

Committee	<b>Cabinet</b>
Date	<b>26 January 2009</b>
Report By	<b>Deputy Chief Executive &amp; Director of Corporate Resources</b>
Title of Report	<b>Conservators of Ashdown Forest – Budget 2009/10</b>
Purpose of Report	<b>To advise Cabinet of the Conservators' draft budget for 2009/10 and to consider the County Council's contribution and that from the Trust Fund</b>

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## **RECOMMENDATIONS**

The Cabinet is recommended to:

- 1. approve the annual grant from the Trust Fund for 2009/10;**
  - 2. recommend to the County Council the annual grant for 2009/10 from the Transport & Environment budget; and**
  - 3. delegate final approval of the Conservators' budget for 2009/10 to the Deputy Chief Executive and Director of Corporate Resources in consultation with the Lead Member for Corporate Resources.**
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### **1. Financial Appraisal**

1.1 This report sets out the Conservators' draft budget for 2009/10, as presented by the Conservators, to allow Cabinet to give consideration to both the overall position and the balance of funding which may be made available to the Conservators from the Trust and the Council's own resources. It must be emphasised for completeness, that the 'Trust Fund' is legally distinct from the County Council's general resources. It is appropriate, however, for the County Council to consider both its decision as Trustee as well as its disposition of general resources when considering the overall financial position of the Conservators.

1.2 The balance on the Trust Fund is estimated to be some £209,300 at 1 April 2009. This report recommends that the grant from the Trust Fund to the Conservators be maintained at £65,100.

1.3 Annual income to the Trust Fund, from a long term lease with the Royal Ashdown Forest Golf Club, amounts to some £60,000. The lease was signed on 19 April 2006 and the annual rent has been fixed until 1 January 2010, thereafter it will increase to £70,000.

1.4 The grant payment, lease income and interest received are the most significant movements on the Trust Fund each year which result in a net surplus of some £1,200, before professional and audit fees.

1.5 The Transport and Environment Department's draft budget makes allowance for a reduced contribution from the Council's own resources of £78,700; a reduction of £10,000 compared to 2008/09.

### **2. Supporting Information**

2.1 While the Council has a statutory obligation to meet any shortfall between expenditure and income the Conservators must prepare budget estimates for approval by the County Council. The Conservators are only empowered to spend what is provided for in the estimates approved by the County Council..

2.2 The Conservators have produced revised forecasts for 2008/09 and a draft budget for 2009/10 and these are attached at Appendix A.

2.3 The draft budget for 2009/10 shows the Trust Fund contribution at the recommended level of £65,100 (this includes the additional £10,000 grant approved by Cabinet in February 2007 for the three year period to 2009/10). The Council's own contribution is not yet shown and the resulting shortfall reported is £93,800.

2.4 The County Council's Reconciling Policy and Resources process has commenced and due to the pressure on the Council's resources and the need to make considerable budget savings, it is recommended that the Council's own contribution to the Conservators, after allowing for inflation at 2%, is reduced by £10,000 to £78,700 compared to £87,000 in the current financial year. This matches the provision in Transport & Environment Department's draft budget.

2.5 Taking into account both of the recommended contributions of £65,100 and £78,700, the Conservators' budget, as currently presented would show a shortfall of £15,100. It is not unreasonable to assume that a contribution will be forthcoming from Wealden District Council, similar to that in previous years although this is not yet shown.

2.6 It is proposed that the Conservators' budget is approved subject to being revised to reflect the County council's contribution, a confirmed contribution from Wealden District Council and identification of other reductions to achieve a break even position. The Conservators were advised of the likely levels of contributions outlined in this paper early in December 2008.

2.7 A summary of the income and expenditure estimates for the Trust Fund are attached at Appendix B. Assuming an annual contribution and specific grant at the levels indicated above, the Trust Fund will generate a small surplus each year (before professional and audit fees) while the additional grant is made to the Conservators.

### **3. Conclusion and Reason for Recommendations**

3.1 In the past the Council has been able to achieve savings in grant to the Conservators due to the flexibility afforded by the Trust Fund while maintaining the overall contribution levels. This is no longer the case as the Trust Fund annual surpluses are relatively small. Due to the pressure on the Council's resources, it is recommended that a reduction is made in the contribution to the Conservators from the Council's own resources.

3.2 The Cabinet is, therefore, recommended to approve an annual grant of £55,100 and an additional grant of £10,000 from the Trust Fund and a contribution from the Transport and Environment Department's budget of £78,700.

3.3 The Conservators' final budget will need amending to reflect these recommendations and confirmation of other funding sources and I propose that final approval is delegated to the Deputy Chief Executive and Director of Corporate Resources in consultation with the Lead Member for Corporate Resources.

SEAN NOLAN

Deputy Chief Executive and Director of Corporate Resources

Contact Officer: Mo Hemsley Tel. No. 01273 481908

Local members: Councillors Reid, Stogden, Mrs Tidy and Whetstone

#### **BACKGROUND DOCUMENTS**

None

Conservators of Ashdown Forest

Estimates to be presented to ESCC for approval (Re. Ashdown Forest Act 1974, Sections 24, 25)

Comparison of Estimates for 2008/2009 with Revised Estimates for 2008/09 and Estimates for 2009/10.

	<i>Estimated Surplus / Deficit Statement 2008/09</i>			<i>Forecast Surplus / Deficit Statement 2008/09</i>			<i>Estimated Surplus / Deficit Statement 2009/10</i>		
	£	£	£	£	£	£	£	£	£
<b>Income</b>									
Local Authorities			87,000			87,000			0
ESCC									
WDC			13,050			13,050			0
Charities: Friends of Ashdown Forest			0			15,645			7,270
Charities: Ashdown Forest Trust			65,100			65,100			65,100
Charities: AF Conservation Trust			0			0			0
Charities Sussex Garden Trust			0			0			0
Statutory			15,872			15,872			16,000
Commercial			12,240			12,240			9,850
Bank Interest			4,503			4,000			400
Deposits			0			-1,126			200
Wayleaves			91,031			91,031			92,104
Sundry Finance			329			6,108			1,230
Permits			32,512			32,512			33,200
Sales in info barn			13,000			8,000			8,500
Donations			3,215			2,200			1,900
Sundry Amenity and Conservation			2,518			2,518			600
Forestry Commission*(See Note 1)			27,730			22,730			22,339
Grazing project income			0			317			250
DEFRA Single Payment Scheme			11,600			70			0
DEFRA HLS			315,214			315,214			315,214
<b>Total Income</b>			694,915			692,481			574,157
<b>Expenditure</b>									
<i>F &amp; GP</i>									
Wages and Sals	358,434			352,546			361,360		
Office Costs	11,773			14,450			22,198		
Centre Maintenance	25,000			27,500			27,150		
Bank Charges and Interest	468			468			400		
Transport and Machinery	40,022			40,022			49,880		
T & M Capital	22,000			20,500			6,000		
Travel Expenses	700			900			1,500		
Professional Fees	13,027			13,027			8,975		
Staff tools, clothing and training.	6,766			6,766			7,410		
Miscellaneous	1,464			1,464			1,537		
Input Vat disallowed	19,000			22,138			20,000		
		498,654			499,781			506,410	
<i>RPA</i>									
Barn	3,150			6,125			7,310		
Visitor facilities	9,824			9,824			5,425		
HLS - public understanding	9,618			9,618			10,099		
Bridges	5,000			5,000			6,625		
Commoners Expenses	332			332			349		
Ride Maintenance	4,500			4,500			6,130		
Litter Disposal	1,500			6,000			6,000		
Misc.	2,035			2,200			2,137		
		35,959			43,599			44,075	
<i>Conservation</i>									
Woodland Conservation	14,175			14,175			6,430		
Monitoring	0			0			0		
Materials	4,566			4,566			425		
Misc.	129			129			129		
Stakeholder engagement	0			390			0		
Heathland Restoration	97,455			47,045			68,170		
Herbicides	0			1,973			2,000		
Fencing	0			1,500			1,575		
Capital	18,000			22,000			0		
Pond Survey	4,000			4,000			0		
Archaeology	3,000			3,000			0		
Green waste scoping	0			0			0		
Grazing Payments	0			10,175			10,175		
Grazing Projects	17,749			11,560			12,138		
Capital	0			4,500			0		
HLS Staff training	0			1,000			1,050		
Panel Expenses	200			200			210		
VAT disallowed	0			15,028			13,898		
Miscellaneous	0			250			250		
Software	0			1,000			1,050		
		159,275			142,492			117,500	
<b>Total expenditure</b>			693,888			685,871			667,985
<b>Surplus / (Deficit)</b>			<b>1,027</b>			<b>6,610</b>			<b>(93,828)</b>



**ASHDOWN FOREST TRUST FUND**  
**INCOME AND EXPENDITURE 2008/09 AND 2009/10**

	<b>Revised Budget 2008/09 £</b>	<b>Draft Budget 2009/10 £</b>
<b>Income</b>		
Royal Ashdown Forest Golf Club - rent	60,000	62,500
Bank Interest	6,900	3,800
	<u>66,900</u>	<u>66,300</u>
<b>Expenditure</b>		
Conservators of Ashdown Forest - Annual grant	65,100	65,100
Professional and Audit Fees	5,200	4,500
	<u>70,300</u>	<u>69,600</u>
Surplus / (Deficit)	(3,400)	(3,300)
Balance brought forward	<u>212,709</u>	<u>209,309</u>
Balance carried forward	<u>209,309</u>	<u>206,009</u>