

North York Moors National Park Authority

26 March 2012

Budget Estimate 2012/13

1. Purpose of the Report

- 1.1 To obtain approval of the Budget Estimate for 2012/13.

2. Background

- 2.1 The Authority is legally required to approve a 'balanced budget' for the following financial year by the 31 March.
- 2.2 The Authority is in the process of finalising a revised National Park Management Plan and engaging with key partners in relation to the targets and delivery for this and working on the development of the Business Plan 2012-2015.
- 2.3 The Financial Planning and Prioritisation process has established a series of high level targets for up to 2014/15, as part of the Authority's Medium Term Financial Strategy. A number of emerging issues such as reduced planning fee income could impact on these plans. These factors will need to be taken into account as part of the completion of the Business Plan but are not acute at this stage. This paper therefore focuses on the preparation of the balanced budget and planned use of reserves for the 2012/13 only. The plans for later years will be discussed as part of the Business Planning process over the forthcoming months.
- 2.4 The budget in the attached **Appendix** has been discussed at Performance Monitoring and Management Committee on 6 February 2012. This **appendix** has been amended to reflect changes which have arisen since this meeting and details of these changes are explained in the report.
- 2.5 The budget includes unallocated money which will be directed towards those priorities agreed by Members as part of the Business Planning process.

3. Proposed Budget and General Assumptions

- 3.1 The table below summarises the position in relation to Expenditure and Income and planned use of reserves:

	2011/12 Revised Budget	2012/13		
	£000's	£000's		
Gross Expenditure	7,164.8	6,568.0		
Defra Grant	(5,164.7)	(4,844.7)		
Other Income	(1,852.8)	(1,583.1)		
Transfer to / (from) reserves	(147.3)	(140.2)		
Net Expenditure	0.0	0.0		

- 3.2 The assumptions about staff costs remain unchanged since the reports presented to Members in November and December. However, additional resource has been identified to cover the cost of interim cover within the Conservation Department; this is estimated at £10k at this stage but if the requirement is longer than anticipated this may need to be increased.
- 3.3 Members were verbally updated at the Performance Monitoring and Management Committee that a request for an additional £12.5k to complete the sequence of archaeological investigations at Boltby Scar was previously omitted from the **Appendix**. The new **Appendix** attached has been amended accordingly.
- 3.4 Performance Monitoring and Management Committee discussed in detail the Authority's assumptions in relation to income targets and a number of these were adjusted to take into account factors outside of the Authority's control. Income generation remains a challenge for the Authority and the budget attached still includes unconfirmed amounts in relation to the New Homes Bonus (Ryedale District Council have confirmed).
- 3.5 On the 9 March 2012 the Authority was informed by NYCC that there was no budget provision in 2012/13 towards a contribution to support the Authority's work on Rights of Way. The budget and projected use of reserves has been amended accordingly.
- 3.6 The proposed movement **from** reserves in 12/13 can be accounted for by one off capital spend to replace the sewage system at Sutton Bank which is in urgent need of attention and discretionary measures and lost income. As mentioned earlier it is not 12/13 but subsequent years which provide the challenge.

4. Forecast Movement in Reserves

- 4.1 This paper proposes a balanced budget which assumes at this stage that £140.2k will be required **from** reserves in 2012/13. The earlier forecasts had assumed that the Authority would transfer **into** reserves a sum of £106.3k in order to create an additional buffer against potential income loss. The table below summarises the key factors which have impacted on this reserve movement:

Predicted Movement in Reserves November 11	106.3
Change in Planning Income	(60.0)
Change in Rights of Way contribution	(50.0)
Change in Car Park Income	(69.8)
Change in Car Park Income and Retail Income (net)	(10.0)
Interim Cover	(10.0)
Proposals for additional Business Plan Projects - Provisional	(35.5)
Use of Reserve in relation to Capital Project at Sutton Bank	(50.0)
Other savings (net)	38.8
Predicted Movement in Reserves March 12	(140.2)

- 4.2 The Authority has adequate reserves and there is no concern about the proposals for 2012/13 alone having a long term impact on the Authority's financial position. However, the probable loss of expected planning income, the ongoing impact of the current economic climate and the risks in relation to further loss of core grant income and contributions from other local authorities mean that the potential impact on future years needs careful consideration as part of the Business Planning Process. Members discussed the rationale which will form the basis of the future Reserves Policy at the Special Authority on 23 February 2012. These issues will clearly need to be returned to before the plan can be signed off in June.

5. **Financial and Staffing Implications**

5.1 The financial implications are described in the report.

6. **Sustainability and Legal Implications**

6.1 The proposal to utilise funds from the Property reserve to replace the sewerage system at Sutton Bank will have a consequential positive impact on the carbon emissions at the site.

7. **Recommendation**

7.1 Members approve the start budget 2012/13 as attached at the **Appendix** to this report.

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Background documents to this report

File Ref.

Business Plan 2009-2012
Financial Planning and Prioritisation reports to committee
Budget 2012/13 Performance Monitoring and Management Committee 6 February 2012
Business Plan Update Special Authority 23 February 2012

FUNCTION	ZBB		
	Col.1	Col.2	Col. 3.
	Budget RE 2011/12	Draft OE 2012/13	Difference Re 11/12 & OE 12/13
Conservation Natural Environment			
Woodlands & Trees	47.1	7.0	(40.1)
Income	(2.5)	(2.5)	
Net Expenditure	44.6	4.5	(40.1)
Moorland	157.3	42.7	(114.6)
Income	(129.7)	(25.2)	104.5
Net Expenditure	27.6	17.5	(10.1)
Wetlands & Water	73.5	115.9	42.4
Income	(73.2)	(118.9)	(45.7)
Net Expenditure	0.3	(3.0)	(3.3)
Grants - Farmed Land, Wildlife and Woodland	356.0	355.0	(1.0)
Matched Funding			
Income	(11.9)	(6.7)	5.2
Net Expenditure	344.1	348.3	4.2
Coast	43.3	43.3	
Income	(11.6)	(10.0)	1.6
Net Expenditure	31.7	33.3	1.6
Biodiversity and Wildlife Conservation	55.4	11.8	(43.6)
Income	(1.1)		1.1
Net Expenditure	54.3	11.8	(42.5)
Conserv Nat Env (Emp)	263.2	303.2	40.0
Unallocated Pending Business Plan Priorities		65.0	65.0
Recharges	150.2	150.2	
Gross Expenditure	1,146.0	1,094.1	(51.9)
INCOME	(229.9)	(163.3)	66.6
NET TOTAL	916.1	930.8	14.7
Conservation Cultural Heritage			
Buildings	40.0	22.0	(18.0)
Income			
Net Expenditure	40.0	22.0	(18.0)
Archaeology	91.7	30.6	(61.1)
Income	(57.4)	(0.6)	56.8
Net Expenditure	34.3	30.0	(4.3)
Enhancement Schemes	170.5	168.6	(1.9)
Income	(138.2)	(139.7)	(1.5)
Net Expenditure	32.3	28.9	(3.4)
Conservation Areas	20.2	8.0	(12.2)
Income	(4.2)		4.2
Net Expenditure	16.0	8.0	(8.0)
Local Culture & Tradition	6.0	6.0	
Conserv Cult Her (Emp)	100.6	99.6	(1.0)
Unallocated Pending Business Plan Priorities		40.5	40.5
Recharges	73.6	73.6	
Gross Expenditure	502.6	448.9	(53.7)
INCOME	(199.8)	(140.3)	59.5
NET TOTAL	302.8	308.6	5.8
Recreation Management			
P.R.O.W.S.	45.9	47.2	1.3
Income	(37.6)	(37.8)	(0.2)
Net Expenditure	8.3	9.4	1.1
National Trails	117.7	113.5	(4.2)
Income	(113.7)	(113.9)	(0.2)
Net Expenditure	4.0	(0.4)	(4.4)
Access to Open Land	375.8	357.6	(18.2)
Income	(27.7)	(51.1)	(23.4)
Net Expenditure	348.1	306.5	(41.6)
Visitor Mgt & Facilities	77.2	104.4	27.2
Income			
Net Expenditure	77.2	104.4	27.2
Specialist Recreation			
Income	(9.9)		9.9
Net Expenditure	(9.9)		9.9
Car Parks	142.4	128.5	(13.9)
Income	(379.8)	(359.0)	20.8
Net Expenditure	(237.4)	(230.5)	6.9
Public Transport	262.9	194.7	(68.2)
Income	(40.0)	(30.0)	10.0
Net Expenditure	222.9	164.7	(58.2)
Recreation (Emp)	202.9	211.9	9.0
Recharges	234.6	234.5	(0.1)
Gross Expenditure	1,459.4	1,392.3	(67.1)
INCOME	(608.7)	(591.8)	16.9
NET TOTAL	850.7	800.5	(50.2)

FUNCTION	ZBB		
	Col.1	Col.2	Col. 3.
	Budget RE 2011/12	Draft OE 2012/13	Difference Re 11/12 & OE 12/13
Promoting Understanding			
Visitor Centres	529.6	459.7	(69.9)
Income	(208.6)	(203.0)	5.6
Net Expenditure	321.0	256.7	(64.3)
Info & Interp Services	294.6	251.3	(43.3)
Income	(207.0)	(177.9)	29.1
Net Expenditure	87.6	73.4	(14.2)
Education Service	107.2	112.7	5.5
Income	(16.5)	(19.0)	(2.5)
Net Expenditure	90.7	93.7	3.0
Info Interp Educ (Emp)	270.0	230.6	(39.4)
Unallocated Pending Business Plan Priorities		30.0	30.0
Recharges	231.7	231.7	
Gross Expenditure	1,433.1	1,316.0	(117.1)
INCOME	(432.1)	(399.9)	32.2
NET TOTAL	1,001.0	916.1	(84.9)
Rangers & Volunteers			
Ranger Services	244.4	243.3	(1.1)
Estate Teams	255.0	225.2	(29.8)
Income	(3.1)		3.1
Net Expenditure	251.9	225.2	(26.7)
Volunteers	176.7	187.0	10.3
Income	(8.5)	(3.2)	5.3
Net Expenditure	168.2	183.8	15.6
Unallocated Pending Business Plan Priorities		5.0	5.0
Recharges	175.2	175.1	(0.1)
Gross Expenditure	851.3	835.6	(15.7)
INCOME	(11.6)	(3.2)	8.4
NET TOTAL	839.7	832.4	(7.3)
Development Control			
Development Control	79.1	45.4	(33.7)
Development Control (Emp)	419.6	411.8	(7.8)
Recharges	294.9	294.9	
Gross Expenditure	793.6	752.1	(41.5)
INCOME	(176.3)	(216.2)	(39.9)
NET TOTAL	617.3	535.9	(81.4)
Forward Planning			
National Park Mgt Plan	6.0	8.0	2.0
Statutory Devt Plans	10.0	30.7	20.7
Income	(39.3)	(25.0)	14.3
Net Expenditure	(29.3)	5.7	35.0
Local Studies & Plan	15.0	15.0	
Income			
Net Expenditure	15.0	15.0	
Minerals Policy	0.5		(0.5)
Sustainable Development Fund	228.6	90.0	(138.6)
Income	(228.2)		228.2
Net Expenditure	0.4	90.0	89.6
Other Environmental Initiatives	75.0		(75.0)
Income	(75.0)		75.0
Net Expenditure			
Forward Planning (Emp)	166.8	156.4	(10.4)
Unallocated Pending Business Plan Priorities		90.0	90.0
Recharges	78.9	78.9	
Gross Expenditure	580.8	469.0	(111.8)
INCOME	(342.5)	(25.0)	317.5
NET TOTAL	238.3	444.0	205.7

FUNCTION	ZBB		
	Col.1 Budget RE 2011/12	Col.2 Draft OE 2012/13	Col. 3. Difference Re 11/12 & OE 12/13
Corporate and Democratic Core			
Support Staff Costs	435.4	430.5	(4.9)
Income			
Net Expenditure	435.4	430.5	(4.9)
Office Accommodation	66.3	59.3	(7.0)
Income	(8.7)	(12.4)	(3.7)
Net Expenditure	57.6	46.9	(10.7)
Support Supplies & Servs	429.6	358.1	(71.5)
Income	(71.4)	(31.0)	40.4
Net Expenditure	358.2	327.1	(31.1)
Contracted in Services	231.1	186.5	(44.6)
Democratic (Cttee) Costs	97.2	82.6	(14.6)
Income			
Net Expenditure	97.2	82.6	(14.6)
Corp Mgt & Admin (Emp)	377.5	377.1	(0.4)
Unallocated Pending Business Plan Priorities		5.0	5.0
Recharges	(1,239.1)	(1,239.1)	
Gross Expenditure	398.0	260.0	(138.0)
INCOME	(80.1)	(43.4)	36.7
NET TOTAL	317.9	216.6	(101.3)
Gross Expenditure	7,164.8	6,568.0	(596.8)
Gross Income	(2,081.0)	(1,583.1)	497.9
NET TOTAL	5,083.8	4,984.9	(98.9)
Funded by:			
NPG	(4,936.5)	(4,844.7)	91.8
(From) / To Reserves	(147.3)	(140.2)	7.1
	(5,083.8)	(4,984.9)	98.9
Budget After Grants & Levies	(0.0)		0.0
General Reserves			
Reserve Adjustment			
General Reserves	65.0	39.2	(25.8)
Landscape Intervention	399.9	379.9	(20.0)
Planning LDF reserve	276.8	246.8	(30.0)
Visitor centre Reserve- Whitby TIC	5.0		(5.0)
Building & Property	100.5	50.5	(50.0)
Postgate Section106	10.8	10.8	
Cleveland Way Seat Bequest	3.3	3.3	
Leader Community Access Project	31.9	22.5	(9.4)
Capital spend on vehicles	33.4	33.4	
Emergency Reserve	220.0	220.0	
Total Reserve b/f less allocated to budget	1,146.6	1,006.4	(140.2)
		140.2	