

AGENDA ITEM 11 REPORT NPA23/24-26 APPENDIX 5
MEDIUM TERM FINANCIAL STRATEGY 2024/25 - 2028/29

The Medium Term Financial Strategy has been developed in line with the approved Budget Framework. The Authority's financial planning and resource allocation has taken into account the following assumptions:

- to be an administratively lean, efficient organisation;
- to work with others (stakeholders and partners);
- to use limited contributions to activities to encourage and lever greater contributions from others;
- focus on S.M.A.R.T. (specific, measurable, attainable, relevant, time bound) targets and outcomes;
- maintain flexibility (for example; able to change quickly if circumstances alter).

The following rules, which promote best practice and comply with relevant financial standards and legislation have been applied. The Authority must:

- set a balanced budget and maintain adequate reserves;
- avoid aspirations or commitments which are ultimately unaffordable and avoid making ongoing commitments unless they are essential;
- seek to secure efficiency gains and improvements in value for money;
- seek to maximise income taking into account any related additional costs;
- not incorporate contingencies into individual budgets but will retain an overall contingency corporately because of potential risks.

The Authority has continued to adopt a prudential approach to budget setting with an established permanent staffing structure and temporary posts for short term projects. This approach will ensure that the Authority does not recruit to posts that become unaffordable in the longer term and will provide some flexibility in resources to fund priorities identified in the PMP. The assumptions underpinning the Medium Term Financial Strategy are:

- DEFRA National Park Grant allocation assumed for 2024/25 as flat cash on 2023/24 allocation and no confirmation for future years, a prudent approach has been taken with a zero increase assumed over the next five years.
- allocation of 2.5% plus £500 fund cost of living pay awards in 2024/25, 3% for 2025/26 and 1% from 2027/28 to 2029/30.

The Authority will explore new external funding opportunities including Local Enterprise Partnership funding and adopt commercial income opportunities as well as continuing to support the South Downs National Park Trust.

The MTFS shown below only provides a high level summary for information.

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000
Department Core Budget b/f	10,666	10,637	11,035	11,134	11,236
Core Commitments and Pressures:					
Increment and Salary Changes (including Turnover)	(268)	376	71	72	72
Inflation on Premises/Transport and Supplies and Services	102	30	31	31	31
Landscape and Biodiversity Chalk - Increase in budget for Strategy Lead	7	0	0	0	0
Landscape & Biodiversity Chalk - Budget required for enabling and facilitation of external Projects for climate change Projects	25	0	0	0	0
Landscape and Biodiversity Forestry - Increase in budget for Strategy Lead	10	0	0	0	0
Landscape and Biodiversity Forestry - Increase in budget for Strategy Lead	22	0	0	0	0
Health and Wellbeing - Budget required for Health and Wellbeing Travel Grant	5	0	0	0	0
Health and Wellbeing - Budget required to deliver the Health and Wellbeing programme	10	0	0	0	0
Communication Team - Increase in Budget for Mail Chip costs due to increase in Newsletter Subscriptions and increase costs for NLA Licences	11	0	0	0	0
Volunteers Costs - Increase in Budget for Volunteer Uniforms due to new contract due in place for June 2024.	10	0	0	0	0
Planning Policy - Additional Budget required for Local Plan Consultations and Gateway Advisory Visit by PINs	8	0	0	0	0
Corporate Services - Increase in Audit fees	5	0	0	0	0
Corporate Services - Budget required for communications re National Parks	8	0	0	0	0
Human Resources - Increase in Staff Recruitment through Agencies	20	0	0	0	0
Human Resources - Other HR costs for Portal	5	0	0	0	0
Property Services - Increase in Postage and Staff Uniforms costs	6	0	0	0	0
Property Services – Increase in building maintenance at Midhurst	5	0	0	0	0
IT Costs - increase in Licence costs for One Planet Licence costs.	10	0	0	0	0
Democratic and Members Services - Increase in internet costs with external Provider	10	0	0	0	0
Democratic and Members Services - Increase in National Parks Subscription by 50%	10	0	0	0	0

Other minor increases	5	7	0	0	0
<u>Savings:</u>					
Saving on Staff and Members Mileage costs due to use increase in Pool cars usage and less Members Meeting.	(13)	0	0	0	0
Marketing and Income - Contribution to the Trust no longer required, as agreement was for 3 years only.	(10)	0	0	0	0
Planning Policy - reduction in Budget for Payments to Local Authorities.	(15)	0	0	0	0
Reduction in CiL Consultancy costs	(6)	0	0	0	0
Other minor Income and savings	(11)	(15)	(2)	(1)	(3)
Total Core Departmental Budget	10,637	11,035	11,134	11,236	11,337
<u>Short Term Commitments and Pressures:</u>					
Cultural Heritage - Increase to covers costs for Audio Visual Assets Production	8	5	0	0	0
Performance and Projects - Research Projects (Volunteer Audit/Earth Observation/Carbon Audit/ Business Survey/You Gov/Sena update)	59	50	40	40	40
Access - Budget for Permissive Paths	13	0	0	0	0
Corporate Services - Subscriptions	0	8	8	0	0
Communications - Dark Skies	5	5	0	0	0
Consultancy Budget for Chief Executive	30	0	0	0	0
Planning Income for Scilly Isles	(28)	(28)	0	0	0
Planning Policy - Minerals and Waste Review	30	0	0	0	0
Planning Policy - Legal Fees	0	0	67	0	0
Corporate Services - Purchasing Officer	38	0	0	0	0
Human Resources - Other Employee Costs - Staff Survey	0	10	0	0	0
Contribution to Strategic Funds for Projects	40	40	0	0	0
Income due for Investment Income	(410)	(255)	(210)	(210)	(210)
Other minor increases	(4)	14	15	8	9
<u>Seven Sisters Income and Expenditure</u>					
Seven Sisters Expenditure	470	484	489	495	500
Seven Sisters Income	(470)	(483)	(489)	(494)	(500)
Total Department Budget	10,417	10,885	11,054	11,075	11,176
DEFRA National Park Grant	(10,486)	(10,486)	(10,486)	(10,486)	(10,486)
Contribution(to)/from Reserves / Programme	(69)	399	568	589	690

