

**REPORT OF FINANCE MANAGER**

**SUBJECT:**  
**BUDGET PERFORMANCE REPORT 9 MONTHS TO DECEMBER 2017**

**Revenue Budget**

The detailed net revenue budget for the 9 months to 31<sup>ST</sup> December 2017 is presented in Appendix 1, with the summary by service area as follows:

	<b>Net Budget 2017/18</b>	<b>Dec 17 Profiled Budget</b>	<b>Dec 17 Actual &amp; Committed</b>	<b>Variance</b>	<b>% Variance</b>
Conservation of the Natural Environment	<b>343,119</b>	<b>241,265</b>	<b>242,079</b>	<b>-814</b>	<b>-0.3%</b>
Conservation of the Historic & Cultural Env't	<b>135,791</b>	<b>97,253</b>	<b>85,317</b>	<b>11,936</b>	<b>12.3%</b>
Development Management	<b>309,408</b>	<b>223,632</b>	<b>130,297</b>	<b>93,335</b>	<b>41.7%</b>
Forward Planning & Communities	<b>463,821</b>	<b>259,604</b>	<b>249,002</b>	<b>10,602</b>	<b>4.1%</b>
Promoting Understanding & Enjoyment	<b>811,478</b>	<b>715,043</b>	<b>672,617</b>	<b>42,426</b>	<b>5.9%</b>
Recreation & Park Management	<b>144,314</b>	<b>222,739</b>	<b>148,826</b>	<b>73,913</b>	<b>33.2%</b>
Rangers, Estates & Volunteers	<b>974,464</b>	<b>739,372</b>	<b>738,249</b>	<b>1,123</b>	<b>0.2%</b>
Democratic Representation & Management	<b>469,056</b>	<b>366,940</b>	<b>335,275</b>	<b>31,665</b>	<b>8.6%</b>
Service Management & Support Services	<b>1,121,991</b>	<b>829,316</b>	<b>786,484</b>	<b>42,832</b>	<b>5.2%</b>
<b>Net Cost of Services</b>	<b>4,773,443</b>	<b>3,695,164</b>	<b>3,388,146</b>	<b>307,018</b>	<b>8.3%</b>

As at 31<sup>st</sup> December 2017 the Authority's net revenue actual and committed expenditure was £3,388k, £307k (8.3%) under the profiled budget of £3,695k 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 (On budget).** Cilirhedyn Woodland Centre's internal & external sales are running to a revised budget as are the centres operating costs. The Nature Conservation expenditure is also running to that budgeted.
- **Conservation of Cultural Heritage (£12k under budget).** The under spend within the service is due to savings in the Archaeology budget.

- **Development Management (£93k under budget).** Within Development Management a significant planning application has resulted in year to date planning fee income of £171k, up £43k versus budget and £52k against the 2016/17 figures. Unbudgeted pre-application fee income (£14k) together with savings in statutory advertising (£8k), professional fees (£15k), travel costs (£2k) and other savings contribute to the under spend.
- **Forward Planning & Communities (£11k under budget).** Sustainable Development Fund grants expenditure is running to budget. In the SDF program expenditure of £200k, £177k of grants are already allocated with the balance of the remaining to be allocated in the January 2018 SDF meeting.
- **Promoting & Understanding (£42k under budget).**  
The table that follows on page 4 shows the current year budget, actual and prior years' figures for merchandise sales, admissions income and car park income for the 9 months ended 31st December. Total merchandise sales are up £15k versus the prior year and 36k versus budget. All centres are performing well against budget and the comparative period for 2016/17. The joint admission fee income of £215k for Carew Castle and Castell Henllys is £74k above budget and up £41k versus 2016/17. Admission fee income at Carew continues it's upward trend over the last few years increasing by £68k (nearly 100%) from the similar period in 2012/13.

There is an adverse variance of £18k in the Coast to Coast budget, this is essential due to a number of advertising being slower to place their adverts than in prior years and it is expected most of this deficit will be recouped by the time the publication is finalised. There have however been a few regular advertisers who have decided not to use Coast to Coast this year.

The negative variance of £37k on the Skills in Action budget is entirely due to an outstanding claim payment from the Heritage Lottery Fund who fund the scheme, payment is due imminently. 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 were surplus funds at the end of the 3 years this has allowed funding for a further 2 apprentices for a further 6 month period; they started their placements in December 2017.

The Authority in conjunction with Pembrokeshire Nature Partnership (of which PCNPA is a member) successfully applied for LEADER funding to undertake a feasibility study to consider a visitor giving scheme for Pembrokeshire. The scheme raises awareness of conservation issues amongst local businesses and visitors and raise funds will be spent on nature conservation projects.

The Authority has been awarded £180K from Welsh Government to deliver an enhanced marketing campaign to celebrate the Wales Coast Path during the '2018 Year of the Sea' and beyond. The Authority is also currently in the process of bidding for additional grant-aid support from Visit Wales' Regional Tourism Engagement Fund (RTEF) to secure an additional £150K giving a total budget of £330K for WCP marketing activities over the next 2 years.

The Authority's bid for the Celtic Trails project was given approval in December 2017. Historically, the Park Authority has had limited involvement with Interreg projects but, through improved regional working on tourism initiatives, Pembrokeshire Coast National Park Authority, Ceredigion County Council and Carmarthenshire County Council (as the lead agency) formed a partnership that allowed the West Wales region to bid. The aim of the project is to convert the sizable "footfall" of potential visitors driving through the identified destinations with another final location in mind, into staying and paying visitors as well as attracting new visitors to cross the Irish/Celtic Sea.

- **Recreation & Park Management (£74k under budget).** The table that follows shows Car Park income for the 9 months at £425k, which is up £30k on budget and £16k for the comparable period 2016/17. The Authority actively promoted car parking season tickets during the year. These sales are recorded in the "Car Park Operations" cost centre and it can be seen that season tickets have been very popular being up £18k versus budget and £24k versus 2016/17. The comparative reduced sales for Saundersfoot and Little Haven are explained by the increased season ticket sales. During the year the Authority's Technical Officer retired although other underspends in this service area are expected to be corrected by the end of the financial year.
- **Rangers, Estates & Volunteers (£1k under budget).** There were no significant variances in this service area.
- **Democratic Representation & Management (£31k under budget).** The Corporate Governance budget is behind profile expenditure by £20k. In setting the 2017/18 budget the Authority created a provision for "New Ways" of service delivery, and as at the end of December 2017 £16k amount was unspent. In the year the Authority has supported Pembrokeshire County Council's St. Davids UK City of Culture bid and the development of the new library in Haverfordwest.
- **Service Management & Support Services (42k under budget).** Budget variance in Service Management & Support Services should be corrected by the end of the financial year.

### 2017/18 3rd Quarter Income Versus Budget & Prior Years

<b>Merchandise Sales</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>2016/17</b>	<b>Variance</b>	<b>2015/16</b>	<b>Variance</b>	<b>2014/15</b>	<b>Variance</b>	<b>2013/14</b>	<b>Variance</b>	<b>2012/13</b>	<b>Variance</b>
Carew Income	60,126	78,396	18,270	76,038	2,358	75,651	2,745	68,669	9,727	53,884	24,512	49,464	28,932
Castell Henllys Income	38,964	39,603	639	36,515	3,088	44,185	-4,582	36,369	3,234	42,227	-2,625	47,725	-8,122
Oriel Y Parc	96,525	109,129	12,604	98,939	10,190	107,492	1,637	138,686	-29,557	121,160	-12,031	145,625	-36,496
Newport Information Centre	24,342	29,215	4,874	29,523	-308	29,218	-3	27,057	2,158	21,420	7,795	20,313	8,902
	<b>219,957</b>	<b>256,343</b>	<b>36,386</b>	<b>241,016</b>	<b>15,327</b>	<b>256,546</b>	<b>-203</b>	<b>270,781</b>	<b>-14,438</b>	<b>238,691</b>	<b>17,652</b>	<b>263,127</b>	<b>-6,784</b>
<b>Admission Fees</b>													
Carew Income	91,645	141,350	49,705	118,818	22,533	116,885	24,465	99,139	42,211	89,279	52,071	73,323	68,027
Castell Henllys	50,343	74,147	23,804	54,938	19,208	67,447	6,699	60,226	13,921	51,444	22,703	54,798	19,349
	<b>141,988</b>	<b>215,497</b>	<b>73,509</b>	<b>173,756</b>	<b>41,741</b>	<b>184,333</b>	<b>31,164</b>	<b>159,365</b>	<b>56,132</b>	<b>140,723</b>	<b>74,774</b>	<b>128,121</b>	<b>87,376</b>
<b>Car Park Income</b>													
Car Park Operations	10,000	28,128	18,128	4,548	23,579	7,958	20,170	10,109	18,019	3,722	24,405	9,085	19,042
Saundersfoot Car Park	65,920	62,520	-3,400	75,914	-13,395	68,529	-6,010	65,911	-3,391	58,108	4,411	30,232	32,288
Manorbier Car Park	41,389	41,316	-73	40,578	738	39,957	1,360	41,153	163	36,425	4,892	29,505	11,811
Freshwater East Car Park	24,204	23,641	-563	19,013	4,628	21,822	1,819	26,333	-2,692	17,700	5,941	40,895	-17,254
Little Haven Car Park	34,155	27,004	-7,151	35,216	-8,212	36,126	-9,122	32,144	-5,140	28,454	-1,450	25,719	1,285
Broad Haven Car Park	22,138	22,359	221	21,520	839	21,387	973	22,871	-512	21,498	861	18,918	3,441
St Davids Car Park	75,000	72,311	-2,689	76,928	-4,617	77,100	-4,789	74,706	-2,395	68,057	4,254	70,958	1,353
Newport Car Park	15,757	22,548	6,791	18,863	3,685	15,697	6,851	26,361	-3,813	20,961	1,587	15,541	7,007
Poppit Car Park	35,524	52,206	16,682	44,919	7,287	34,623	17,583	36,657	15,549	37,009	15,197	20,778	31,428
Newgale Car Park	19,500	17,669	-1,831	17,664	5	19,946	-2,276	18,646	-977	17,902	-233	16,329	1,340
Solva Car Park	52,000	55,666	3,666	53,843	1,823	57,120	-1,454	19,583	36,083	19,401	36,265	46,403	9,263
	<b>395,587</b>	<b>425,368</b>	<b>29,781</b>	<b>409,007</b>	<b>16,361</b>	<b>400,263</b>	<b>25,105</b>	<b>374,474</b>	<b>50,894</b>	<b>329,236</b>	<b>96,132</b>	<b>324,365</b>	<b>101,003</b>

## 2017 / 18 Revenue Forecast

As at the end of the third quarter, the forecast revenue position for the 2017/18 financial year is a surplus of approximately £321k against an original budget surplus of nil. This projected surplus is explained as follows:

<b>2017/18 Budget Forecast</b>	<b>£000's</b>	<b>£000's</b>
Original Budget Surplus		Nil
<b>Movements:</b>		
Professional Fees	8	
Advertising	8	
Audit Fees	10	
Traveling	10	
Telephones	10	
Fuel	10	
Salary Savings	31	
Archaeology	10	
Stationary	8	
Other Savings	18	<b>123</b>
<b>Additional Income</b>		
Centre Income	97	
Additional Car Park Income	30	
Planning Fee Income	55	
Estates	10	
Centre Events	10	<b>202</b>
<b>Undergrounding Reserve</b>	-14	<b>-14</b>
<b>Revised Revenue Forecast (surplus)</b>		<b>311</b>

## Capital Programme 2017/18

	Draft Budget 2017/18	Revised Budget 2017/18	Funded by EMR	General Reserve	Capital Receipts	Spend as at 31.12.2017
ICT – Equipment	10,000	10,000	4,000	6,000		
Castell Henllys Roundhouses	30,000	72,000	72,000			33,017
Oriel y Parc Refurbishment	10,000	15,000		15,000		
Castell Henllys Refurbishment	10,000	10,000		10,000		
Greening Park Initiatives	5,000	5,000		5,000		4,126
Fleet Replacement	10,000	30,000		30,000		
Planning / Document Management	25,000	39,000	39,000			
National Park Access Capital						
Saundersfoot Car Park	195,000	98,000	98,000			82,929
Broad Haven Car Park	100,000					
Carew Mill Roof		13,234			13,234	12,025
Causeway Repairs		134,110		134,110		49,059
Carew Castle Café	15,000	84,175			84,175	1,035
<b>Total</b>	<b>410,000</b>	<b>510,519</b>	<b>213,000</b>	<b>200,110</b>	<b>97,409</b>	<b>182,191</b>

The 2017/18 Capital Programme has increased from the original budget of £410k to a revised budget of £511k. This is due to the inclusion of the Carew Café, increased planned expenditure on the Planning Document Management System, revised expenditure plans for the Round House, 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. Total capital expenditure as at 31/12/17 was £182k.

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 31<sup>st</sup> 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.
- Castell Henllys Round House. Work on the demolition of one of the Round Houses completed during the summer and the rebuild will be finished by the end of this financial year.
- Oriel Y Parc Refurbishment. The Authority is developing with our new clothing sponsors, Columbia Clothing, the design of the new retail space.
- 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.
- 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 made available to allow the Authority purchases vehicles. Over the full asset life purchasing as opposed to leasing is now seen as a more cost effective way to supply vehicles. Orders have been placed to purchase vehicles for the South and the West area warden teams.
- Planning / Document Management. The completion of the installation of a new document management system is running behind schedule do you a change of ownership of the contractor who was originally engaged. There remains uncertainty as to whether the project will be completed in this financial year.
- Saundersfoot Regency Car Park. Funded by the 2016/17 Welsh Government Access grant the repair to the Saundersfoot Regency Car Park was completed December 2017.
- 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. The repairs were, completed in January 2018, identified in the Reservoirs inspector's findings and are enforceable by order of Natural Resources Wales.

## The Authority's Useable Reserves

**£000's**

	Year end Position		Forecast Year end Position
	2016/17	Movement 2017/18	2017/18
<b>General Reserves</b>	939	111	1,050
<b>Capital Receipts</b>	281	-97	184
<b>TOTAL</b>	<b>1,220</b>	<b>14</b>	<b>1,234</b>
<b>Earmarked Reserves:</b>			
Receipts In Advance	146	-5	141
Asset Management	37		37
Llanion Park	2	-2	
Planning (Local Development Plan)	188	-55	133
Self-Insurance	30		30
Staff Restructuring	319	-54	265
I.T.	4	-4	
National Park Wales	54		54
Planning System	94	-39	55
Car Par Integration	77		77
Memorial Donations	3		3
Round Houses	100	-72	28
SDF	129	-100	29
Machinery For Delivery	4	-4	
NPG Reduction	100		100
Car Park Resurfacing	98	-98	
Bio Diversity	11	-11	
Planning Enforcement	100		100
Portfield Gate	2	-2	
Stitch in Time	25		25
The Pathways project	35		35
Skills in Action	15		15
Pathway	250	-55	195
Stitch In Time	100	-50	50
Welsh Coast Path	180		180
Car Park Cash Machines	20	-4	16
Future Landscapes Wales	150		150
Undergrounding		14	14
<b>TOTAL</b>	<b>2,273</b>	<b>-541</b>	<b>1,732</b>
<b>TOTAL</b>	<b>3,493</b>	<b>-527</b>	<b>2,966</b>

## **General Reserves**

The audited statements of accounts as at 31<sup>st</sup> March 2017 verified that the Authority's General Reserve stood at £939k. The forecasted surplus for the year is expected to be £311k and the reasons for this surplus are given on page 5. When the Capital Expenditure funded from the General Reserve of £200k is deducted the reserve is expected to increase to £1,050k 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 expenditure from these reserves 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 £184k.

## **Recommendation**

Members are invited to **NOTE** the budgetary performance for the 9 months ended 31st December 2017 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 2017/18	December 17 Profiled Budget	December 17 Actual & Committed	Variance
<b>Conservation of the Natural Environment</b>	<b>343,119</b>	<b>241,265</b>	<b>242,079</b>	<b>-814</b>
Cilrhedyn Woodland Centre	46,875	50,467	51,152	-685
Nature Conservation	290,886	186,779	189,427	-2,648
Marine Environment	5,358	4,019	1,500	2,519
<b>Conservation of the Cultural Heritage</b>	<b>135,791</b>	<b>97,253</b>	<b>85,317</b>	<b>11,936</b>
Invasive Species	50,000	35,340	36,757	-1,417
Conservation Areas & Historic Buildings	45,396	32,914	30,998	1,916
CP10 - Archaeology, Culture & Heritage	40,395	28,999	17,562	11,437
Heritage Guardians Project				
<b>Development Control</b>	<b>309,408</b>	<b>223,632</b>	<b>130,297</b>	<b>93,335</b>
Development Management (inc Mineral Plans)	309,408	223,632	130,297	93,335
<b>Forward Planning &amp; Communities</b>	<b>463,821</b>	<b>259,604</b>	<b>249,002</b>	<b>10,602</b>
Development Planning	243,960	178,163	169,326	8,837
Sustainable Development Fund	200,000			
Sustainable Development Delivery	19,861	81,441	79,676	1,765
<b>Promoting Understanding</b>	<b>811,478</b>	<b>715,043</b>	<b>672,617</b>	<b>42,426</b>
Tourism & Wellbeing Officer	42,532	30,994	31,773	-779
Carew Castle	30,947	48,990	-9,364	58,354

	Revisions to Budgets 2017/18	December 17 Profiled Budget	December 17 Actual & Committed	Variance
Castell Henllys	55,154	74,315	49,264	25,051
Newport Information Centre	20,056	24,348	31,597	-7,249
Oriel Y Parc, St David's	225,098	218,681	213,914	4,767
Oriel Y Parc Cafe	-21,000	-21,000	-20,910	-90
Tenby National Park Office	7,808	6,909	8,849	-1,940
Coast to Coast	-28,884	-16,853	749	-17,602
Communications	185,473	135,588	140,738	-5,150
SUP9 - Graphic Services	76,735	54,483	47,856	6,627
Discovery	148,521	108,524	100,983	7,541
Activities & Events	-578	-447	-233	-214
Flexible Programme	15,063	11,297	13,343	-2,046
Skills in Action		3,985	40,904	-36,919
Pembs Outdoor Schools	0	1,050	2,087	-1,037
Nevern Castle Project	308	308	1,277	-969
Pathways Project	54,246	33,871	19,790	14,081
<b>Recreation &amp; Park Management</b>	<b>144,314</b>	<b>222,739</b>	<b>148,826</b>	<b>73,913</b>
Sustainable Transport	77,950	76,223	71,098	5,125
National Trail	47,169	176,129	161,415	14,714
Access Officer and Rights of Way	98,250	79,372	87,601	-8,229
Technical Officer	144,468	117,724	73,265	44,459
Local Community & Match Funds	800	598	600	-2
Charging Car Parks	-224,323	-253,359	-252,775	-584
Sustainable Tourism		5,603		5,603

	Revisions to Budgets 2017/18	December 17 Profiled Budget	December 17 Actual & Committed	Variance
Rights of Way Improvement Plan		20,449	3,682	16,767
Access Works 2016			3,940	-3,940
<b>Rangers, Estates &amp; Volunteers</b>	<b>974,464</b>	<b>739,372</b>	<b>738,249</b>	<b>1,123</b>
Park Delivery Management	109,778	77,092	76,264	828
Ranger Services	207,533	152,168	148,194	3,974
North Area	287,113	214,276	216,116	-1,840
West Area	152,701	112,941	109,635	3,306
South Area	192,652	142,968	143,643	-675
Castlemartin Ranger	3,395	532	4,342	-3,810
Tenby Ranger	8,277	8,277	7,237	1,040
Estates Management (incl. Surplus Properties)	13,015	31,118	32,818	-1,700
<b>Democratic Representation &amp; Management</b>	<b>469,056</b>	<b>366,940</b>	<b>335,275</b>	<b>31,665</b>
DRM2 - Chief Executive's Office	105,768	76,715	76,038	677
DRM1 - Corporate Activities & Management	81,668	63,823	44,025	19,798
Democratic Representation	191,828	141,554	140,205	1,349
Future Landscapes				
National Parks Wales	10,920	25,194	12,082	13,112
Corporate Governance	78,873	59,654	62,925	-3,271
<b>Service Management &amp; Support Services</b>	<b>1,121,991</b>	<b>829,316</b>	<b>786,484</b>	<b>42,832</b>
<i>(Memorandum account, recharged to services)</i>				
SUP1 - Director of Park Direction & Planning	65,893	47,307	46,462	845

	Revisions to Budgets 2017/18	December 17 Profiled Budget	December 17 Actual & Committed	Variance	
SUP3 - Director of Delivery & Discovery	84,120	61,697	58,538	3,159	
SUP5 - Reception/Admin Services	86,560	63,129	63,570	-441	
SUP2 - Performance Management	52,197	31,116	29,379	1,737	
SUP6 - Legal Services	35,502	26,627	24,060	2,567	
SUP7 - Financial Services	167,585	125,901	121,940	3,961	
SUP8 - IT Services	237,468	170,629	158,042	12,587	
SUP16 - Parc Llanion Park	87,741	66,575	62,914	3,661	
SUP12 - General Building Maintenance	108,761	92,161	81,291	10,870	
Grants Officer	14,832	5,531	5,676	-145	
Projects Team	44,081	32,085	33,922	-1,837	
SUP14 - Pool Vehicles	9,736	8,552	10,885	-2,333	
Personnel, Health & Safety, Staff Training	127,514	98,006	89,805	8,201	

<b>TOTALS</b>	<b>4,773,443</b>	<b>3,695,164</b>	<b>3,388,146</b>	<b>307,018</b>	
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Conservation of the Natural Environment	343,119	241,265	242,079	-814	-0.3%
Conservation of the Historic & Cultural Env't	135,791	97,253	85,317	11,936	12.3%
Development Control	309,408	223,632	130,297	93,335	41.7%
Forward Planning & Communities	463,821	259,604	249,002	10,602	4.1%
Promoting Understanding & Enjoyment	811,478	715,043	672,617	42,426	5.9%
Recreation & Park Management	144,314	222,739	148,826	73,913	33.2%
Rangers, Estates & Volunteers	974,464	739,372	738,249	1,123	0.2%
Democratic Representation & Management	469,056	366,940	335,275	31,665	8.6%
Service Management & Support Services	1,121,991	829,316	786,484	42,832	5.2%
Net Cost of Services	4,773,443	3,695,164	3,388,146	307,018	8.3%