

Revised Estimates 2014/15 and Revenue Budget 2015/16 and 2016/17

(Appendix A refers)

Issue for consideration

- a) Revised Estimates 2014/15
- b) Revenue Budget 2015/16 and 2016/17

Background

The budget provision for the Forest of Bowland AONB Joint Advisory Committee is funded by eight constituent local authority partners and grant from Defra and is enhanced by additional contributions from partner organizations, e.g. United Utilities. A core team is established from this budget provision, to assist in the delivery of the statutory AONB Management Plan on behalf of the Joint Advisory Committee and the local authorities. The AONB Unit is now working to a 3-year business plan (2014 - 2017), on which partners are consulted to ensure it reflects local priorities for the AONB.

a. Revised Estimates 2014/15

The costs of the Partnership are managed as part of the Lancashire County Council's Environment Directorate's Devolved Financial Management scheme. Since the Joint Advisory Committee in October 2013 approved the 2014/15 estimates and sought support for the contributions requested from funding partners, the full requested contributions have been met.

The contributions advised by the constituent local authorities for 2014/15 were as follows: -

	£
Craven District Council	6,800
Lancaster City Council	6,800
Pendle Borough Council	6,800
Preston Borough Council	6,800
Ribble Valley Borough Council	6,800
Wyre Borough Council	6,800
Lancashire County Council	40,800
North Yorkshire County Council	6,800

Defra advised in December 2013, that the grant offer for 2014/15 was £208,143.

The net effect of these changes allows projects programme (including Sustainable Development Fund) totalling £94,130 to be delivered in 2014/15.

In addition, to date during this year, the AONB Unit has been successful in obtaining the following additional funding to support delivery of projects within the area:

Project	£	Organisation
AONB 50 th Anniversary Awards	2,750	The Duchy of Lancaster, Green Tourism, Grosvenor Estates, United Utilities, Countryside, the Lordship of Bowland and Life for Life Memorial Forests
Bowland Revealed	95,000	Arts Council England, LCC Arts Development Service, Ribble Valley Borough Council
Bowland Scrapbook (jointly with Champion Bowland)	10,000	Heritage Lottery Fund
Networks for Nectar	27,000	Lancashire Environmental Fund

The 2013/14 Revised Estimates take account of any changes (see Agenda Item 8a Column 3) in comparison with the Original Estimates in Column 2.

The principal change relates to the reduction in salary costs, due to the impending retirement of the AONB Business Development Officer from 31st October 2014. It is not proposed to seek to recruit a replacement*.

Therefore, the net effect of this reduction in salary costs is to increase the budget available to support projects which help deliver the AONB Management Plan. Alongside existing commitments, this will allow the AONB Partnership to continue to support the financial and administration requirements for both Champion Bowland and Bowland Experience Ltd and also to contract support for Partnership biodiversity delivery until March 2015.

** Please note: the AONB Unit will continue to work closely with Bowland Experience Ltd directors and members on developing sustainable tourism in the area and also with Champion Bowland trustees on the management of the Champion Bowland Small Grants Fund.*

b. Revenue Budget 2015/16 and 2016/17

Revenue Budget 2015/16

This section sets out in Appendix 'A' column 4, the costs associated with the Committee's projects and management service in 2015/16, including estimated pay and price levels. The estimates are based on slightly reduced level of service agreed by the Committee at the October 2013 meeting.

Provision reflects the new core team of 4 full-time equivalent posts, operational budgets for core activities and projects:

- AONB Manager [0.2FTE]
- Principal AONB Officer [0.8FTE]
- Development and Funding Officer

- Sustainable Tourism and Website Development Officer
- Projects and Events Officer

Total Committee income from contributions has been included in the budget for 2015/16, based on estimated contributions from funding authorities, equivalent to maintaining the requested contribution for 2014/15, with a continuation of the contribution from United Utilities matching the requested district/borough council level of contribution.

Income in respect of grant support from Defra towards core costs, projects costs and sustainable development works has been included on the basis of a 'standstill' budget for 2015/16. Advice from Defra is that the grant for 2015/16 will continue to be a single grant offer to be used in ways which the Joint Advisory Committee considers will deliver the best performance in achieving the aims of the Management Plan, without restrictions placed on the percentage of grant to each area of supported activity.

Thus, the level of provision for projects is based on the resources estimated to be available to the Committee after providing for the staffing of the AONB Unit at Dunsop Bridge, plus related core activities costs, assuming that all partners make the requested contributions.

Revenue Budget 2016/17

Whilst confirming their contribution for 2015/16, Defra are not currently in a position to commit resources for 2016/17 or beyond. In the past, in order to offer some stability to AONB Partnerships planning for the medium term, there has been a 4 year commitment supported by a Memoranda of Agreement between the funding partners. Whilst it is not anticipated that there will be any major changes to grant allocations from Defra it is recognised that all partner authorities are dealing with the challenge of managing with reduced resources. It is likely that a new form of agreement will be sought in 2016/17.

Lancashire County Council can confirm that it is able to make its full contribution to the Partnership on 2015/16. However in reviewing its budget allocations, it is evident that as the host authority it is incurring additional costs associated with the employment of the staff in the AONB unit. The full costs of that to the authority are not currently charged to the Partnership. Whatever new funding arrangements are agreed for the partnership in future the County Council will seek to recover the full costs of employing the staff as part of that agreement.

The attention of the Committee is drawn to the following: -

1. Gross Expenditure

It is proposed that total expenditure be £357,813 in 2015/16, which is £6,330 lower than that in 2014/15. This reduction is due to a recalculation (based on the reduced staff costs) of the 'in-kind' contribution from LCC towards costs for central, departmental and technical support.

The total expenditure results from providing for the effect of increased pay and prices, staff increments, employers national insurance and superannuation contributions, along with general price increases, and reflecting a level of provision for projects after taking account of the estimated level of resources being sought from funding partners.

2. Income

Defra grant towards core costs, projects costs and a programme of sustainable development works of £208,143 reflects no reduction on 2014/15 grant funding levels.

A contribution of £6,800 from United Utilities has been included, on the basis that the company will maintain a level of contribution equivalent to that of the district/borough councils.

3. Net Expenditure

The £357,813 net cost of management services is based on maintaining the level of contributions from the funding authorities requested for 2014/15. It is essential that the funding authorities are notified of the approved expenditure and requested to make due provision in their own estimates.

4. Additional Resources

It should be noted that, as normal, resources from local authorities/individuals/other funding bodies for projects in AONB will be sought during 2014/15 (e.g. Lottery Funds, EU and Lancashire Environment Fund), which are over and above the Joint Advisory Committee budget provision and this will continue in 2015/16.

Furthermore, the service contributes to the generation of additional schemes and projects in liaison with services operating in the area such as the various local authority Countryside Services.

Decision Required

The Committee is requested to:

- i) note the 2014/15 Revised Estimates.
- ii) approve the 2015/16 Revenue Budget as set out in the report,
- iii) subject to the approval of (ii) above, to request the funding authorities to make appropriate provision in their revenue budgets