

Committee	Cabinet
Date	19 April 2005
Report By	Deputy Chief Executive & Director of Corporate Resources
Title of Report	Conservators of Ashdown Forest – Budget 2005/06
Purpose of Report	To advise Cabinet of the Conservators' budget for 2005/06, the Council's contribution and to consider the contribution from the Trust Fund

RECOMMENDATIONS

The Cabinet is recommended to approve an increase of £15,000 in the annual grant from the Trust Fund.

1. Financial Appraisal

1.1 The balance on the Trust Fund is estimated to be some £189,000 at 1 April 2005. An increase in the annual general grant from the Trust Fund to the Conservators, as recommended in this report, would amount to an annual grant payment of some £53,500.

1.2 Annual income to the Trust Fund, allowing for the new long term lease with the Royal Ashdown Forest Golf Club, amounts to some £61,000.

1.3 The grant payment and lease income are the two most significant movements on the Trust Fund each year. Even with the new level of grant payment recommended it can be seen that balances are set to continue to rise by some £12,000 per year.

2. Supporting Information

2.1 The Council has a statutory obligation to meet any shortfall between the expenditure and income of the Conservators of Ashdown Forest. At its meeting on 23 October 2003, the Cabinet approved a decrease in the Council's contribution for 2004/05 matched by an increase in the annual general grant from the Trust Fund for which the Cabinet is a Trustee.

2.2 The approach was established in response to the financial pressures facing the Council and the need to make year on year savings. This was set against a background of increasing balances on the Trust Fund as annual income consistently exceeded grant payments.

2.3 The increasing balances on the Trust Fund allowed the flexibility to help meet the Council' savings targets and provide greater certainty in financial planning terms for the Conservators, resulting in a mutually acceptable solution. The contributions were set at £113,500 and £38,500 from the County Council and the Trust Fund respectively.

2.4 The Cabinet considered a further report at its meeting on 3 August 2004 noting the terms of a new long term lease with the Royal Ashdown Forest Golf Club which increases annual rental income to the Trust Fund by £17,000 from 1 January 2005. This provides further flexibility in setting the 2005/06 contributions from both the Council and the annual general grant from the Trust Fund.

2.5 For 2005/06 the County Council's own contribution amounts to some £106,400; a decrease of £10,000 when compared to 2004/05 after allowing for inflation. This level of contribution was approved by County Council on 22 February 2005 as part of the Reconciling Policy and Resources exercise. With the proposed increase from the Trust Fund, the total contribution becomes £159,900. The increase in the grant from the Trust Fund, therefore, more than compensates for the reduction in the County council's own contribution.

3. Conclusion and Reason for Recommendation

3.1 The last couple of years have seen a great deal of uncertainty placed on the Conservators' as a direct result of the Council's need to make savings as part of the Reconciling Policy and Resources exercise.

3.2 The additional flexibility provided by the increase in annual lease income allows the approach to be adopted for a second year. The reduction in the County council' contribution has already been approved as part of the Reconciling Policy and Resources exercise.

3.3 The Cabinet is, therefore, recommended to approve an increase of £15,000 in annual grant from the Trust Fund. This still allows scope for one-off in year grants to be considered by the Cabinet as Trustees without reducing the year on year balance.

SEAN NOLAN

Deputy Chief Executive and Director of Corporate Resources

22 April 2005

Cabinet:C19April-ConservatorsBudget Report Cabinet

Contact Officer: Mo Hemsley Tel. No. 01273 481908

Local members: Councillors Bagshawe, Reid, Slack and Whetstone.