

Committee	Cabinet
Date	26 January 2010
Report By	Deputy Chief Executive & Director of Corporate Resources
Title of Report	Conservators of Ashdown Forest – Budget 2010/11
Purpose of Report	To advise Cabinet of the Conservators' draft budget for 2010/11 and to consider the County Council's contribution and that from the Trust Fund

RECOMMENDATIONS

The Cabinet is recommended to:

- 1. approve the annual grant from the Trust Fund for 2010/11;**
 - 2. recommend to the County Council the annual grant for 2010/11 from the Transport & Environment budget;**
 - 3. delegate final approval of the Conservators' budget for 2010/11 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 2010/11, 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 Funds' are 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 the 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 £203,800 at 1 April 2010. The grant payment, lease income and interest received are the most significant movements on the Trust Fund each year as shown at Appendix B.

1.3 This report recommends a 1% increase in grant from the councils own resources, taking the figure from £78,700 in 2009/10 to £79,500 in 2010/11. It also recommends maintaining the Trust Fund grant at £65,100 which is the same enhanced level as the last three financial years.

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 2009/10 and a draft budget for 2010/11 and these are attached at Appendix A. This was approved by the Board of Conservators at their meeting on 23 November 2009 (with subsequent updates for employee's budgets).

2.3 As presented, the Conservators' draft budget assumes the level of grant from the Trust Fund will reduce to £55,100. This reflects the end of the additional £10,000 grant for the three year period 2007/08 to 2009/10 related to enforcement activity as approved by

Cabinet in February 2007. The Council's own contribution is not yet shown and the resulting shortfall, which represents a demand on the County Council stands at £98,634.

3. Recommended Grant Levels

3.1 The County Council's Reconciling Policy and Resources is in progress and it is recommended that the Council's own contribution to the Conservators for 2010/11, after allowing for inflation at 1%, is increased by £800 to £79,500 compared with £78,700 in the current financial year. This matches the provision in the Transport & Environment Department's draft budget.

3.2 Annual income to the Trust Fund, from a long term lease with the Royal Ashdown Forest Golf Club, amounts to £70,000; an increase of £10,000 from 1 January 2010. The increase in rent provides some flexibility to maintain the Trust Fund grant at the higher level paid for the last three years i.e. £65,100.

3.3 The combination of maintaining the Trust Fund grant at the higher level and the recommended grant from the County Council's own resources leaves a shortfall of £9,134.

4. Conclusion and Reason for Recommendations

4.1 While the County Council has a statutory obligation to meet the shortfall between expenditure and income of the Conservators, it also has the responsibility for approving the level of expenditure. It is essential, particularly in the current financial climate that every effort is made by the Conservators to achieve savings and efficiencies in the same manner as expected of all other council services.

4.2 The level of shortfall that would arise if the Trust Fund grant were reduced, as previously planned, to £55,100 would amount to some £19,000. This figure is quite significant for a budget of this size and the flexibility afforded by the increase in income from the golf club rent allows the Trust Fund grant to be maintained at £65,100 without further call on the councils own resources above normal inflation. This reduces the shortfall to a more manageable £9,000.

4.3 The Cabinet is, therefore, recommended to approve an annual grant of £65,100 from the Trust Fund and a contribution from the Transport and Environment budget of £79,500.

4.4 The Conservators' final budget will need revising to reflect these recommendations 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

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

Appendix A

Comparison of Estimates for 2009/10 with Revised Estimates for 2009/10 and Estimates for 2010/11

	<i>Estimated Surplus / Deficit Statement</i> 2009/10			<i>Forecast Surplus / Deficit Statement</i> 2009/10			<i>Estimated Surplus / Deficit Statement</i> 2010/11		
	£	£	£	£	£	£	£	£	
Income									
Local Authorities		78,700		78,700		0			
ESCC									
WDC		13,000		13,000		13,000			
Charities: Friends of Ashdown Forest		7,270		32,763		0			
Charities: Ashdown Forest Trust		65,100		65,100		55,100			
Charities: AF Conservation Trust		0		700		0			
Forest Rate		16,000		16,657		16,916			
Forestry Commission		22,339		22,339		0			
Commercial		9,850		9,824		7,201			
Bank Interest		400		11		0			
Deposits		200		600		426			
Wayleaves		92,104		98,525		98,798			
Sundry Finance		1,230		1,350		1,300			
Sale of Assets		0		4,000		0			
Permits		33,200		36,600		36,843			
Sales in information barn		8,500		10,300		9,500			
Donations		1,900		1,990		1,100			
FRP - Education		0		3,282		0			
FRP - Interpretation		0		1,229		0			
Sundry Amenity and Conservation		600		200		300			
DEFRA Single Payment Scheme		0		(37,292)		70			
DEFRA HLS		315,464		356,250		315,714			
Drawdown from HLS Reserve						32,383			
Total Income			665,857			716,128		588,651	
Expenditure									
<i>F & GP</i>									
Wages and Sals	361,360			366,248		373,609			
Office Costs	22,198			13,145		13,174			
Centre Maintenance	27,150			29,187		28,921			
Bank Charges and Interest	400			1,545		1,550			
Transport and Machinery	49,880			46,742		47,811			
Capital	6,000			24,680		3,758			
Travel Expenses	1,500			1,500		1,500			
Professional Fees	8,975			10,762		9,750			
Staff tools, clothing and training.	7,410			6,600		7,502			
Miscellaneous	1,537			1,650		1,650			
Input Vat disallowed	20,000			17,386		13,454			
		506,410			519,445		502,679		
<i>RPA</i>									
Barn	7,310			8,225		7,390			
Visitor facilities	5,425			3,227		6,068			
HLS - public understanding	10,099			8,000		8,500			
Bridges	6,625			6,625		5,217			
Commoners Expenses	349			450		450			
Ride Maintenance	6,130			6,000		3,881			
Litter Disposal	6,000			8,000		6,000			
FRP - Education	0			3,477		0			
FRP - Interpretation	0			1,229		0			
Vachery	0			15,132		0			
Miscellaneous	2,137			2,766		1,892			
		44,075			63,131		39,398		
<i>Conservation</i>									
Woodland Conservation	6,430			7,544		5,605			
Materials	425			425		1,260			
Miscellaneous	129			129		130			
Heathland Restoration	68,170			42,480		79,600			
Herbicides	2,000			2,200		3,500			
Fencing	1,575			3,000		6,000			
Bridges	0			1,000		0			
Capital	0			32,150		0			
Special project surveys	0			13,986		10,000			
Grazing Payments	10,175			11,192		11,192			
Grazing Projects	12,138			11,445		12,000			
Capital	0			7,500		0			
HLS Staff training	1,050			385		1,000			
Panel Expenses	210			250		250			
VAT disallowed	13,898			13,161		11,896			
Miscellaneous	250			1,766		1,725			
Software	1,050			1,050		1,050			
		117,500			149,663		145,208		
Total expenditure			667,985			732,239		687,285	
Surplus / (Deficit)			(2,128)			(16,111)		(98,634)	

Note.

ASHDOWN FOREST TRUST FUND
INCOME AND EXPENDITURE 2009/10 AND 2010/11

	Revised Budget 2009/10 £	Draft Budget 2010/11 £
Income		
Royal Ashdown Forest Golf Club - rent	62,500	70,000
Bank Interest	1,000	1,000
	<u>63,500</u>	<u>71,000</u>
Expenditure		
Conservators of Ashdown Forest - Annual grant	65,100	65,100
Professional and Audit Fees	4,100	4,100
	<u>69,200</u>	<u>69,200</u>
Surplus / (Deficit)	(5,700)	1,800
Balance brought forward	<u>209,563</u>	<u>203,863</u>
Balance carried forward	<u>203,863</u>	<u>205,663</u>