

Report to	Resources and Performance Committee
Date	17 September 2013
By	Chief Finance Officer
Title of Report	Budget Monitoring Report for Quarter 1, 2013/14
Purpose of Report	To advise the Committee of the overall financial position of the Authority for 2013/14 as at Quarter 1

Recommendation: The Committee is recommended to:
1) note the overall financial position as at Quarter 1 2013/14.

1. Introduction

- 1.1 This report sets out the South Downs National Park Authority's (the Authority) current financial position as at the first quarter of operation in 2013/14. This report includes the Revenue Forecast, Treasury Management position and Capital Programme.

2. Background

- 2.1 The Authority approved the revenue budget for 2013/14 on 19 March 2013. The adjusted budget shown in the report reflects the original budget approved by the Authority plus any virements during the financial year. The adjusted budget therefore includes new budgets for the carry forward underspend for specific projects from 2012/13, totalling £943,550 as approved at Resources & Performance Committee on 20 June 2013 and also the carry forward underspending for the Sustainable Communities Fund (£290,547).
- 2.2 The Treasury Management Policy Statement and Annual Investment Strategy was adopted by the Authority on 19 March 2013 and sets out the policy and principles used to manage the Authority's investments.
- 2.3 The capital programme for 2013/14 consists of two schemes: refurbishment of South Downs Centre, and purchase of Vehicles.

3 Revenue Forecast Outturn

- 3.1 The forecast outturn position as at Quarter 1 is a net overspend of £21,000, representing 0.15% of the gross expenditure budget. The Senior Management Team (SMT) monitor the overall financial position on a monthly basis and will identify savings or underspendings in the future to ensure the final outturn position does not result in an overspend. Detailed information is found in the following Appendices:

- **Appendix 1** - Subjective(by expenditure type) forecast
- **Appendix 2** - Service area forecast
- **Appendix 3** - Corporate Plan forecast. Analysis of spend compared to objectives set out in the Corporate Plan.
- **Appendix 4** - Treasury Management performance compared to benchmarks.

The significant variations are detailed below:

Expenditure

- 3.2 The employee's budget is forecast to underspend by £50,000 where some posts will not be filled for the full financial year. This includes apprenticeships, a planning policy post and a short term external funding post.

- 3.3 As a consequence of the delay in moving to the South Downs Centre, premises costs are forecast to underspend by a net £72,000, from savings in cleaning, business rates and utilities charges partly offset by additional rents for leased properties.
- 3.4 Supplies and services budgets are projecting a net overspend of £123,000 from the following significant variances:
- An agreed overspend of £36,000 in relation to consultancy to provide support to the Planning Service in the absence of the Director.
 - The Idox project is forecast to overspend by £27,000 in consultancy and £36,000 for scanning and £23,000 for additional IT costs for new modules.
 - The Geographic Information System (GIS) contract is forecast to overspend by £36,000 from one off set up costs resulting from the award of the 3 year contract to a new supplier. The annual contract fees can be funded from within the existing budget.
 - These overspends are partly offset by an underspend of £20,000 on computer lines where costs are estimated to be lower than the original budget and £20,000 on projects carried forward from 2012/13 where the work has been undertaken in house or at a lower cost than anticipated.

Capital Programme

- 3.5 The capital programme consists of two schemes: refurbishment of South Downs Centre, and purchase of vehicles. The forecast outturn as at Quarter 1 is detailed in the table below.

Schemes	Adjusted Budget £'000	Actual To Date £'000	Forecast Outturn £'000	Variance To Budget £'000
South Downs Centre	2,835	11	2,835	0
Vehicles	192	1	192	0
Total Capital	3,027	12	3,027	0

- 3.6 The works programme for South Downs Centre has now been finalised and the works are anticipated to be completed by the end of the financial year.
- 3.7 The vehicles forecast includes an additional £15,631 for the purchase of a replacement vehicle following the write off of a Nissan Narvara. This will be funded from the insurance payment topped up by the earmarked vehicles reserve.

4 Resources

- 4.1 This report details the position of the Authority's financial resources.

5 Risk Management

- 5.1 The monthly monitoring of the Authority's financial position seeks to minimise and manage financial risks. It is essential that all budgets are monitored closely, to ensure that the year end figures can be predicted with certainty. The process for sound budget management is now established within the Authority with budget management reports to the Strategic Management Team (SMT) on a monthly basis as well as continuous budget monitoring by all budget managers supported by finance staff. The forecast is currently showing a small overspend which SMT will keep under review and should the forecast continue to produce an overspend, SMT will identify underspends to bring the outturn back to breakeven.

6 Human Rights, Equalities, Health and Safety

- 6.1 There are no implications arising from this report.

7 Sustainability Implications

- 7.1 There are no implications arising from this report.

8 External Consultees

8.1 None.

CATHERINE VAUGHAN

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Appendices

1. Revenue Forecast Outturn by Subjective
2. Revenue Forecast Outturn by Service area
3. Revenue Forecast Outturn by Corporate plan
4. Treasury Management performance

SDNPA Consultees

Chief Executive Officer, SMT, Monitoring Officer.

REVENUE BUDGET MONITORING 2013/14, AS AT QUARTER 1 BY SUBJECTIVE

	Original Budget £'000	Budget Virements £'000	Adjusted Budget £'000	Actual To Date £'000	Forecast Outturn £'000	Variance To Budget £'000
EXPENDITURE:						
Direct Employees	4,541	5	4,546	1,106	4,496	(50)
Indirect Employees	213	31	244	39	244	0
Premises	436	13	449	99	377	(72)
Transport	241	1	242	49	244	2
Supplies & Services	3,268	1,444	4,712	527	4,835	123
Third Party Payments	3,608	161	3,769	(31)	3,769	0
Total Expenditure	12,307	1,655	13,962	1,789	13,965	3
INCOME:						
National Park Grant	(10,589)	0	(10,589)	(2,941)	(10,589)	0
Other Grants	(717)	(245)	(962)	(21)	(962)	0
Planning Fees	(971)	0	(971)	(48)	(971)	0
Other Income	(18)	0	(18)	0	0	18
Investment Income	(30)	0	(30)	2	(30)	0
Total Income	(12,325)	(245)	(12,570)	(3,008)	(12,552)	18
Net Budget	(18)	1,410	1,392	(1,219)	1,413	21
Contribution from Reserves	0	(1,392)	(1,392)	0	(1,392)	0
Grand Total	(18)	18	0	(1,219)	21	21

REVENUE BUDGET MONITORING 2013/14, AS AT QUARTER 1 BY SERVICE AREA

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Service Area	Original Budget £'000	Budget Virements £'000	Adjusted Budget £'000	Actual To Date £'000	Forecast Outturn £'000	Variance To Budget £'000	Reason for Material Variance
Corporate Services	656	0	656	115	659	3	
Chief Executives Service	189	4	193	49	194	1	
Human Resources	262	0	262	66	265	3	
Property Services	735	89	824	196	774	(50)	South Downs Centre
IT Services	720	69	789	136	758	(31)	Salaries
Member Services	252	0	252	63	252	0	
Planning & Information System	382	63	445	99	604	159	IDOX, GIS, consultancy
Planning Development Management	2,635	0	2,635	107	2,640	5	
Planning Policy	779	234	1,013	96	1,001	(12)	Salaries
Planning Minerals & Waste	209	15	224	22	221	(3)	
Evidence	336	76	412	42	414	2	
SCF	403	341	744	86	720	(24)	Salaries
Strategy	120	0	120	30	122	2	
Communications	542	138	680	119	681	1	
Mgt Plan & Key Initiatives	695	118	813	145	796	(17)	
Access land SDW	109	37	146	73	144	(2)	
Volunteer Management	119	5	124	17	124	0	
Heathland Project	72	0	72	24	72	0	
Ranger Service	1,114	45	1,159	216	1,153	(6)	
Major Projects *	260	158	418	85	408	(10)	
NET BUDGET	10,589	1,392	11,981	1,786	12,002	21	
Defra Grant	(10,589)	0	(10,589)	(3,005)	(10,589)	0	
Contribution from Reserves	0	(1,392)	(1,392)	0	(1,392)	0	
GRAND TOTAL	0	0	0	(1,219)	21	21	

*Major Projects detailed below in a separate table.

Budget Virements Include:

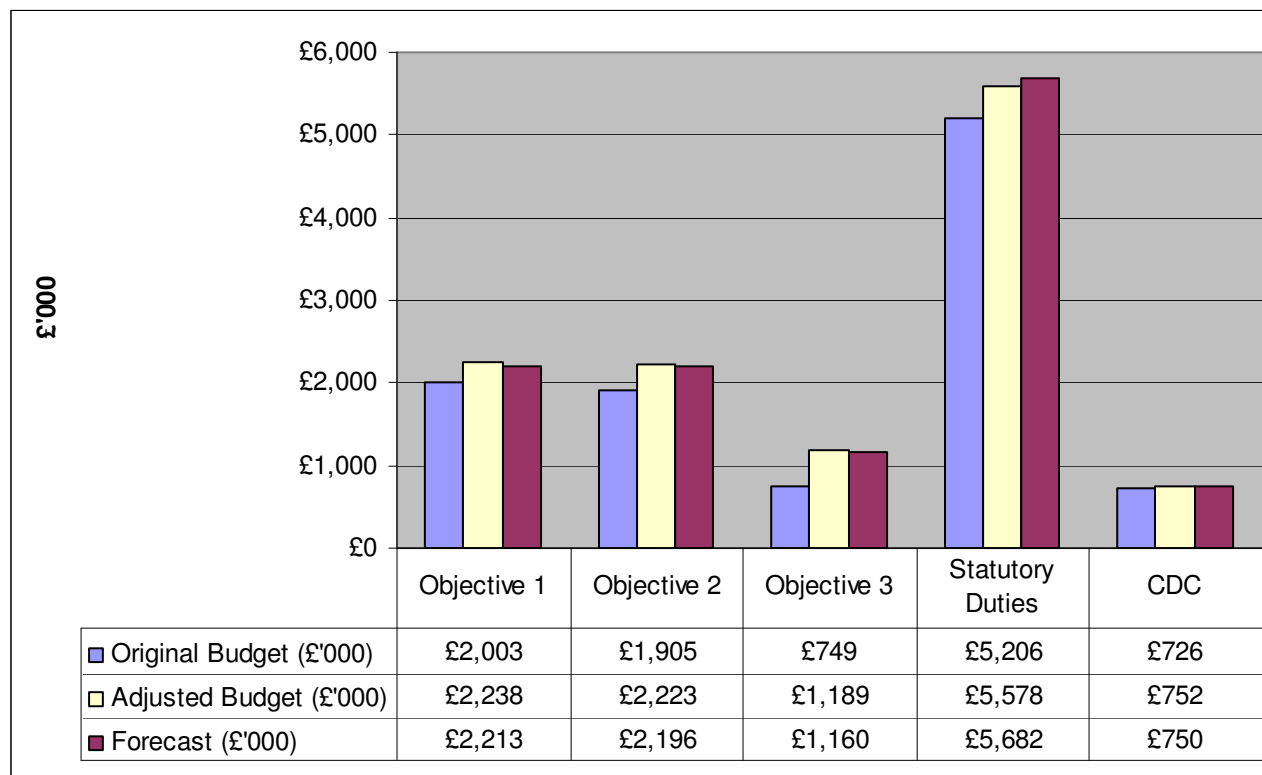
1. Carry forward of allocated Major Projects budgets from 2012/13 of £84,000 (LIDAR, NIA, PAWS, LSTF). Please note that the balance of the unallocated Major Projects funding from previous years is held in earmarked reserves.
2. Carry forward of 2012/13 underspend of £943,550.
3. Carry forward of SCF fund from 2012/13 of £290,547.
4. Short Term Budgets for Heritage Coast Initiative, Rother Valley Schools and Weald & Downland funded from the Major Projects Fund Reserves totalling £74,000.

The following table provides a breakdown of the projects within the Major Projects service area:

Service Area	Original Budget £'000	Budget Virements £'000	Adjusted Budget £'000	Actual To Date £'000	Forecast Outturn £'000	Variance To Budget £'000	Reason for Material Variance
Major Projects Fund	(2)	2	0	0	(2)	(2)	
Learning thru Landscapes	66	0	66	0	66	0	
In the High Woods (LIDAR)	23	9	32	0	31	(1)	
Nature Improvement Areas	50	7	57	26	57	0	
PAWS Woodfuel initiative	33	16	49	8	48	(1)	
Alice Holt (Forest Enterprise)	40	0	40	0	40	0	
LSTF	50	50	100	29	100	0	
Heritage Coast Initiative	0	45	45	0	45	0	
Rother Valley Schools	0	21	21	21	21	0	
Weald & Downland	0	8	8	0	8	0	
Collabor8	0	0	0	1	(6)	(6)	
NET BUDGET	260	158	418	85	408	(10)	

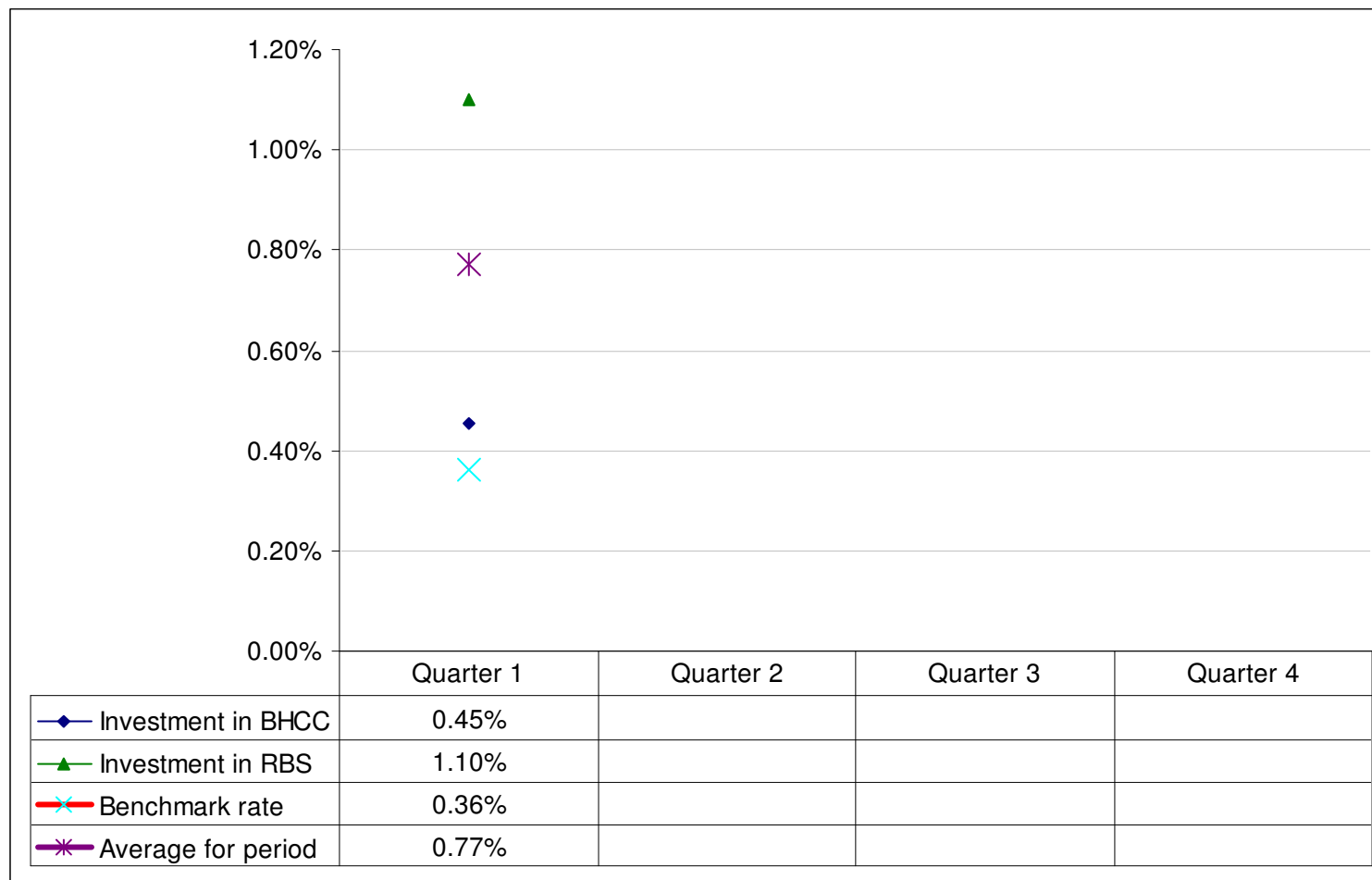
REVENUE BUDGET MONITORING 2013/14, AS AT QUARTER 1 BY CORPORATE PLAN ANALYSIS

Comparison of planned budget spend against objectives in Corporate Plan and forecast outturn.



TREASURY MANAGEMENT 2013/14, AS AT QUARTER 1

Average Interest rate achieved on Investments compared to Benchmark (7-Day LIBID)



Average amount invested (weighted by amount per day)

