

North York Moors National Park Authority

23 March 2015

Budget Estimate 2015/16

1. Purpose of the Report

- 1.1 To provide Members with an updated proposal for the budget for 2015/16 for approval.

2. Background

- 2.1 The Authority is legally required to approve a “balanced budget” for the 2015/16 financial year by 31 March 2015. This report contains the latest proposal for the 2015/16 budget for Members’ discussion.
- 2.2 At the December meeting of the NPA the Chief Executive informed Members that DEFRA had been unable to confirm what the NP grant figure would be for 2015/16. A one year budget estimate was presented to Members and was approved at that time.
- 2.3 It was also agreed that the budget approved at the December meeting would be the approved start budget for 15/16 with any further amendments being presented to the March meeting should any significant issues arise in the first few months of 2015.
- 2.4 A number of significant issues have now arisen. These are detailed in this paper and an amended budget incorporating these changes is attached at **Appendix 1** for Members’ approval.

3. Update on 2015/16 Budget

- 3.1 Since the meeting of Finance, Risk Audit and Standards Committee in February the 2015/16 grant has been verbally confirmed as £4,092,793 by Defra. This is the amount that was given as an indicative figure for 15/16 in the grant letter received in December 2013 and incorporates a reduction of 1.74%.
- 3.2 Further work has now been undertaken on the budget for 2015/16. The agreed increases in income have now all been allocated to individual departments, a task made easier because a number of externally funded projects have now been confirmed and are included in the budget. A small number of significant additional expenditure items have also now been included.
- 3.3 The detail included in **Appendix 1** reflects the decisions taken by Members on 22 September 2014 and 15 December 2014 but has been amended for the changes detailed in paragraph 3.4 below. Members should note that changes in staffing budgets between 2014/15 and 2015/16 may appear to be less significant than expected. This is because the comparison is between the Revised Estimate for 2014/15 and the Original Estimate for 2015/16 and Members will recall that as vacancies have arisen, and redundancies agreed, staffing budgets have been amended to reflect the cost of staffing to the end of March 2015 with the remaining budget transferred to the ‘Restructuring Costs’ cost centre. The Revised Estimate therefore reflects substantial changes already made in the current year.

3.4 The following changes to the estimates have been made to the budget originally approved in December:

- Confirmation has now been received that the Authority has been successful in two of the bids for external grant funded projects discussed in the previous paper - the Coastal Communities Fund and the North York Moors, Coast and Hills LEADER Programme. Estimates have been included within the budget for these projects totalling £285k.
- Expenditure on Visitor Centres has increased by an additional £20,000 for a play area at Sutton Bank; this is a one off requirement in 2015/16.
- The estimates now include the costs for new vehicles for the rangers (£75k) to provide transport to enable small groups of the volunteers working with the Field staff to travel to site with the Maintenance Ranger. This purchase will be partially funded by capital receipt from disposal of the surplus vehicles which is estimated at £35k. At the end of the financial year the expenditure will be transferred to the balance sheet as a Fixed Asset and replaced with an annual depreciation charge to reflect the estimated useful life and residual value.
- The budget for Development Control has been increased by £30k – as a further allocation to additional costs of the potash application.
- The £42k income target identified in the December paper has now been allocated.
- In addition, a potential sum of £30k has been identified from the sale of timber, £10k for events (split between Recreation Management and Promoting Understanding) and £5k for additional charges for planning matters.

3.5 The table below summarises the position in relation to expenditure and income for the current financial year 2014/15 after the approved utilisation of reserves, together with a current projection for 2015/16. The detail supporting these figures can be found at **Appendix 1**.

	2014/15 Latest Budget £'000	2014/15 Estimated Outturn	2015/16 Indicative Budget (September) £'000	2015/16 Indicative Budget (November) £'000	2015/16 Proposed Budget (December) £'000	2015/16 Proposed Budget (March) £'000
Gross Expenditure	5,936	6076	5,196	5,279	5,255	5,776
DEFRA Grant	(4,165)	(4,165)	(4,093)	(4,093)	(4,093)	(4,093)
Other Income	(1,526)	(1,811)	(1,149)	(1,256)	(1,256)	(1,721)
Budgeted Transfer (from)/ to Various Reserves	(245)	(100)	46	70	94	38

4. Financial and Staffing Implications

4.1 These are covered in the main body of the report.

5. Legal Implications

5.1 The Authority has to set a balanced budget by 31 March 2015 and this report is part of the process to be undertaken in order to ensure that this is done.

6. **Recommendation**

- 6.1 That Members approve the content of this report and the **Appendix** as the start budget 2015/16.

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