

Committee: FINANCE AND RESOURCES

Date: 9 May 2008

Report: REVISED BUDGET 2008/09

Purpose of the Report

1. To seek Members' approval of changes to the 2008/09 budget following notification of the Defra settlement for the three years from 2008/09, and to note the revised projections for the financial years 2009/10 and 2010/11.

Strategic Planning Framework

2. The information and recommendations contained in this report are consistent with the Authority's statutory purposes and its approved strategic planning framework, and in particular its objective 'to plan and manage all aspects of the Authority's business so as to make the most effective use of our resources' (Corporate Plan).

Introduction

3. The original budget for 2008/09 presented to this Committee on 3 December 2007 was approved by the Authority on 29 January 2008; that budget was balanced on the basis that the core Defra grant would remain at the 2007/08 level. This process was in line with the Authority's Financial Regulations, which state that:

"Whilst the Finance & Resources Committee have the authority to approve in-year virements and other variations to the budget, the annual 'start' budget will be approved by the full Authority." (Financial Regulations, paragraph 3.1.2).

4. On 6 December 2007, Defra announced the Authority's settlement for 2008/09 and the subsequent two years (Table 1); these figures were reported to the Authority in January 2008.

Table 1- Defra Settlement

	2007/08	2008/09	2009/10	2010/11
	£	£	£	£
Core Grant	4,950,942	5,172,616	5,320,362	5,472,172
SDF	200,000	200,000	200,000	200,000
Total	5,150,942	5,372,616	5,520,362	5,672,172

5. The impact of the above is that the Authority will receive **£221.7k** more than was expected in the original (and agreed) 2008/09 start budget.

6. This report details agreed and proposed allocations from this additional money; assuming all such allocations are approved, that will leave a balance of unallocated resources of **£37k**, which it is proposed be added to the Opportunities Fund. The **Appendix** to this report presents the revised budget incorporating these changes.

Pension Fund Contributions

7. A report on the current position of the pension deficit was presented to this Committee at its meeting on 8 February 2008. Members agreed to increase the employer's contribution rate to 21.8% from 19.6% in order to retain the planned recovery period at 15 years (with 12 years remaining). It was estimated that this would cost an additional £65k. This rate increase has now been factored into the detailed calculations on revised staffing budgets and based on the current establishment has added an additional **£63k** to total costs. In line with the decision at the 8 February meeting, this element has been excluded from the calculation of the 70% cap (see below).

Other Staff costs

8. As planned, the Senior Management Team have now conducted a review of all posts that had been held vacant as a result of cost managing the 70% staff costs / Defra core grant ceiling. The original start budget had projected all vacancies as at December 2007 as continuing into the next financial year and beyond, as a prerequisite of balancing those year's budgets assuming a nil increase to the core grant. The conclusion of this review was that:

(a) two part-time vacant posts (administration officer, Park Management; Finance Clerk) have been deleted from the Establishment, and one post (Contracts & Procurement Manager; Park Management), which will become vacant following retirement of the officer concerned, will also be deleted and has not been budgeted for. The workload undertaken by these posts has been reorganised amongst those two departments. A further reclassification (half of a Definitive Map Officer post, becoming a part-time GIS Officer post) was also agreed. A number of adjustments where, as a result of flexible working requests, certain posts had reduced in time (IT Officer, Senior definitive Map Officer, Information Centre Manager) were also factored into the budget, as has the transfer of an administrative support officer from Finance & Resources to External Affairs (to fill a more immediate support shortfall in the latter). In the last instances, there may be a requirement to increase these resources in the future if circumstances change.

(b) Two other posts that had been left vacant in 2007/08 have now been allocated budget from 2008/09 onwards. These are an Enforcement Officer Post at an estimated cost (including on-costs) of **£28k** and the Building Conservation Officer post within Conservation & Policy, at **£36k** estimated (including on-costs). The former vacancy is in the process of being filled, and the latter is under review, pending an examination of delivery options and requirements now that an additional half post with the same job description has been added to the Planning Department (to deal with planning-related listed building issues).

9. Since the original budget projections, there have been a number of appointments, re-gradings and secondments. These modifications are spread across the External Affairs, Park Management and Planning departments. The net effect of these changes is an additional **£42k**. This sum comprises the following:

- A temporary increase in time within the Landscape Conservation Officer post, a temporary increase in Ecologist time and an increase (to full time) to the Farm Conservation Officer resource (total **£16k**); Conservation & Policy.
- Three officers passed their bar criteria who were not included in the original projections (total **£8k**); External Affairs and Planning.
- Additional administrative support and the upgrading of a Trainee Planner to a Planning Officer grade (total **£16k**); External Affairs and Planning.
- The net extra cost of a series of adjustments to hours worked by different individuals at different points on the pay scale within the information adviser 'pool' (total **£2k**). External Affairs.

10. The 2008/09 budget projections originally included a vacancy factor of 5% of staff budgets. However, in 2006/07 and 2007/08 (draft out-turn) the actual vacancy related savings were closer to, or just less than, 4%. It is therefore proposed to amend this factor to 4% at an additional cost of **£35k**.

11. The total of these 'Other staff costs', from paragraphs 8 to 10, is **£141k**.

12. With these additions the current projected staff budget is 69.1% in 2008/09, rising to 69.8% and 70.6% respectively in 2009/10 and 2010/11. The actual ratio achieved in 2007/08 was 69.8% (based on draft outturn figures).

Other Adjustments

13. Two adjustments to the 2008/09 budget have been made in relation to income receivable from North Yorkshire County Council. Firstly, an extra (new) £50k in support of Rights of Way work has been promised, and this has been added to that budget line (in the Appendix). Secondly, the £20k that NYCC pay annually to the Authority to maintain the Hartley / Ingleby collection at the Dales Countryside Museum has been removed (from the Cultural Heritage 'income' budget) because there is currently some doubt over whether this will be paid: NYCC have written to say they will no longer pay this grant, and there is now an active discussion with them on this issue. For 2009/10 and 2010/11, no income for either item has been included, since the Rights of Way commitment only appears to relate to 2008/09, and the 'DCM collection' income remains in doubt.

14. Two additions to the budget are also recommended (both are shown included in the **Appendix**):

- Dalesbus - **£15k**. Following discussions within the Yorkshire Dales Sustainable Travel Partnership, the Dalesbus project has asked the Authority for a contribution of up to £15k. This amount will enable the current Sunday Dalesbus services in the park to continue beyond summer 2008 (the end date without funding), estimated to need £12k of support, and a further £3k is requested to pilot a direct Sunday bus from West Yorkshire and Skipton to Malham over the coming summer, connecting the West Yorkshire centres of population with that key visitor site within the park. The total sum (£15k) will be matched by funding from other bodies including from within the voluntary sector. Members will note (separate report on the agenda of this meeting) that the 2007/08 budget for Sustainable Tourism was underspent by £11.7k, a sum which now forms part of unallocated reserves.
- Awareness Survey – **£10k**. The Authority's Consultation Strategy had put back this survey to 2009/10, to limit the number of 'large' surveys conducted over the cycle of the Strategy to one per year. However, to retain the 'once every five years' periodicity of this survey, it is

now intended to conduct the work within 2008/09. The survey gauges the views of residents concerning the National Park and the Authority itself.

Remaining Unallocated

15. If members are minded to approve the above changes to the budget this will leave a sum of **£38k** unallocated which it is recommended should be combined with other reserves (remaining Opportunities Fund balance from previous years; additional income and savings from 2007/08) to form the Opportunities Fund in 2008/09.

RECOMMENDATIONS

16. Members are asked to:

- (i) approve the additional staff costs as described in paragraphs 8, 9 and 10, including the change to the 'vacancy factor';
- (ii) note the staff costs / Defra core grant ratio projections in paragraph 12;
- (iii) approve the adjustments to budget described in paragraph 13
- (iv) note the balance remaining unallocated, of £38k paragraph 15) and agree to its allocation to the Opportunities Fund; and
- (v) note the projections for the 2009/10 and 2010/11 financial years.

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Head of Finance & Resources
28 April 2008

Background documents: none

PRIORITY PDF 2007	2007/8	2008/9	CHANGE	CHANGE	2009/10	2010/11
	BUDGET NET £000's	BUDGET NET £000's	FROM 2007/08 £'000's	FROM 2007/08 %	BUDGET NET £000's	BUDGET NET £000's
	(a)	(b)	(c)=(b)-(a)	(d)	(e)	(f)
Core Grant	-4951	-5173	221.4	-4.5%	-5320	-5472
Sustainable Development Grant	-200	-200	0.0	0.0%	-200	-200
National Park Grant & Levies	-5151	-5373	-221.4	4.3%	-5520	-5672

Employment & Central Costs:

Employee Costs (A100) - Conservation of the Natural Environment	321	381	60	18.5%	396	412
Employee Costs (B100) - Conservation of Cultural Heritage	156	153	-3	-1.9%	159	165
Employee Costs (C100) - Recreation Management	605	576	-29	-4.8%	599	623
Employee Costs (D100, D200, D300 & D500) - Promoting Understanding	717	759	42	5.9%	789	821
Employee Costs (E100) - Traffic and Transport	39	41	2	5.1%	43	44
Employee Costs (F100) - Rangers	283	295	12	4.2%	307	319
Employee Costs (G100) - Planning	517	586	69	13.3%	659	686
Employee Costs (H100 & H101) - Forward Planning	120	126	6	5.0%	131	136
Employee Costs (J100) - Corporate Management	824	867	43	5.2%	902	938
Media	6	6	0	0.0%	6	6
Support Services	141	130	-11	-7.8%	134	138
Secretariat	5	8	3	60.0%	10	10
Legal Services	15	15	0	0.0%	15	15
Office Accommodation	92	94	2	2.2%	97	100
Health & Safety	3	3	0	0.0%	3	3
Member Costs	116	116	0	0.0%	119	123
IT Licences, Consumables and Support	124	124	0	0.0%	124	124
Contracts (C200 & C520 & F200)	145	145	0	0.0%	147	158
Training	38	38	0	0.0%	38	38

PRIORITY PDF 2007	2007/8	2008/9	CHANGE	CHANGE	2009/10	2010/11
	BUDGET NET £000's	BUDGET NET £000's	FROM 2007/08 £'000's	FROM 2007/08 %	BUDGET NET £000's	BUDGET NET £000's

Bids:

Biodiversity	1	A	71	71	0	0.0%	81	81
Climate Change	1	A	0	56	56	New	5	10
Development Control	1	A	-89	-95	-6	6.7%	-95	-95
Farm Conservation	1	A	20	42	22	110.0%	25	5
Green Lanes	1	A	53	44	-9	-17.0%	29	19
Limestone Country Project	1	A	30	0	-30	-100.0%	0	0
Rights of Way	1	A	204	154	-50	-24.5%	204	204
Sustainable Development	1	A	204	205	1	0.5%	205	205
Web-based Services	1	A	11	16	5	45.5%	16	16
Archaeology	2	B	31	31	0	0.0%	31	31
Enforcement	2	B	1	1	0	0.0%	1	1
Outreach	2	B	22	15	-7	-31.8%	9	9
Recreational Activities	2	B	27	27	0	0.0%	27	27
Sustainable Tourism	2	B	18	23	5	27.8%	13	13
Trees & Woodlands	2	B	66	77	11	16.7%	82	77
Volunteers	2	B	62	67	5	8.1%	74	74
YDMT	2	B	45	45	0	0.0%	45	45
Building Conservation	2	C	19	29	10	52.6%	30	30
Communications	2	C	41	53	12	29.3%	46	48
Countryside Skills & Training	2	C	0	0	0	0.0%	0	0
Definitive Map	2	C	14	16	2	14.3%	18	18
Education	2	C	4	4	0	0.0%	5	5
Planning Policy	2	C	36	26	-10	-27.8%	40	30
State of the Park	2	C	6	1	-5	-83.3%	1	1
Toilets (incl Estates Maintenance)	2	C	184	188	4	2.2%	193	197
Access for All	3	D	0	5	5	New	5	5
Cultural Heritage (including PM)	3	D	61	85	24	39.3%	85	85
Geodiversity	3	D	5	5	0	0.0%	5	4
Historic Environment Record	3	D	3	3	0	0.0%	3	3
Landscape Policy & Advice	3	D	5	5	0	0.0%	2	2
National Park Centres (including PM)	3	D	112	112	0	0.0%	114	117
Open Access	3	D	22	23	1	4.5%	23	25
Park Information Points	3	D	3	3	0	0.0%	7	3
Branding	3	E	0	10	10	New	5	5
Car Parks	3	E	-398	-398	0	0.0%	-401	-402
Events (includes DCM Events)	3	E	7	4	-3	-42.9%	4	4
National Park Management Plan	3	E	1	1	0	0.0%	1	5
Pennine Bridleway	3	E	-11	-11	0	0.0%	-6	0
Public Transport	3	E	1	15	14	1400.0%	0	0
Retail	3	E	-81	-86	-5	6.2%	-87	-94
Traffic Management	3	E	0	0	0	0.0%	0	0
			810	872	62	7.7%	845	813
Net Expenditure			5077	5335	258	5.1%	5523	5673
Unallocated Resources			74	38	-36		0	0
National Park Grant & Levies			-5151	-5373	-222	4.3%	-5520	-5672
Net Position (Surplus) / Deficit			0	0	0		3	1