cash Machines		20	20	-4	16
Future Landscapes Wales		150	150		150
Undergrounding				14	14
TOTAL	1,789	1,916	2,273	-459	1,814
TOTAL	2,507		3,493	-471	3,009

General Reserves

The audited statements of accounts as at 31st March 2017 verified that the Authority's General Reserve stood at £939k. The forecasted surplus for the year is expected to be £189k and the reasons for this surplus are given on page 5. When the Capital Expenditure funded from the General Reserve of £158k is deducted the reserve is expected to increase to £1,010k at the end of the current financial year.

Earmarked Reserves

Earmarked reserves as at 31/3/17 stood at £2,273k and these are expected to fall by £459k to £1,814k at the year end. The 2017/18 spend will be used for various capital and revenue projects. The Authority has also approved the creation of a further earmarked reserve undergrounding cables of £14k.

Capital Receipts

Capital Receipts started the year at £281k and with the project to build a café at Carew Castle to be funded from this reserve the balance is expected to fall to £185k.

Recommendation

Members are invited to **NOTE** the budgetary performance for the 6 months ended 30th September 2017 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 2017/18	September 17 Profiled Budget	September 17 Actual & Committed	Variance
Conservation of the Natural Environment	342,860	177,646	174,549	3,097
Cilrhedyn Woodland Centre	46,875	34,600	48,424	-13,824
Nature Conservation	290,627	140,367	126,125	14,242
Marine Environment	5,358	2,679	0	2,679
				0
				0
Conservation of the Cultural Heritage	135,701	62,620	54,173	8,447
Invasive Species	50,000	21,546	22,795	-1,249
Conservation Areas & Historic Buildings	45,306	21,743	20,398	1,345
CP10 - Archaeology, Culture & Heritage	40,395	19,331	10,980	8,351
Development Control	305,687	144,659	69,454	75,205
Development Management (inc Mineral Plans)	305,687	144,659	69,454	75,205
Forward Planning & Communities	663,358	228,374	138,010	90,364
Development Planning	243,525	118,705	103,768	14,937
Sustainable Development Delivery	219,833	109,669	34,242	75,427
Promoting Understanding	869,047	454,029	414,919	39,110
Discovery Management	52,066	26,033	0	26,033
Tourism & Wellbeing Officer	42,532	20,866	21,349	-483

	Revisions to Budgets 2017/18	September 17 Profiled Budget	September 17 Actual & Committed	Variance
Carew Castle	30,913	4,320	-50,274	54,594
Castell Henllys	55,148	45,253	20,165	25,088
Newport Information Centre	20,056	12,517	19,180	-6,663
Oriel Y Parc, St David's	225,098	117,444	123,142	-5,698
Oriel Y Parc Cafe	-21,000	-10,500	-10,551	51
Tenby National Park Office	7,808	4,606	5,865	-1,259
Coast to Coast	-28,884	11,796	13,248	-1,452
Communications	185,356	90,333	107,298	-16,965
SUP9 - Graphic Services	83,058	41,578	40,634	944
Discovery	147,858	71,344	69,950	1,394
Activities & Events	-578	-298	-608	310
Flexible Programme	15,063	7,531	10,588	-3,057
Skills in Action	0	0	37,675	-37,675
Pembs Outdoor Schools	0	-2,003	110	-2,113
Nevern Castle Project	308	308	1,093	-785
Pathways Project	54,246	12,901	6,055	6,846
Recreation & Park Management	103,878	37,361	-81,310	118,671
Sustainable Transport	77,950	38,975	7,000	31,975
National Trail	47,169	118,019	112,219	5,800
Access Officer and Rights of Way	100,645	54,491	46,362	8,129
Technical Officer	101,637	49,788	25,767	24,021
Local Community & Match Funds	800	0	0	0

	Revisions to Budgets 2017/18	September 17 Profiled Budget	September 17 Actual & Committed	Variance
Charging Car Parks	-224,323	-242,893	-279,289	36,396
Sustainable Tourism	0	3,735		3,735
Rights of Way Improvement Plan	0	15,246	6,631	8,615
Rangers, Estates & Volunteers	971,731	464,804	467,577	-2,773
Park Delivery Management	109,671	30,206	33,434	-3,228
Ranger Services	207,933	101,694	97,936	3,758
North Area	287,761	141,793	144,402	-2,609
West Area	153,033	77,376	74,845	2,531
South Area	188,812	91,403	94,595	-3,192
Castlemartin Ranger	3,395	15,879	17,602	-1,723
Tenby Ranger	8,277	8,277	7,153	1,124
Estates Management (incl. Surplus Properties)	12,849	-1,824	-2,390	566
Democratic Representation & Management	468,958	241,421	228,953	12,468
DRM2 - Chief Executive's Office	105,757	51,332	50,936	396
DRM1 - Corporate Activities & Management	81,668	40,984	40,923	61
Democratic Representation	191,741	94,373	95,653	-1,280
Future Landscapes	0			0
National Parks Wales	10,920	14,296	10,944	3,352
Corporate Governance	78,873	40,436	30,497	9,939
Service Management & Support Services	1,073,631	480,929	477,692	3,237
<i>(Memorandum account, recharged to services)</i>				0

	Revisions to Budgets 2017/18	September 17 Profiled Budget	September 17 Actual & Committed	Variance	
SUP1 - Director of Park Direction & Planning	65,885	31,535	30,825	710	
SUP3 - Director of Delivery & Discovery	84,072	42,049	39,030	3,019	
SUP5 - Reception/Admin Services	86,408	42,059	43,247	-1,188	
SUP2 - Performance Management	52,187	18,079	17,067	1,012	
SUP6 - Legal Services	35,502	17,751	15,498	2,253	
SUP7 - Financial Services	154,651	60,031	62,964	-2,933	
SUP8 - IT Services	235,265	95,158	86,025	9,133	
SUP16 - Parc Llanion Park	87,741	30,590	25,636	4,954	
SUP12 - General Building Maintenance	94,095	53,971	61,836	-7,865	
Grants Officer	0		1,352	-1,352	
Projects Team	43,956	21,416	23,624	-2,208	
SUP14 - Pool Vehicles	9,736	5,613	8,431	-2,818	
Personnel, Health & Safety, Staff Training	124,132	62,677	62,157	520	
TOTALS	4,934,852	2,291,843	1,944,017	347,826	
Conservation of the Natural Environment	342,860	177,646	174,549	3,097	1.7%
Conservation of the Historic & Cultural Env't	135,701	62,620	54,173	8,447	13.5%
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