

Committee: FINANCE AND RESOURCES

Date: 27 September 2022

Report: FINANCIAL PROGRESS REPORT
1st APRIL 2022 to 30th JUNE 2022

Purpose of the Report

1. To provide Members with details on the financial performance for period 1st April 2022 to 30th June 2022.

Recommendations

2. Members are recommended to note the contents of the report

Strategic Planning Framework

3. The information and recommendations contained in this report are consistent with the Authority's statutory purposes and its approved strategic planning framework:
 - **Corporate Plan**
Plan and manage the Authority's work so as to make the most effective use of our resources, including generating sufficient income to maintain expenditure at the same level as 2014/15 in real terms across the extended National Park area.

Introduction

4. This report gives an overview of performance, and highlights any significant variances from the budgeted profile of over £10k. Additional detail is included in the appendices:
 - **Appendix 1** provides a detailed picture of performance against budget, analysed by Programme, Corporate Employment and Central costs.
 - **Appendix 2** provides a narrative explaining variances over £10k.
 - **Appendix 3** provides information on virements and other budget movements for the quarter 1st April 2022 to 30th June 2022. This lists additional income, additional costs, opportunity fund allocations and other minor adjustments to the budget.
 - **Appendix 4** is a record of delegated decisions contracts awarded in the period from 1st April 2022 to 30th June 2022; these details are included by way of governance best practice.

Performance Summary

5. Overall, the budget shows an 'underspend' compared to profile of **£484k**. This is made up of:
- a. £220k of income budgeted but not received. Most of the variances should be timing issues and will resolve, however two income streams are performing well and are ahead of target to the end of June by the following amounts:
 - i. Car Parks £56k
 - ii. Retail £44k (£16k additional profit)

 - b. £704k of underspent expenditure; there are a number of cost centres which are underspent at this stage. This should just be a timing issues and is typical in the first quarter of the year, but there are some areas that are behind budget that may need closer monitoring to ensure they are able to keep on track, these are:
 - i. Recreation & Health £72k
 - ii. Central Costs £66k
 - iii. Biodiversity £38k
 - iv. Education & Outreach £18k
 - v. Sustainable Development Fund £17k
 - vi. Historic Environment £13k
 - vii. Tourism £13k

Further information on the details of these variances can be found in Appendix 2.

Michelle Clyde
Head of Finance

18 July 2022

Detailed Analysis of 2022/23 Budget Performance

This table presents the financial results from 1st April 2022 to 30th June 2022, in terms of Programme budgets, Corporate Employment Costs, and Central Costs. Analysis of component lines which include variances greater than £10k is included at Appendix 2.

1 APRIL 2022 To 30 JUNE 2022 Quarter 1 - Month 3	REVISED ANNUAL BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE VARIANCE
Programme Bids	£'000	£'000	£'000	£'000
Staff Costs	757.2	189.3	158.5	30.8
Programme Costs	62.1	10.8	22.1	(11.3)
Income	(270.0)	(67.5)	(61.6)	(5.9)
Development Management Total	549.3	132.6	119.0	13.6
Staff Costs	385.7	96.4	80.5	16.0
Programme Costs	1,709.1	144.8	55.8	88.9
Income	(1,792.4)	(442.9)	(354.7)	(88.2)
Farm Conservation Total	302.5	(201.7)	(218.4)	16.7
Staff Costs	146.5	36.6	42.8	(6.2)
Programme Costs	181.9	66.7	22.6	44.1
Income	(69.5)	(68.4)	(5.5)	(62.9)
Biodiversity Total	258.9	34.9	60.0	(25.1)
Staff Costs	440.7	110.2	92.9	17.3
Programme Costs	806.7	115.7	(149.1)	264.7
Income	(446.9)	(5.8)	281.3	(287.1)
Rights of Way Total	800.4	220.0	225.1	(5.1)
Staff Costs	129.6	32.4	28.3	4.1
Programme Costs	41.0	10.3	13.0	(2.8)
Income	0.0	0.0	0.0	0.0
Development Planning Total	170.6	42.7	41.3	1.3
Staff Costs	92.2	23.0	23.1	(0.0)
Programme Costs	119.0	66.2	(5.5)	71.7
Income	0.0	0.0	15.6	(15.6)
Recreation & Health Total	211.1	89.2	33.1	56.1
Staff Costs	202.9	56.6	56.7	(0.1)
Programme Costs	75.8	24.8	6.3	18.5
Income	(64.5)	(3.3)	(8.6)	5.3
Education & Outreach Total	214.2	78.1	54.4	23.6

1 APRIL 2022 To 30 JUNE 2022 Quarter 1 - Month 3	REVISED ANNUAL BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE VARIANCE
Programme Bids	£'000	£'000	£'000	£'000
Staff Costs	276.7	69.2	61.7	7.5
Programme Costs	656.6	37.9	31.1	6.8
Income	(691.0)	0.0	(117.0)	117.0
Trees & Woodlands Total	242.3	107.1	(24.2)	131.4
Staff Costs	87.9	22.0	19.6	2.4
Programme Costs	175.1	27.3	24.5	2.8
Income	(136.2)	(24.5)	(20.5)	(4.0)
Dales Countryside Museum Total	126.8	24.7	23.5	1.2
Staff Costs	136.8	34.2	34.0	0.2
Programme Costs	86.6	10.8	(1.8)	12.5
Income	(30.0)	(1.0)	0.0	(1.0)
Historical Environment Total	193.4	43.9	32.2	11.7
Staff Costs	0.0	0.0	0.0	0.0
Programme Costs	1,683.1	171.4	116.2	55.2
Income	(1,414.3)	(42.0)	(58.0)	16.0
Landscape Features Total	268.8	129.4	58.1	71.2
Staff Costs	186.4	47.4	52.9	(5.4)
Programme Costs	137.1	36.0	26.9	9.2
Income	(7.9)	(3.9)	(1.1)	(2.9)
Volunteers & Apprentices Total	315.6	79.5	78.7	0.8
Staff Costs	108.5	27.1	26.6	0.5
Programme Costs	46.2	14.0	2.0	12.0
Income	0.0	0.0	0.0	0.0
Tourism Total	154.7	41.1	28.6	12.5
Staff Costs	314.0	78.5	80.1	(1.6)
Programme Costs	370.7	100.5	110.0	(9.5)
Income	(360.3)	(86.8)	(131.1)	44.3
National Park Centres Total	324.4	92.2	59.1	33.1
Staff Costs	37.8	9.4	9.3	0.2
Programme Costs	283.9	22.5	5.8	16.7
Income	0.0	0.0	0.0	0.0
Sustainable Development Fund Total	321.6	31.9	15.1	16.8
Staff Costs	71.6	17.9	17.5	0.4
Programme Costs	342.9	105.0	90.4	14.6
Income	(764.7)	(231.2)	(286.8)	55.5
Carparks & Toilets Total	(350.3)	(108.3)	(178.9)	70.5

1 APRIL 2022 To 30 JUNE 2022 Quarter 1 - Month 3	REVISED ANNUAL BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE VARIANCE
Programme Bids	£'000	£'000	£'000	£'000
Staff Costs	60.1	15.0	14.6	0.5
Programme Costs	59.5	11.8	10.0	1.8
Income	(30.0)	0.0	0.0	0.0
Recreational Management	89.6	26.8	24.6	2.3
Programme Summary				
Total Programme Gross Costs	10,271.7	1,841.7	1,179.3	662.4
Total Programme Income	(6,077.8)	(977.4)	(747.9)	(229.5)
Total Programme Net Cost	4,194.0	864.3	431.4	432.9
Corporate Employment and Central Costs	£'000	£'000	£'000	£'000
Conservation and Communities Staff Costs	128.7	32.2	32.3	(0.1)
Conservation and Communities Staff Income	0.0	0.0	0.0	0.0
Park Management Staff Costs	358.5	89.6	93.6	(3.9)
Corporate Staff Costs	992.3	248.1	237.6	10.5
Corporate Staff Income	0.0	0.0	(0.5)	0.5
Vacancy Factor 2%	(107.5)	(26.9)	0.0	(26.9)
Other Employee Related Costs	22.6	8.1	11.3	(3.2)
Other Employee Related Income	0.0	0.0	0.0	0.0
Total Corporate Employment Net Costs	1,394.6	351.1	374.2	(23.1)
Support Services	212.9	95.5	85.6	9.9
Support Services Income	(30.0)	(7.5)	(9.1)	1.6
CEO Support	7.9	1.8	11.6	(9.8)
CEO Support Income	0.0	0.0	(0.5)	0.5
Legal Services	24.1	18.1	(5.8)	23.8
Legal Services Income	(23.0)	(5.8)	(11.4)	5.6
Office Accommodation	119.1	31.5	31.0	0.4
Office Accommodation Income	(12.5)	(3.1)	(3.6)	0.5
Health and Safety	8.1	3.7	1.1	2.6
Members	149.8	32.9	26.3	6.6
Members Income	0.0	0.0	(0.0)	0.0
IT Licences, Consumables and Support	248.8	76.2	65.4	10.8
Communications and Web Services	66.4	6.3	7.8	(1.6)
Communication Income	(0.4)	0.0	(0.1)	0.1
Land Holdings and Maintenance	43.5	27.5	7.5	20.0
Land Holdings and Maintenance Income	0.0	0.0	(0.2)	0.2
Training	60.1	13.9	11.0	2.9
Training Income	0.0	0.0	0.0	0.0
Total Central Net Costs	874.6	291.0	216.8	74.2

1 APRIL 2022 To 30 JUNE 2022 Quarter 1 - Month 3	REVISED ANNUAL BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE VARIANCE
	£'000	£'000	£'000	£'000
SUMMARY				
National Park Grant	(5,229.8)	(1,307.5)	(1,307.5)	(0.0)
Other Income	(6,143.7)	(993.8)	(773.4)	(220.4)
<i>Total Income</i>	(11,373.5)	(2,301.3)	(2,080.8)	(220.4)
Gross Expenditure	12,606.8	2,500.2	1,795.7	704.4
<i>Net expenditure (excluding National Park Grant)</i>	6,463.2	1,506.4	1,022.4	484.0
In-Year Deficit/(Surplus)	1,233.4	198.9	(285.1)	484.0

Analysis of programme, corporate and central costs

The explanation of those component variances with a value of greater than £10k is as follows.

Programme Net Costs

Development Management: Favourable variance of **£14k**; primarily savings made on staff vacancies.

Farm Conservation: Favourable variance of **£17k**; income from Farming in Protected Landscapes (FiPL) is behind target by £88k, spending on FiPL is also behind by £82k, there is a £16k saving on salaries due to vacancies, and Land Management Partnership is £10k underspent.

Biodiversity: Adverse variance of **£25k**, £63k of quarry S106 income is due, community wildlife spend is behind budget by £34k, and the general biodiversity budget is also behind budget by £10k.

Rights of Way: Although the overall variance is less than £10k this masks the fact that the Pennine Trails has variances in both income (£287k) and expenditure (£282k), this should be cleared once all the third party claims come in for the previous financial year and which can be claimed back from Natural England.

Recreation & Health: Favourable variance of **£56k**; income of £16k is due for Quarter one for Generation Green, and there are several items behind budget totalling £72k being £12k Visitor survey, £30k Dark Skies, £8k Recreational Activity and £21k access works.

Education & Outreach: Favourable variance of **£24k**; several activities including Tees Swale, Learning, Go Wild, Generation Green and a survey are behind budget.

Trees & Woodlands: Favourable variance of £131k; Grow Back Greener (GBG) income of £117k was received ahead of schedule, and £9k GBG expenditure is behind budget, salaries also have a saving due to vacancies.

Historic Environment: Favourable variance of **£12K**; creditor invoices have not yet been received for works completed in 2021/22 and the Historic Environment Record budget is behind budget.

Landscape Features: Favourable variance of **£71k**; as in the past three years the Westmorland Dales budget has proved difficult to predict due to the collaboration with lots of third parties. £16k income has been received in advance of budget and £55k projects are behind budget. This project is due to come to an end in March but is likely to be extended for 6 months to allow for completion of projects delayed due to covid, the project should net off to the total contribution over the four years of £300k which has been committed by the Authority.

Tourism: Favourable variance of **£13k**. Signage and the Tourism Delivery Plan are behind budget.

National Park Centres: Favourable variance of **£33k**; the components were additional retail profit of £16k, and NPC costs being behind budget by £17k.

Carparks & Toilets: Favourable variance of £71k, mainly due to additional car park income of £56k, and costs being behind budget by £15k.

Sustainable Development: Favourable variance of **£17k**; claims are behind the amount budgeted to this point of the year.

Corporate & Central Costs

Corporate Employment Costs

The total adverse variance is **£23k**; the 'Vacancy factor' (a projection of expected savings made through staff vacancies) for the whole Authority sits in this budget category, at £27k. The vacancy savings are expected to be achieved, but they are shown scattered throughout the other Programmes, and so are described within the individual programme analyses.

Central Costs

The favourable variance is **£74k**. Land Maintenance £20k, IT Cost £11k and Legal £24k are all behind budget and there are some smaller variances under £10k amongst the other cost centres in this group, it is likely these budgets will be spent a little later than originally projected.

Opportunity Fund

The Opportunity Fund exists mainly to provide match funding for externally funded projects. Two allocations were made from the Opportunity Fund between 1st April 2022 and 30th June 2022.

- £12.5k Championing National Parks for Everyone project
- £1k Generation Green second bid writing

Virements

Virements are additions, transfers or reductions to the original budget authorised by Members in March 2022, during the period 1st April 2022 to 30 June 2022. Additional income and savings are denoted as bracketed figures (£) in line with accounting practice.

Total Adjustments – additional net cost £21.1k

Additional Costs – £53.9k

- Hand Dryer Maintenance Toilets - £3.1k
- Missing salary budget - £24.0k
- DCM Wood Pellets cost increase - £7.8k
- Colvend Wood Chips cost increase - £5.4k
- Yoredale Roof management - £8.1k
- Tees Swale budget adjustment - £1.0k
- Relocation expenses - £4.0k
- Waste additional costs - £0.5k

Reduced Costs (Savings) – (£32.8k)

- Ingleborough Access project path works – (£7.7k)
- DCM Rates reduction – (£25.1k)

Additional Income - (£161k extra income / £161k extra expenditure: net £0k)

- Grassington & DCM Changing Places Toilets £88.4k costs and grant income
- Clarion House Transport - £1k income and cost
- Generation Green interim salaries - £6.7k income and costs
- FiPL budget adjustment – £5.5k Income and costs
- Tees Swale Rights of Way- £57.5 income and costs
- Footpath Grant Southern Dales - £1.5k income and costs

Earmarked Reserves Movements

The Authority holds a number of Earmarked Reserves for specific pieces of work; as that work is performed during the year, a transfer of reserves is made into the budget to cover the expenditure; this use of Earmarked Reserves are pre-authorized by Members, so this is a technical adjustment rather than an additional budget requirement.

Use of reserves:

- Access Reserve - used for Crosskeys Bridge Design £19.4k

Delegations, 1 April 2022 to 30 June 2022

Description	Approved	Date
<p>Car Park Re-surfacing Quotations were sought from a number of suppliers, with a deadline to 14 February. In the event, no contractors supplied a quote, so the exercise was repeated, with past suppliers contacted directly to encourage them to quote, which resulted in our receiving two quotes.</p> <p>The contract was awarded to the lowest quote, from Wenning Surfacing Ltd £24,370.</p>	Richard Burnett, Director of Corporate Services	11 th April 2022
<p>Smardale Lime Kiln Conservation Project Management</p> <p>As part the Westmorland Dales (WMD) project, the conservation work on the Smardale Lime Kiln is time critical due to delays caused by Covid (the WMD project officially ends 31st March 2023). The original contractor who had previously worked on the kiln, retired, and Mason Clarke Associates were recommended as having the similar expertise and knowledge about the kiln and links with relevant construction contractors in the area.</p> <p>Mason Clarke Associates provided a costed proposal with a provisional value of £23,000. This cost may vary, being as it is dependent on the construction/building costs part of the project, which work has yet to be contracted; the fee is calculated at 20% of the latter costs.</p> <p>Due to time limitations and the specialist nature of the work only one quotation was sought, and the contract bid was accepted to expedite the project.</p>	Richard Burnett, Director of Corporate Services	27 th May 2022
<p>Ellers Bridge, Dentdale</p> <p>Only two quotations were received for the replacement of a footbridge at Ellers Bridge, Dentdale, although a number of suppliers were approached to quote.</p> <p>The lower of the two quotations was accepted, from Hayley Engineering for £17,730.</p>	Richard Burnett, Director of Corporate Services	24 th June 2022