

Committee	Cabinet
Date	14 December 2005
Report By	Deputy Chief Executive & Director of Corporate Resources
Title of Report	Conservators of Ashdown Forest – Budget 2006-07
Purpose of Report	To advise Cabinet of the Conservators' budget for 2006-07 and to consider the County Council's contribution and that from the Trust Fund

RECOMMENDATION

The Cabinet is recommended to:

- 1. approve the annual grant from the Trust Fund for 2006/07;**
 - 2. recommend to the County Council the annual grant for 2006/07 from the Transport & Environment budget; and**
 - 3. approve the revised budget for the Conservators.**
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1. Financial Appraisal

1.1 The balance on the Trust Fund is estimated to be some £204,700 at 1 April 2006. The annual general grant from the Trust Fund to the Conservators, as recommended in this report, would remain at 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, will amount to some £60,000. There have been considerable delays in signing the new lease and the higher sum has not therefore been achieved during 2005/06. It is anticipated however that the higher income figure will be achieved during 2006/07 when it will be backdated to 1 January 2004.

1.3 The grant payment and lease income are the two most significant movements on the Trust Fund each year which, based on the higher level of income will result in a net annual surplus of some £13,000.

1.4 This report sets out the Conservators' draft budget for 2006-07 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.

2. Supporting Information

2.1 Subject to approval of its budget, 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 22 February 2005, the Cabinet approved a decrease in the Council's contribution for 2005/06 matched by an increase in the annual general grant from the Trust Fund for which the Cabinet is a Trustee.

2.2 This approach was established in February 2004 in response to the financial pressures facing the Council and the need to make year on year savings in its own budget. 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 for 2005/06 were set at £106,400 and £53,500 from the County Council and the Trust Fund respectively. While this represented a shift between the contributions from the Council's own resources and the Trust Fund, the overall increase to the Conservators was in excess of normal inflation.

2.4 The revised budget for 2005-06 and an indicative budget for 2006-07 are attached at Appendix A. This was presented and approved by the Conservators at their board meeting on 14 November 2005.

2.5 The indicative budget shown for 2006-07 assumes that the level of contributions from the County Council and the Trust Fund remain at £106,400 and £53,500 respectively.

2.6 It is recommended however that the Council's own contribution to the Conservators is reduced to £101,700; a saving of £7,000 or some 6% after allowing for inflation. This means that in cash terms it is a reduction of £4,700 or 4.4%. This is in line with the general savings requirement from other council services. It is proposed that the Conservators budget proposal is approved subject to the saving being reflected in the Conservators final budget.

2.6 A summary of the income and expenditure estimates on the Trust Fund are attached at Appendix B. Assuming an annual contribution at the level indicated above, the Trust Fund will continue to grow at the rate of some £13,000 per year.

3. Conclusion and Reason for Recommendation

3.1 In the last two years the Council has been able to achieve savings in the grant to the Conservators due to the flexibility afforded by the Trust Fund while maintaining the overall contribution levels. The additional income to the Trust Fund from the anticipated lease has not however been achieved and therefore it would not be prudent to plan on further increased contributions from the Trust Fund.

3.3 The Cabinet is, therefore, recommended to approve an annual grant from the Trust Fund at £53,500 as in 2005/06 and a reduced contribution from the Transport and Environment budget at £101,700.

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