

# North York Moors National Park Authority Finance, Risk Audit and Standards Committee

19 May 2014

## Draft Financial Outturn

### 1. Purpose of the Report

- 1.1 To provide Members with the draft financial outturn for the financial year ended 31 March 2014
- 1.2 To obtain approval for the carry forward of budget to fund specific projects not completed as at 31 March 2014.

### 2. Background

- 2.1 This report provides the quarterly update to Members required by the Authority's Financial Regulations:

*"4.4.4. Budget Monitoring Statements, including a forecast for the full financial year shall be submitted to each quarterly meeting of the Authority's Finance, Risk, Audit and Standards Committee".*

- 2.2 This is the final detailed update on the 2013/14 budget that Members have received since the budget was approved by Authority in March 2013. This report also details changes to the 2013/14 budget which have been identified since the budget was set in March resulting in the revised (RE) budget for approval. There are no virements which require approval in this quarter.
- 2.3 The figures in this report will be used to form the basis of the Draft 2013/14 Statement of Final Accounts. These will then be subject to audit by Deloitte as the Audit Commission appointed auditors with the final figures to be agreed by 30 September 2014. As a result they remain in draft form and may be subject to change as part of the accounts preparation and audit process.

### 3. Performance

- 3.1 The **Appendix** to this report shows the total spend against the updated budget for 2013/14 to 31 March 2014. The overall position is that the Authority has a net underspend of £178k. This underspend has arisen because of
  - the accountancy adjustments required relating to the release of provisions from previous years as reported to Members previously (total £70k);
  - additional income;
  - other minor variations.

There is also £25k of resource which relates to future project work which is required to be carried forward into the 14/15 financial year (see para 3.6 below). The table below summarises the performance against budget for 2013/14.

	2013/14 RE BUDGET £000's	BUDGET £000's	ACTUAL £000's	VARIANCE £000's
Gross Expenditure	6683.8	6,683.8	6803.4	119.6
DEFRA Grant	(4,552.9)	(4,552.9)	(4,552.9)	0.0
Other Income	(1,473.1)	(1,473.1)	(1,770.6)	(297.5)
Transfer from reserves	(657.8)	(657.8)		
Net Expenditure	0.0	0.0	479.9	(177.9)

The **Appendix** to this report provides further detail and explanations for any significant variances.

The outturn position should be viewed as a positive outcome at the end of what has been a challenging year in particular;

- The income generation performance has improved and is a sign of improvements in the economy and that Officers have become more aware of the importance of income generation to the long term sustainability of the Authority;
- The level of delayed projects and income received to be carried over has reduced since the last financial year;
- There were no virements in the final quarter as the estimates included in the revised budget as at the end of December had not significantly changed;
- The actual decline in reserves is less than was anticipated at the 6 month review, which will assist in temporarily dealing with the continued pressure on the budget.

3.2 The predicted level of reserves at the end of the financial year is £1.14m. The Authority's reserves have reduced substantially over the past year as a result of:

- Planned use to smooth the declining grant;
- Costs of the withdrawn York Potash planning application;
- The reduction of the level of carry forward budgets for delayed projects (which increases the balance sheet reserve on the 31 March but is then vired from reserves in the new financial year)

The impact of events over the year on reserves has been reported to Members throughout the year. The Authority is currently operating with unallocated reserve balances of under £500k if the recommended level of emergency reserve is retained. Given the risks that the Authority is facing in terms of its future financial prospect and the challenges identified in the Future Financial Planning paper at Item 7, this balance is far from excessive. It should be noted that the Authority will need to address the issue of funding redundancy costs and potential costs in excess of provisions already allocated in the 14/15 budget. The table below summaries the breakdown of this:

<b>Reserve</b>	<b>Amount £000's</b>	<b>Planned Use 14/15 £000's</b>	<b>Estimated 15/16 Balance £000's</b>
Emergency Reserve	220		220
This Exploited Land Match Funding	250	(18)	232
Carry Forward to 14/15 (para 3.6)	25	(25)	0
Smoothing the budget reduction	220	(165)	55
General Reserve	428		428
<b>Total</b>	<b>1,143</b>	<b>(208)</b>	<b>935</b>

3.3 The table below details the performance against income targets in year.

<b>Income Type</b>	<b>2013/14 RE Budget £000's</b>	<b>Cumulative to 31 March 2014</b>		
		<b>Budget Year To Date £000's</b>	<b>Actual £000's</b>	<b>Variance £000's</b>
Grants (excluding NPG)	(499.3)	(499.3)	(653.0)	153.7
Retail Sales	(175.2)	(175.2)	(192.7)	17.5
Planning Income	(211.7)	(211.7)	(216.7)	5.0
Car Parking	(369.0)	(369.0)	(364.3)	(4.7)
Miscellaneous	(185.5)	(185.5)	(327.2)	141.7
Investment Income	(32.4)	(32.4)	(16.8)	(15.6)
<b>Total Income</b>	<b>(1473.1)</b>	<b>(1473.1)</b>	<b>(1770.7)</b>	<b>297.6</b>

3.4 The fees collected for the ANPA Conference, totalling approximately £38.7k, are included in the miscellaneous income figure and have therefore inflated this figure. The Authority has recently been awarded costs in relation to a number of ongoing legal cases which has resulted in an increase in miscellaneous income offsetting additional legal costs incurred. Further information about the Investment Income performance can be found in Item 10 on this agenda.

3.6 Members are requested to approve that the following sums of money can be carried forward into 14/15:

- **Aerial Photography** – a budget was allocated in 13/14 in relation to a contract to update the Authority's aerial photograph. The contract spans a number of years and as at 31 March 2014 there was a balance of £14.4 outstanding for work not yet completed.
- **Match Contribution to the Local Sustainable Transport Fund** – the Authority has received funding of £10k from Redcar and Cleveland as match funding towards the bid in relation to the Health Agenda.

4. **Financial, Legal and Staffing Implications**

4.1 The implications are described in the report.

5. **Recommendation**

5.1 That Members note the content of this report, and

5.2 approve the carry forward of budgets detailed in paragraph 3.6.

Contact Officer:  
Finance Officer  
Catherine Raistrick  
01439 772700

**Background documents to this report**

**File Ref.**

1. Business Plan 2012-2015
2. Use of Reserves Report – National Park Authority 28 September 2009
3. Accounts and Audit (England) Regulations 2011
4. SI 2011 No 817 – Communities and Local Government Website

FUNCTION	BUDGETARY CHANGES						Col.7 Original Budget	Col.8 Comments	Appendix
	Col.1 2013/14 Revised Estimate	Col.2 Proposed Virements	Col.3 Col.2 + Col.1 Revised Annual Estimate	Col.4 Profile to end March 2014	Col.5 Actual to end 31-Mar-14	Col.6= Col.5-Col.4 Variance to end March 2014			
<b>Conservation Natural Environment</b>									
Woodlands & Trees	11,440.0		11,440.0	11,440.0	8,537.0	(2,903.0)	11,440.0		
Income	(2,500.0)		(2,500.0)	(2,500.0)	0.0	2,500.0	(2,500.0)		
Net Expenditure	8,940.0	0.0	8,940.0	8,940.0	8,537.0	(403.0)	8,940.0		
Moorland	46,700.0		46,700.0	46,700.0	44,862.0	(1,838.0)	47,900.0	Additional expenditure on Levisham Estate	
Income	(35,650.0)		(35,650.0)	(35,650.0)	(69,911.0)	(34,261.0)	50,650.0	Additional income from sale of timber on Levisham Estate	
Net Expenditure	11,050.0	0.0	11,050.0	11,050.0	(25,049.0)	(36,099.0)	98,550.0		
Wetlands & Water	108,940.0		108,940.0	108,940.0	89,596.0	(19,344.0)	99,960.0		
Income	(100,340.0)		(100,340.0)	(100,340.0)	(63,890.0)	36,450.0	(100,340.0)		
Net Expenditure	8,600.0	0.0	8,600.0	8,600.0	25,706.0	17,106.0	(380.0)		
Farmed Land	311,000.0		311,000.0	311,000.0	292,800.0	(18,200.0)	419,980.0		
Income	(6,680.0)		(6,680.0)	(6,680.0)	(9,290.0)	(2,610.0)	(6,680.0)		
Net Expenditure	304,320.0	0.0	304,320.0	304,320.0	283,510.0	(20,810.0)	413,300.0		
Coast	33,540.0		33,540.0	33,540.0	31,980.0	(1,560.0)	52,540.0		
Income	(10,000.0)		(10,000.0)	(10,000.0)	(8,463.0)	1,537.0	(10,000.0)		
Net Expenditure	23,540.0		23,540.0	23,540.0	23,517.0	(23.0)	42,540.0		
Biodiversity and Wildlife Conservation	58,990.0		58,990.0	58,990.0	42,537.0	(16,453.0)	11,200.0		
Income	0.0		0.0	0.0	(300.0)	(300.0)	(300.0)		
Net Expenditure	58,990.0	0.0	58,990.0	58,990.0	42,237.0	(16,753.0)	10,900.0		
Conserv Nat Env (Emp)	320,570.0		320,570.0	320,570.0	328,295.0	7,725.0	294,960.0		
Income	0.0		0.0	0.0	(5,497.0)	(5,497.0)	0.0		
Recharges	135,530.0		135,530.0	135,530.0	135,530.0	0.0	135,530.0		
Gross Expenditure	1,026,710.0	0.0	1,026,710.0	1,026,710.0	974,137.0	(52,573.0)	1,073,510.0		
INCOME	(155,170.0)	0.0	(155,170.0)	(155,170.0)	(157,351.0)	(2,181.0)	(69,170.0)		
<b>NET TOTAL</b>	<b>871,540.0</b>	<b>0.0</b>	<b>871,540.0</b>	<b>871,540.0</b>	<b>816,786.0</b>	<b>(54,754.0)</b>	<b>1,004,340.0</b>		
<b>Conservation Cultural Heritage</b>									
Buildings	40,000.0		40,000.0	40,000.0	55,704.0	15,704.0	40,000.0		
Income	0.0	0.0	0.0	0.0	(14,000.0)	(14,000.0)	0.0		
Net Expenditure	40,000.0	0.0	40,000.0	40,000.0	41,704.0	1,704.0	40,000.0		
Archaeology	122,430.0		122,430.0	122,430.0	142,976.0	20,546.0	29,100.0		
Income	(83,930.0)		(83,930.0)	(83,930.0)	(78,478.0)	(5,452.0)	(600.0)		
Net Expenditure	38,500.0	0.0	38,500.0	38,500.0	64,498.0	25,998.0	28,500.0		
Enhancement Schemes	102,990.0		102,990.0	102,990.0	170,850.0	67,860.0	101,280.0		
Income	(87,340.0)		(87,340.0)	(87,340.0)	(148,260.0)	(60,920.0)	(87,340.0)	Income from LEADER	
Net Expenditure	15,650.0	0.0	15,650.0	15,650.0	22,590.0	6,940.0	13,940.0		
Conservation Areas	15,200.0		15,200.0	15,200.0	12,009.0	(3,191.0)	15,200.0		
Local Culture & Tradition	5,750.0		5,750.0	5,750.0	(1,000.0)	(6,750.0)	5,750.0		
Conserv Cult Her (Emp)	79,930.0		79,930.0	79,930.0	92,064.0	12,134.0	78,520.0		
Recharges	65,550.0		65,550.0	65,550.0	65,550.0	0.0	65,550.0		
Gross Expenditure	431,850.0		431,850.0	431,850.0	538,153.0	106,303.0	335,400.0		
INCOME	(171,270.0)		(171,270.0)	(171,270.0)	(240,738.0)	(69,468.0)	(87,940.0)		
<b>NET TOTAL</b>	<b>260,580.0</b>	<b>0.0</b>	<b>260,580.0</b>	<b>260,580.0</b>	<b>297,415.0</b>	<b>36,835.0</b>	<b>247,460.0</b>		
<b>Recreation Management</b>									
P.R.O.W.S.	32,350.0		32,350.0	32,350.0	99,577.0	67,227.0	32,210.0	Leader Community Access	
Income	(26,160.0)		(26,160.0)	(26,160.0)	(79,031.0)	(52,871.0)	(26,160.0)		
Net Expenditure	6,190.0	0.0	6,190.0	6,190.0	20,546.0	14,356.0	6,050.0		
National Trails	114,540.0		114,540.0	114,540.0	122,642.0	8,102.0	113,660.0	Cleveland Way, Yorkshire Wolds Way	
Income	(114,460.0)		(114,460.0)	(114,460.0)	(125,327.0)	(10,867.0)	(114,460.0)	Grant claimed from Natural England annually	
Net Expenditure	80.0	0.0	80.0	80.0	(2,685.0)	(2,765.0)	(800.0)		
Access to Open Land	400,410.0		400,410.0	400,410.0	329,925.0	(70,485.0)	363,700.0	Hole of Horcum contract carried forward and reduced expenditure offset by reduced income from NYCC (£50k) net of £30k income for apprentices netted from expenditure	
Income	(49,000.0)		(49,000.0)	(49,000.0)	(41,082.0)	7,918.0	(69,000.0)	Reduced Income re ROW Contribution from NYCC (£50K) offset by income previously netted off from expenditure £30k for apprentices)	
Net Expenditure	351,410.0	0.0	351,410.0	351,410.0	288,843.0	(62,567.0)	294,700.0		
Visitor Mgt & Facilities	51,560.0		51,560.0	51,560.0	38,514.0	(13,046.0)	51,560.0		
Car Parks	105,480.0		105,480.0	105,480.0	127,618.0	22,138.0	111,030.0		
Income	(369,000.0)		(369,000.0)	(369,000.0)	(364,342.0)	(4,658.0)	(369,000.0)		
Net Expenditure	(263,520.0)	0.0	(263,520.0)	(263,520.0)	(236,724.0)	(26,796.0)	(257,970.0)		
Public Transport	203,520.0		203,520.0	203,520.0	167,676.0	(35,844.0)	195,610.0	Moorsbus - October finish underspend	
Income	(40,000.0)		(40,000.0)	(40,000.0)	(37,949.0)	(2,051.0)	(40,000.0)		
Net Expenditure	163,520.0	0.0	163,520.0	163,520.0	129,727.0	(33,793.0)	155,610.0		
Recreation (Emp)	220,000.0		220,000.0	220,000.0	210,660.0	(9,340.0)	213,780.0		
Recharges	248,710.0		248,710.0	248,710.0	248,710.0	0.0	248,710.0		
Gross Expenditure	1,376,570.0		1,376,570.0	1,376,570.0	1,345,322.0	(31,248.0)	1,330,260.0		
INCOME	(598,620.0)		(598,620.0)	(598,620.0)	(647,731.0)	(49,111.0)	(618,620.0)		
<b>NET TOTAL</b>	<b>777,950.0</b>	<b>0.0</b>	<b>777,950.0</b>	<b>777,950.0</b>	<b>697,591.0</b>	<b>(80,359.0)</b>	<b>711,640.0</b>		
<b>Promoting Understanding</b>									
Visitor Centres	523,500.0		523,500.0	523,500.0	579,140.0	55,640.0	438,640.0	Includes Sutton Bank refurbishment undertaken during the first half of the year. Overspend on Visitor Centres will be offset by the underspend on the Moorsbus service	
Income	(208,350.0)		(208,350.0)	(208,350.0)	(215,000.0)	(6,650.0)	(208,350.0)		
Net Expenditure	315,150.0	0.0	315,150.0	315,150.0	364,140.0	48,990.0	230,290.0		
Info & Interp Services	144,310.0		144,310.0	144,310.0	195,897.0	51,587.0	124,100.0		
Income	(58,370.0)		(58,370.0)	(58,370.0)	(112,343.0)	(53,973.0)	(58,370.0)		
Net Expenditure	85,940.0	0.0	85,940.0	85,940.0	83,554.0	(2,386.0)	65,730.0		
Education Service	112,060.0		112,060.0	112,060.0	107,671.0	(4,389.0)	116,690.0		
Income	(19,000.0)		(19,000.0)	(19,000.0)	(20,028.0)	(1,028.0)	(19,000.0)		
Net Expenditure	93,060.0	0.0	93,060.0	93,060.0	87,643.0	(5,417.0)	97,690.0		
Info Interp Educ (Emp)	236,560.0		236,560.0	236,560.0	239,646.0	3,086.0	226,370.0		
Income	0.0		0.0	0.0	2,795.0	2,795.0	0.0		
Recharges	256,450.0		256,450.0	256,450.0	256,450.0	0.0	256,450.0		
Gross Expenditure	1,272,880.0	0.0	1,272,880.0	1,272,880.0	1,378,804.0	105,924.0	1,162,250.0		
INCOME	(285,720.0)	0.0	(285,720.0)	(285,720.0)	(344,576.0)	(58,856.0)	(285,720.0)		
<b>NET TOTAL</b>	<b>987,160.0</b>	<b>0.0</b>	<b>987,160.0</b>	<b>987,160.0</b>	<b>1,034,228.0</b>	<b>47,068.0</b>	<b>876,530.0</b>		
<b>Rangers &amp; Volunteers</b>									
Ranger Services	246,640.0		246,640.0	246,640.0	253,676.0	7,036.0	244,820.0		
Estate Teams	210,800.0		210,800.0	210,800.0	224,778.0	13,978.0	220,570.0		
Volunteers	186,400.0		186,400.0	186,400.0	178,594.0	(7,806.0)	187,050.0		
Income	(3,180.0)		(3,180.0)	(3,180.0)	(4,353.0)	(1,173.0)	(3,180.0)		
Net Expenditure	183,220.0	0.0	183,220.0	183,220.0	174,241.0	(8,979.0)	183,870.0		
Rangers & Estates (Emp)									
Recharges	189,400.0		189,400.0	189,400.0	189,400.0	0.0	189,400.0		
Gross Expenditure	833,240.0		833,240.0	833,240.0	846,448.0	13,208.0	841,840.0		
INCOME	(3,180.0)	0.0	(3,180.0)	(3,180.0)	(4,353.0)	(1,173.0)	(3,180.0)		
<b>NET TOTAL</b>	<b>830,060.0</b>	<b>0.0</b>	<b>830,060.0</b>	<b>830,060.0</b>	<b>842,095.0</b>	<b>12,035.0</b>	<b>838,660.0</b>		
<b>Development Control</b>									
Development Control	268,250.0		268,250.0	268,250.0	318,125.0	49,875.0	43,250.0	York Potash additional £25k spend on Legal Advice	
Development Control (Emp)	398,190.0		398,190.0	398,190.0	420,900.0	22,710.0	415,750.0		
Recharges	249,040.0		249,040.0	249,040.0	249,040.0	0.0	249,040.0		
Gross Expenditure	915,480.0	0.0	915,480.0	915,480.0	988,065.0	72,585.0	708,040.0		
INCOME	(211,750.0)		(211,750.0)	(211,750.0)	(252,052.0)	(40,302.0)	(211,750.0)		
<b>NET TOTAL</b>	<b>703,730.0</b>	<b>0.0</b>	<b>703,730.0</b>	<b>703,730.0</b>	<b>736,013.0</b>	<b>32,283.0</b>	<b>496,290.0</b>		
<b>Forward Planning</b>									
National Park Mgt Plan	2,850.0		2,850.0	2,850.0	0.0	(2,850.0)	2,850.0		
Statutory Devt Plans	24,750.0		24,750.0	24,750.0	29,659.0	4,909.0	24,750.0		
Local Studies & Plan	34,550.0		34,550.0	34,550.0	40,064.0	5,514.0	37,550.0		
Income	0.0		0.0	0.0	(19,521.0)	(19,521.0)	0.0	Coastal Forum contribution	
Net Expenditure	34,550.0	0.0	34,550.0	34,550.0	20,543.0	(14,007.0)	37,550.0		
Sustainable Development Fund	152,400.0								

FUNCTION	BUDGETARY CHANGES						Col.7 Original Budget	Col.8 Comments	Appendix
	Col. 1 2013/14 Revised Estimate	Col. 2 Proposed Virements	Col.3 Col 2 + Col 1 Revised Annual Estimate	Col.4 Profile to end March 2014	Col.5 Actual to end 31-Mar-14	Col.6= Col.5-Col.4 Variance to end March 2014			
Recharges	(1,232,110.0)		(1,232,110.0)	(1,232,110.0)	(1,232,110.0)	0.0	(1,232,110.0)	NB - Recharges as budget. Work is been carried out to calculate actual recharges to be used. These will be amended for the Final Accounts.	
Gross Expenditure	350,190.0		350,190.0	350,190.0	366,351.0	16,161.0	312,040.0		
INCOME	(47,400.0)		(47,400.0)	(47,400.0)	(104,320.0)	(56,920.0)	(47,400.0)		
<b>NET TOTAL</b>	<b>302,790.0</b>	<b>0.0</b>	<b>302,790.0</b>	<b>302,790.0</b>	<b>262,031.0</b>	<b>(40,759.0)</b>	<b>264,640.0</b>		
Gross Expenditure	6,683,750.0	0.0	6,683,750.0	6,683,750.0	6,803,380.0	119,630.0	6,233,830.0		
Gross Income	(1,473,110.0)	0.0	(1,473,110.0)	(1,473,110.0)	(1,770,642.0)	(297,532.0)	(1,323,780.0)		
<b>NET TOTAL</b>	<b>5,210,640.0</b>	<b>0.0</b>	<b>5,210,640.0</b>	<b>5,210,640.0</b>	<b>5,032,738.0</b>	<b>(177,902.0)</b>	<b>4,910,050.0</b>		
<b>Funded by:</b>									
<b>NPG &amp; LOCAL AUTHORITY</b>	<b>(4,552,900.0)</b>		<b>(4,552,900.0)</b>	<b>(3,414,672.0)</b>	<b>(3,414,672.0)</b>	<b>0.0</b>	<b>(4,552,900.0)</b>		
<b>From / To Reserves</b>	<b>(657,740.0)</b>	<b>0.0</b>	<b>(657,740.0)</b>				<b>(657,740.0)</b>		
	<b>(5,210,640.0)</b>	<b>0.0</b>	<b>(5,210,640.0)</b>	<b>(3,414,672.0)</b>	<b>(3,414,672.0)</b>	<b>0.0</b>	<b>(5,210,640.0)</b>		
<b>Budget After Grants &amp; Levies</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,795,968.0</b>	<b>1,618,066.0</b>	<b>(177,902.0)</b>	<b>(300,590.0)</b>		
<b>General Reserves</b>									
General Reserves	117,750.0		117,750.0						
Planning LDF reserve	51,800.0		51,800.0						
Visitor centre Reserve	10,000.0		10,000.0						
Building & Property	38,000.0		38,000.0						
Capital spend on vehicles	33,400.0		33,400.0						
Emergency Reserve	220,000.0		220,000.0						
Business Plan Allocation 14/15	150,000.0		150,000.0						
<b>Earmarked Reserves</b>									
Conservation Reserve	42,200.0		42,200.0						
Tourism Reserve	0.0		0.0						
Miscellaneous	51,850.0		51,850.0						
SDF & Community Initiatives Reserve	250,000.0		250,000.0						
Leader Community Access Project	0.0		0.0						
<b>Total Reserve b/f</b>	<b>965,000.0</b>	<b>0.0</b>	<b>965,000.0</b>	<b>0.0</b>		<b>0.0</b>			