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| Report to       | <b>Policy &amp; Resources Committee</b>                      |
| Date            | <b>6 June 2019</b>   |
| By              | <b>Chief Finance Officer</b>                                 |
| Title of Report | <b>Budget Monitoring Report 2018/19: Provisional Outturn</b> |

**Recommendation: The Committee is recommended to**

- 1. Note the provisional 2018/19 revenue outturn position of a net £369,000 below budget variance for the 2018/19 financial year.**
- 2. Recommend to NPA the revenue budget carry forward requests from 2018/19 to 2019/20 of £1,083,000 as set out in Appendix 2.**
- 3. Recommend to NPA the following capital variations as detailed in section 3.5:**
  - **(£78,000) reprofile to the 2019/20 financial year to fund completion of phase I and possible future phases of the National Park Signage Project.**
  - **£20,000 reprofile to fund a vehicle replacement previously approved by the South Downs National Park Authority (NPA).**
  - **£40,000 reprofile to fund a new scrub management machine previously approved by the South Downs National Park Authority (NPA).**
- 4. Note the capital outturn position of a £1,000 below budget variance for the 2018/19 financial year.**
- 5. Recommend to NPA the use of the revenue below budget variance as a contribution to the Estates Management reserve and note the implications for the Medium Term Financial Strategy (MTFS) in accordance with revenue budget approvals.**
- 6. Note the current Treasury Management overview and outturn position.**

**1. Introduction**

- 1.1 The South Downs National Park Authority (the Authority) approved the revenue and capital budget for 2018/19 on the 22 March 2018. In accordance with financial procedures, reports on the Authority's projected income and expenditure compared with the budget shall be submitted at least quarterly to Policy & Resources Committee. This report sets out the Authority's provisional outturn position for the 2018/19 financial year.
- 1.2 The Treasury Management Policy Statement and Annual Investment Strategy were approved by the Authority on 22 March 2018. In accordance with financial procedures, the Policy & Resources Committee shall receive quarterly treasury management update reports. This report provides an overview of the current economic and treasury management position as at the 2018/19 financial year end.

## 2. Policy Context

- 2.1 The revenue and capital budget is developed to align with the Partnership Management Plan and Corporate Plan priorities. The budget monitoring process reports on variances against approved budgets to identify changes and resource requirements at the earliest opportunity.

## 3. Issues for consideration

### Provisional Revenue Outturn

- 3.1 The provisional revenue outturn is a net £369,000 below budget variance, subject to approval of the budget carry forward requests detailed in this report. The below budget variation can largely be explained by increased income from planning fees and a number of contract efficiencies, most significantly relating to planning delegated agreements following implementation of new payment per application contracts. There has also been a net below budget salary variance of £197,000 which represents approximately 3% all salary budgets; consideration will be given to how future salary budgets should be set in the context of employee turnover.
- 3.2 The table below summaries the provisional revenue position by service area. More detailed explanations of variances and movements are given at **Appendix I**.

| Service Area                      | Budget<br>£'000 | Actual<br>£'000 | Variance<br>£'000 |
|-----------------------------------|-----------------|-----------------|-------------------|
| Corporate Services                | 3,774           | 3,962           | 188               |
| Countryside Policy and Management | 2,896           | 2,850           | (46)              |
| Planning                          | 2,404           | 1,893           | (511)             |
| Strategic Investment Fund         | 228             | 228             | 0                 |
| <b>Total Service Budget</b>       | <b>9,302</b>    | <b>8,933</b>    | <b>(369)</b>      |

- 3.3 The provisional outturn position represents a movement of £145,000 compared to the £224,000 below budget variance forecast at month 9 and reported to Policy & Resources Committee. The main reasons for this movement are as follows:
- (£54,000) overachievement on planning performance agreements.
  - (£38,000) additional CIL admin income following review of accounting requirements.
  - (£38,000) movement on salary costs, mainly due to less than anticipated expenditure on agency staff within Planning. The month 9 forecast anticipated a requirement up to the end of March, but staff were only in place for a limited time.
  - (£35,000) increased below budget variance on planning delegated agreements contract costs. The movement represents 1.3% of the budget for these contracts.
  - (£28,000) movement on various Countryside Policy & Management supplies and services budgets including learning and education, volunteers and the GIS contract.
  - (£14,000) additional planning fee income.
  - £38,000 net expenditure on A27 Judicial Review not previously reported. Total expenditure of £113,000 has been partly offset by £75,000 of costs being recovered.
  - £26,000 increased costs for planning legal costs relating to the Local Plan.
  - £24,000 additional costs for longer term temporary lease at Sussex University for Stanmer Park.

### Budget Carry Forward Requests

- 3.4 There are inconsistent provisions between Financial Procedures and Committee Terms of Reference relating to budget carry forward requests over £25,000. Approval is therefore being sought for the Committee to recommend that the Authority approve the budget carry forward requests over £25,000 at **Appendix 2**. Budget carry forward approval is required for both unringfenced grant funded budgets and non-grant funded budgets in accordance with accounting requirements and Financial Regulations and Procedures. All carry forward requests have been reviewed by the Senior Management Team to ensure that they reflect approved commitments and are affordable in the context of the overall financial position. A summary of budget carry forwards requests totalling £1,083,000 is provided below, and more detailed explanations are given at Appendix 2.
- The unspent Sustainable Communities Fund budget at the financial year end is £92,000.
  - The non-grant funded contractual and project element of carry forwards total £614,000. Details of these are given at Appendix 2.
  - The unringfenced grant funding element of carry forwards total £377,000. Under current financial reporting standards, grants received by the Authority that are unringfenced or do not have any conditions attached are recognised as income in the financial year they are received, and therefore formal approval is required to carry forward related expenditure budgets.

### Provisional Capital Outturn

- 3.5 The provisional capital outturn is a £1,000 below budget variance, subject to the approval of the budget variations as detailed below and in **Appendix 3**. There are inconsistent provisions between Financial Procedures and Committee Terms of Reference relating to capital budget variations over £25,000. Approval is therefore being sought for the Committee to recommend that the Authority approve the following capital variations over £25,000.
- The National Park Signage Project requires a (£78,000) reprofile to the 2019/20 financial year due to delays to installation of some signs as traffic control permission from the relevant highways authorities was being sought as the financial year end. The reprofiled budget will be required to fund completion of phase I of the project and possible future phases subject to member and officer consideration. An evaluation of phase I of the project will be reported separately to this committee.
  - The revised 2018/19 capital programme includes the purchase of a new Scrub Management Machine. The capital budget has previously been approved by the NPA, however, a reprofile is required to reflect expenditure taking place in the 2018/19 financial year. This capital scheme experienced a minor below budget variance of £1,000.
  - The revised 2018/19 capital programme includes the purchase of a vehicle replacement as previously approved by the NPA. This reprofile has already been approved in accordance with responsibilities defined by the Authority's Financial Regulations and Standard Financial Procedures.

### Impact on Reserves and Implications for the Medium Term Financial Strategy (MTFS)

- 3.6 The Authority's approved MTFS sets out resource assumptions and projections over a 5 year term. The provisional outturn position of £369,000 will have a favourable impact on the reserves position. It was assumed as part of the budget proposals to the Authority in March 2019 that any below budget variation to the 2018/19 revenue budget would be allocated to the general reserve for subsequent transfer to earmarked reserves to meet identified priorities. Following consideration by the Senior Management Team, this committee is asked to recommend to the NPA the transfer of the 2018/19 below budget variance to the Estates Management Reserve to meet future anticipated costs associated to works at the Heath Barn area office for which a firm of architects are currently completing initial designs. Approval is required by the NPA under responsibilities defined by the Authority's Financial

Regulations and Standard Financial Procedures. The reserves position at **Appendix 4** assumes that the transfer to the Estates Management Reserves will be approved by NPA.

#### Treasury Management Overview and Position

- 3.7 After limited UK economic growth of 0.2% in quarter one of 2018, growth increased to 0.4% in quarter 2 and to 0.7% in quarter 3, before reducing to 0.2% in the final quarter. Given uncertainties over Brexit, this lower growth in the final quarter was as to be expected. However, some increase in the rate of growth is expected going forward. The annual growth in Quarter 4 came in at 1.4% year on year confirming that the UK was the third fastest growing country in the G7 in quarter 4.
- 3.8 After the Monetary Policy Committee raised Bank Rate from 0.5% to 0.75% in August 2018, it is unlikely to see any further action from the MPC until the uncertainties over Brexit clear. If there were a disorderly exit, it is likely that Bank Rate would be cut to support growth. Nevertheless, the MPC has been having increasing concerns over the trend in wage inflation which peaked at a new post financial crisis high of 3.5%, (excluding bonuses), in the three months to December before falling only marginally to 3.4% in the three months to January. British employers ramped up their hiring at the fastest pace in more than three years in the three months to January as the country's labour market defied the broader weakness in the overall economy as Brexit approached. The number of people in work increased by 222,000, helping to push down the unemployment rate to 3.9 percent, its lowest rate since 1975. Correspondingly, the total level of vacancies has risen to new highs.
- 3.9 CPI inflation has been on a falling trend since peaking at 3.1% in November 2017, reaching a new low of 1.8% in January 2019 before rising marginally to 1.9% in February. However, in the February 2019 Bank of England Inflation Report, the latest forecast for inflation over both the two and three year time horizons remained marginally above the MPC's target of 2%.
- 3.10 The Authority's investments at 31 March 2019 are made up of the following:
- £3.0m fixed deposits held with Lloyds Bank plc (held as two separate deposits of £1.5m and £2.0m);
  - £3.0m fixed deposits held with Santander (UK) plc (held as two separate deposits of £1.5m and £2.0m);
  - The remaining cash balance is invested in Brighton & Hove City Council (£3.7m at 31 March 2019).
- 3.11 The table at **Appendix 5** summarises the performance of these investments over 2018/19. The actual average interest rate earned in quarter 4 was 1.03% (up from 0.93% in quarter 3), and the average interest rate earned for the year was 0.88% (0.69% in 2017/18). The average rate of the investment portfolio increased as a result of the impact of the increase in Bank of England Base Rate from 0.25% to 0.50% in November 2017, and again from 0.50% to 0.75% in August 2018. Deposits undertaken whilst Bank Rate was 0.50% have been replaced by new deposits that are invested at a rate reflecting the August 2018 increase in Base Rate. The average rate is expected to remain steady in the short term as expectations of interest rate rises have been pushed out further in line with the expectations that no further rate rises will happen until the Bank of England can see the economic impact post-Brexit.
- 3.12 A regular deposit cycle has been introduced with deposits to optimise return whilst maintaining liquidity. Officers regularly review cash flow forecasts to ensure sufficient liquidity remains within the portfolio; the deposit cycle has been scheduled to ensure adequate cash is available when required.

#### **4. Options & cost implications**

- 4.1 It is proposed that the provisional below budget variance will be transferred to reserves as set out in this report, therefore increasing the resources available in future years. The proposed transfer to reserves is considered to be the best use of available funding following a review of reserves and expected future commitments.

## 5. Next steps

- 5.1 This report seeks Authority approval relating to budget carry forward requests, capital variations and contribution to the Estates Management reserve. The final outturn position will be reflected in the 2018/19 Statement of Accounts. The audited Statement of Accounts will be presented to this Committee for approval on 18 July 2019.

## 6. Other Implications

| Implication   | Yes*/No  |
|---|--|
| Will further decisions be required by another committee/full authority?   | Yes. This report seeks Authority approval relating to budget carry forward requests, capital variations and contribution to the Estates Management reserve.  |
| Does the proposal raise any Resource implications?  | Yes. The provisional budget variance will result in contributions to the Authority's financial reserves. This has implications for the Medium Term Financial Strategy of the Authority as it impacts on the future resource assumptions and financial projections. The resource implications have been covered within the main body of the report. |
| How does the proposal represent Value for Money?  | The proposed carry forwards ensure delivery of initiatives already approved and committed. Internal controls and governance are in place to ensure the economical, efficient and effective use of resources.   |
| Are there any Social Value implications arising from the proposal?  | No   |
| Have you taken regard of the South Downs National Park Authority's equality duty as contained within the Equality Act 2010? | There are no implications arising directly from this report. The Authority's equality duty shall be taken into account in respect to all expenditure and programmes undertaken by the National Park Authority.   |
| Are there any Human Rights implications arising from the proposal?  | No   |
| Are there any Crime & Disorder implications arising from the proposal?  | No   |
| Are there any Health & Safety implications arising from the proposal?   | No   |
| Are there any Data Protection implications?   | No   |
| Are there any Sustainability implications based on the 5 principles set out in the SDNPA Sustainability Strategy.           | No   |

## **7. Risks Associated with the Proposed Decision**

- 7.1 There are no risks associated with this report as the recommendations are for noting or are within approved budgets.

**NIGEL MANVELL**

**Chief Finance Officer**

**South Downs National Park Authority**

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| Appendices           | <ol style="list-style-type: none"><li>1. 2018/19 Provisional Revenue Outturn by Service Area</li><li>2. 2018/19 Budget Carry Forward Request</li><li>3. 2018/19 Provisional Capital Outturn</li><li>4. 2018/19 Reserves Position</li><li>5. 2018/19 Treasury Management Performance</li></ol>                    |
| SDNPA Consultees     | Chief Executive; Director of Countryside Policy and Management;<br>Director of Planning; Monitoring Officer; Legal Services, Business<br>Service Manager   |
| External Consultees  | None   |
| Background Documents | Information in this report is taken from audited Financial Management<br>Information Systems maintained by the Corporate Financial Services<br>provider, Brighton & Hove City Council.<br>This report is presented in accordance with the Authority's Financial<br>Regulations and Standard Financial Procedure. |

**2018/19 Provisional Revenue Outturn by Service Area**

| 2018/19<br>Month 9<br>Variance<br>£'000 | Service Area                      | 2018/19<br>Outturn<br>Budget<br>£'000 | 2018/19<br>Outturn<br>Actual<br>£'000 | 2018/19<br>Outturn<br>Variance<br>£'000 | 2018/19<br>Outturn<br>Variance<br>% |
|---|-----------------------------------|---------------------------------------|---------------------------------------|---|-------------------------------------|
| 191                                     | Corporate Services                | 3,774                                 | 3,962                                 | 188                                     | 4.98%                               |
| 21                                      | Countryside Policy and Management | 2,896                                 | 2,850                                 | (46)                                    | (1.59%)                             |
| (436)                                   | Planning                          | 2,404                                 | 1,893                                 | (511)                                   | (21.27%)                            |
| 0                                       | Strategic Investment Fund         | 228                                   | 228                                   | 0                                       | 0                                   |
| <b>(224)</b>                            | <b>Total Service Budget</b>       | <b>9,302</b>                          | <b>8,933</b>                          | <b>(369)</b>                            | <b>(3.97%)</b>                      |
| 0                                       | National Park Grant               | (10,309)                              | (10,309)                              | 0                                       |                                     |
| 0                                       | Contribution to/from Reserves     | 1,007                                 | 1,007                                 | 0                                       |                                     |
| <b>(224)</b>                            | <b>Net Authority Budget</b>       | <b>0</b>                              | <b>(369)</b>                          | <b>(369)</b>                            |                                     |

**2018/19 Provisional Revenue Outturn by Service Area – Explanation of Key Variances**

| 2018/19<br>Outturn<br>Variance<br>£'000 | Service Area                                  | Explanation of Key Variances  |
|---|---|---|
| 8                                       | Chief Executive's Service                     | One-off cost of £10,000 for contribution towards the National Parks Partnership for the current year as approved by the NPA.  |
| 79                                      | Business Services                             | £36,000 IT member services and payroll system upgrade costs; £35,000 professional services for refurbishment of Heath Barn farm; £24,000 additional costs for Stanmer park area offices; £17,000 net salary variance ; £13,000 Seven Sisters feasibility costs; (£25,000) cost reduction following IDOX contract renewal and rationalisation; (£20,000) additional interest on investments due to increase in interest rates. (£15,000) reduction in utilities costs. |
| 104                                     | Marketing and Income Generation               | £40,000 of income from the Income Generation Fund to contribute to support activities across other service areas; Maternity leave cover and other salary costs totalling £25,000 to meet corporate requirements; £25,000 for Dark Skies engagement and equipment.   |
| (3)                                     | Governance and Support Services               | Net variance of salary underspends and a one-off payment to HMRC.   |
| <b>188</b>                              | <b>Total Corporate Services Variance</b>      |   |
| 1                                       | Director of Countryside Policy and Management | Minor net variance.   |
| 9                                       | Countryside and Policy Central                | £40,000 contribution to the capital programme to fund a new scrub management machine; (£45,000) salary variance mainly due to vacant Sustainable Economy Strategy Lead post now recruited. Various small overspends across several cost centres.  |

|              |   |   |
|--------------|---|---|
| (45)         | Countryside and Policy Wealden Heath                    | £35,000 costs for Winchester Landscape Study; one-off cost of £20,000 for data gathering and analysis to inform the Cultural Heritage Strategy; net salary variance of (£68,000) mainly due to temporary vacancies and turnover relating to Ranger and Cultural Heritage Lead posts; (£21,000) income received for Planning Performance agreed for Esso pipeline  |
| 29           | Countryside and Policy Eastern                          | £53,000 contribution to the Stanmer Park "Parks for People" project in partnership with Brighton & Hove City Council; (£18,000) underspends on Volunteer Management, Operations and Education Visits.   |
| 1            | Countryside and Policy Western                          | £20,000 urgent health and safety restorations works to the Centurion Way tunnel face; £8,000 additional stone costs for South Downs Way project; net variance on salary budgets of (£28,000).   |
| (41)         | Research and Performance                                | Full time Project Officer role being partly met by external Rampion funding and underspend on Research projects.  |
| <b>(46)</b>  | <b>Total Countryside Policy and Management Variance</b> |   |
| 2            | Director of Planning                                    | Minor net variance.   |
| (118)        | Planning Development Management                         | Various salary variances due to temporary vacancies and staff turnover of (£62,000); underspends of (£56,000) for direct actions costs, legal costs and consultancy.  |
| (356)        | Performance and Technical Management                    | Cost reduction due to some efficiencies in Delegated Agreement payments (£210,000); additional planning fee income of (£116,000); Community Infrastructure Levy admin income increase of (£58,000); net salary variance of (£22,000); Planning Performance Income of (£20,000) ; £38,000 net costs for A27 Judicial Review; income for Neighbourhood Planning business advise against below budget by £23,000 due to other service priorities and staff turnover. |
| (39)         | Planning Policy   | Net variance on salary costs of £12,000; Budgeted projects costs not required relating to Minerals and Waste (£22,000) and Local Plan (£15,000).  |
| <b>(511)</b> | <b>Total Planning Variance</b>                          |   |
| 0            | Strategic Fund Projects                                 | Zero Variance   |
| 0            | <b>Total Strategic Fund Variance</b>                    |   |
| <b>(369)</b> | <b>Total Revenue Budget Projects</b>                    |   |



2018/19 Budget Carry Forward Requests

| Carry forward Outturn £'000 | Service Area                    | Type        | Description  |
|-----------------------------|---------------------------------|-------------|--|
| 92                          | Marketing & Communications      | Contractual | Sustainable Communities Fund grants budget balance as at end of financial year. Grants may be applied for but not yet requested.   |
| 118                         | Marketing & Communications      | Project     | Capital Funding for Signage Project - Project not finished until 19/20 so balance of budget needs to be carried forward  |
| 25                          | Marketing & Communications      | Project     | Other commitment project expenditure included in the 2018/19 forecast but not yet spent, including Virtual Reality wildlife films work, Replacement i-domes and Woodland Habitat filming work                          |
| 22                          | Marketing & Communications      | Contractual | Various contractual commitments where expenditure has been committed and orders placed, including PSD system developments, Chaos design works and production of colouring walls for Discover National Parks fortnight. |
| 35                          | Property Services               | Contractual | Heath Farm - Agreed expenditure reported as part of 2018/19 forecast but work will not be completed until 2019/20.   |
| 10                          | Rural West Sussex Partnership   | Contractual | This was agreed expenditure as part of the forecast for Rural West Sussex Partnership. The final payment is not due to 2019/20.  |
| 8                           | IT                              | Contractual | Upgrade of new Members System for DM Services; system will not be fully installed until May 2019 - Agreed expenditure as part of 2018/19 forecast - £4,000 already spent in 2019/20.                                   |
| 13                          | Human Resources                 | Contractual | Balance of agreed expenditure included in 2018/19 forecast for New HR System (iTrent costs) £24,000; £11,000 spent in 2018/19 and the reminder to be spent in 2019/20  |
| <b>323</b>                  | <b>Total Corporate Services</b> |             |  |
| 10                          | Research & Performance          | Project     | Volunteer Audit is out to tender and was not completed before financial year end. Forecast in 2018/19 but not yet commenced/completed.   |
| 6                           | Research & Performance          | Project     | Steam Report delayed and expenditure committed. Forecast in 2018/19 but not yet commenced/completed.   |
| 62                          | Countryside Western Area        | Contractual | Farm officer Post and contribution from the Rural Payment Agency for Farm Clusters to be carried forward to 2019/20.   |
| 1                           | Countryside Western Area        | Grant       | Carry forward contribution received for the Channel Payments for Ecosystem Services Project (CPES) income will be spent in 2019/20.  |
| 2                           | Countryside Eastern Area        | Project     | Contributing towards the Heathlands Book, which will be produced in 2019/20 for the Heathland Project.   |
| 53                          | Countryside                     | Contractual | Stanmer Contribution Project agreed by P&R to  |

|              |  |             |   |
|--------------|--|-------------|---|
|              | Eastern Area                                   |             | be funded from 2018/19 below budget variance position. Payment not yet made.  |
| 10           | Countryside Wealden Heath                      | Project     | Agreed expenditure as part of 2018/19 forecast for Cultural Heritage Strategy and Data Collection, Total agreed expenditure of £20,000, but not all expenditure made in 2018/19.          |
| 27           | Countryside Wealden Heath                      | Contractual | Agreed expenditure as part of 2018/19 forecast for Winchester Landscape Project (£35,000), not all work completed not to ratification so report to be redrafted and completed in 2019/20. |
| 3            | Countryside Wealden Heath                      | Project     | East Winchester Landscape and Environment Study.  |
| 49           | Countryside Central                            | Grant       | Carry forward of contribution received towards the Forestry Partnership.  |
| 77           | Countryside Central                            | Grant       | Carry forward of Partners' contributions for Heathlands Reunited project - which has not yet been fully spent   |
| <b>300</b>   | <b>Total Countryside Policy and Management</b> |             |   |
| 17           | Planning Policy                                | Project     | Professional Layout and Printing of Local Plan (External Printing). Forecast in 2018/19 but not yet completed.  |
| 10           | Planning Policy                                | Project     | Air Quality Monitoring Study. Forecast in 2018/19 but not yet completed.  |
| 10           | Planning Policy                                | Contractual | Aecom - Completion of HRA work for the local Plan. Forecast in 2018/19 but not yet completed.   |
| 6            | Planning Policy                                | Contractual | Viability and Affordable Housing Project - BNP Paribas. Forecast in 2018/19 but not yet completed.  |
| 9            | Planning Policy                                | Project     | Printing of Policy Map. Forecast in 2018/19 but not yet completed.  |
| 5            | Planning Policy                                | Contractual | Programme Officer for Local Plan. Forecast in 2018/19 but not yet completed.  |
| 59           | Planning Policy                                | Contractual | Examination of the Local Plan. Due to be funded from 2018/19 budget but not yet completed.  |
| 10           | Planning Policy                                | Project     | Study for the Wealden Heaths SPA Local Plan. Budgeted in 2018/19 but not yet completed  |
| 30           | Planning Policy                                | Grant       | Income received from DCLG not spend in 2018/19 Custom Build grants, so budget needs to be carried forward 2019/20.  |
| 207          | Planning Policy                                | Grant       | Grant Income received in previous years and 2018/19 for Neighbourhood Planning but Grant not yet spent.   |
| 13           | Planning Policy                                | Grant       | Balance of grant income received from DCLG for Business Development Work. Grant of £50,000 received in 2015/16 but not fully spent.   |
| 35           | Planning Policy                                | Contractual | Minerals and Waste - West Sussex Soft Sand Single Issue Review. Forecast in 2018/19 but not yet completed   |
| 49           | Performance & Technical Mgr.                   | Project     | Shoreham Cement Works. Forecast in 2018/19 but not yet completed  |
| <b>460</b>   | <b>Total Planning</b>                          |             |   |
| <b>1,083</b> | <b>Total Budget Carry Forward Requests</b>     |             |   |

2018/19 Provisional Capital Forecast

| Capital Project               | 2018/19<br>Month 9<br>Budget<br>£'000 | 2018/19<br>Outturn<br>Variation<br>£'000 | 2018/19<br>Outturn<br>Budget<br>£'000 | 2018/19<br>Outturn<br>Actual<br>£'000 | 2018/19<br>Outturn<br>Variance<br>£'000 | 2018/19<br>Outturn<br>Variance<br>% |
|-------------------------------|---------------------------------------|--|---------------------------------------|---------------------------------------|---|-------------------------------------|
| National Park Signage Project | 149                                   | (78)                                     | 71                                    | 71                                    | 0                                       | 0.0%                                |
| Vehicle Replacement           | 0                                     | 20                                       | 20                                    | 20                                    | 0                                       | 0.0%                                |
| Scrub Management Machine      | 0                                     | 40                                       | 40                                    | 39                                    | (1)                                     | 2.5%                                |
| <b>Total Capital Budget</b>   | <b>149</b>                            | <b>(18)</b>                              | <b>131</b>                            | <b>130</b>                            | <b>(1)</b>                              | <b>0.8%</b>                         |

Capital Scheme Variation

| Capital Project               | Type      | £'000 | Description   |
|-------------------------------|-----------|-------|---|
| National Park Signage Project | Reprofile | (78)  | The National Park Signage Project has experienced some delays to installation of some signs as traffic control permission from the relevant highways authorities was being sought at the financial year end. The remaining budget will be reprofiled to the 2019/20 financial year to fund completion of phase I and possible future phases subject to member and officer consideration. An evaluation of phase I of the project will be reported separately to this committee. |
| Vehicle Replacement           | Reprofile | 20    | On 28 March 2019, the NPA approved a new capital scheme relating to a vehicle replacement. The revised 2018/19 capital programme has been reprofiled to reflected expenditure on this project taking place in the 2018/19 financial year.   |
| Scrub Management Machine      | Reprofile | 40    | On 28 March 2019, the NPA approved a new capital scheme relating to a new Scrub Management Machine. The revised 2018/19 capital programme has been reprofiled to reflected expenditure on this project taking place in the 2018/19 financial year.  |

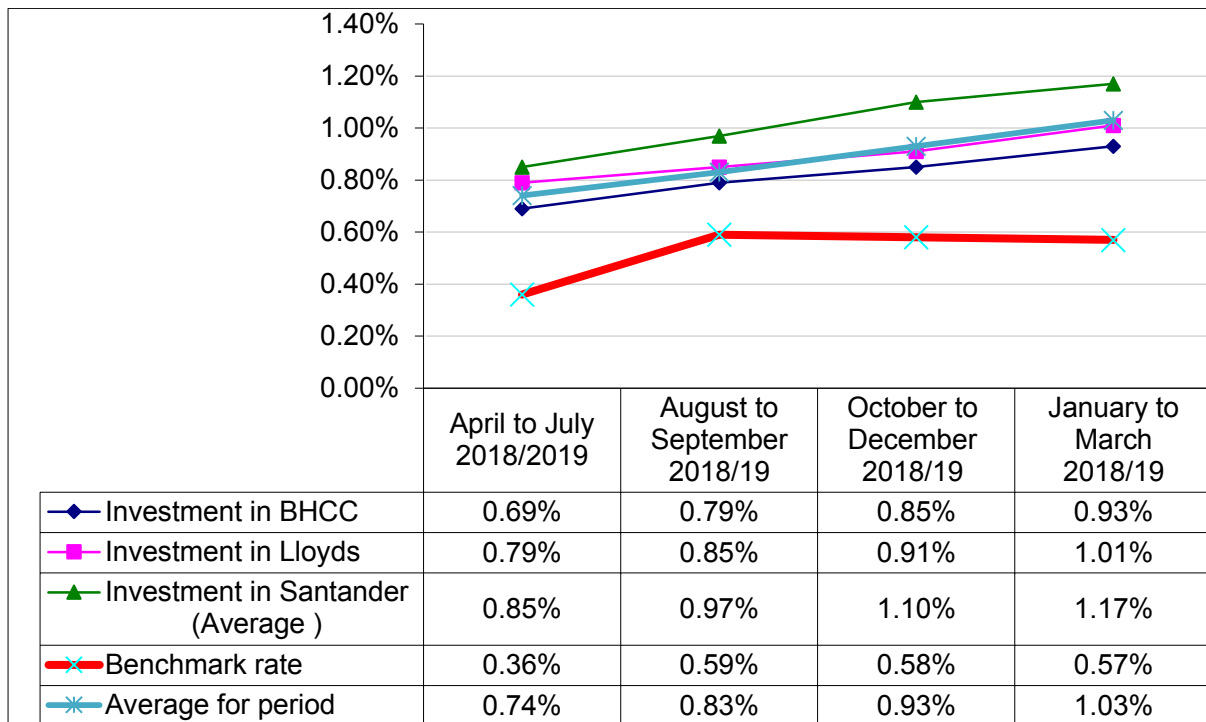
2018/19 Reserves Position

| Reserve Type and Title                     | Purpose of Reserve   | 2018/19 Month 9<br>£'000 | Move-ment Between Reserves<br>£'000 | Contrib-utions to/from Reserves<br>£'000 | 2018/19 Outturn<br>£'000 |
|--|--|--------------------------|-------------------------------------|--|--------------------------|
| <b>General Reserves:</b>                   |  |                          |                                     |  |                          |
| Working Balance                            | Working Balance  | 595                      | 0                                   | 0  | 595                      |
| <b>Earmarked Reserves:</b>                 |  |                          |                                     |  |                          |
| Partnership Management Plan Reserve        | To fund outcomes identified in the Partnership Management Plan   | 512                      | 0                                   | 0  | 512                      |
| Planning Reserve                           | To fund unforeseen planning inquiries, changes to future delegation arrangements, significant income falls and support for neighbourhood plans | 708                      | 0                                   | 0  | 708                      |
| Strategic Fund                             | Reserve to carry forward underspends at year end.  | 615                      | 0                                   | 74                                       | 689                      |
| South Downs Way                            | Funding transferred from South Downs Joint Committee   | 20                       | 0                                   | 0  | 20                       |
| Volunteer Ranger Service                   | Funding transferred from South Downs Joint Committee   | 29                       | 0                                   | (29)                                     | 0                        |
| Section 106 Receipts Reserve               | Receipts primarily used to develop infrastructure within the National Park   | 726                      | 0                                   | 17                                       | 743                      |
| Section 106 Interest on Statutory Receipts |  | 66                       | 0                                   | 35                                       | 101                      |
| Community Infrastructure Levy Reserve      | Receipts to fund infrastructure in development areas   | 547                      | 0                                   | 1,134                                    | 1,681                    |
| Affordable Housing Reserve                 | To fund Affordable Housing Strategy within the National Park   | 0                        | 0                                   | 85                                       | 85                       |
| <b>Capital Reserves:</b>                   |  |                          |                                     |  |                          |
| Capital Receipts                           | Proceeds from disposal of assets available for use on capital expenditure  | 23                       | 0                                   | 0  | 23                       |
| Estates Management Reserve                 | To support refurbishment of area offices.  | 793                      | 0                                   | 369*                                     | 1,162                    |
| Vehicle Repairs and Renewals               | To fund purchase of replacement vehicles   | 44                       | 0                                   | (22)                                     | 22                       |
| <b>Total Reserves Balance</b>              |  | <b>4,678</b>             | <b>0</b>                            | <b>1,663</b>                             | <b>6,341</b>             |

\*Subject to approval by NPA

## 2018/19 Treasury Management Performance

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



Average amount invested (weighted by amount per day)

