

Report to: Cabinet

Date of meeting: 1 March 2022

By: Chief Operating Officer

Title: The Conservators of Ashdown Forest – 2022/23 Amended Budget and the annual grant from the Ashdown Forest Trust Fund

Purpose: To present the Conservators' amended budget for 2022/23 and the annual grant from the Ashdown Forest Trust Fund

RECOMMENDATIONS

Cabinet is recommended to:

- 1. approve the Conservators' Core budget for 2022/23 and the potential contribution of up to a maximum of £122,980.**
 - 2. approve the annual grant for 2022/23 from the Ashdown Forest Trust Fund**
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1 Background

1.1 The Board of Conservators met on 29 November 2021 and considered and approved an initial budget, excluding any income from the potential introduction of car parking charges from 2022/23. Consideration was also given to the development of a sustainable medium term financial plan to 2025/26. At an Extraordinary Meeting of the Board of Conservators on 31 January 2022 approval was given for the introduction of car parking charges from 2022/23, this is reflected in the supporting information and amended budget below.

2 Supporting information: Budget 2022/23

2.1 The 2022/23 Conservators of Ashdown Forest (CoAF)'s Core Budget, amended for the introduction of car parking charges, is presenting a deficit of £122,980 (Appendix 1). In approving this amended budget the CoAF are including a scenario of mid-range projected income from car parking charges, increased spending on land management and systems improvements with the organisation and no income contribution from The Ashdown Forest Foundation (TAFF).

2.2 In approving the introduction of car parking charges, the CoAF at its Extraordinary Board Meeting on 31 January 2022, considered a range of income possibilities:

- High-range projected income after fees and charges of £688,113, with costs for sign replacement, enforcement and loan repayment reducing the income to £630,042.
- Mid-range projected income after fees and charges of £136,940, with costs for sign replacement, enforcement and loan repayment reducing the income to £78,869.
- Low-range projected income after fees and charges of £13,261, with costs for sign replacement, enforcement and loan repayment resulting in a deficit of £44,810.

The decision was made to assume the mid-range projected income of £78,869.

2.3 There are uncertainties and variables that may alter the income that will be generated from car parking. The CoAF believes that the overall revenue streams may deliver higher income projections within the published business case. Conversations with organisations that have introduced parking charges suggest that the initial roll out will present significant challenges but will have a positive impact on the overall budget.

2.4 The 2021/22 Core Budget included £150,000 additional income from the recently formed charitable body, The Ashdown Forest Foundation (TAFF). This budget was not achieved and in setting the 2022/23 budget, no income has been assumed from the TAFF. TAFF is working to raise its profile and is beginning to draw in donations. It is actively looking for corporate sponsorship and is

building a rich network of connections. It has run its first events and is planning an enhanced programme in 2022. Initially, any income generated needs to remain with the TAFF to allow it to be set up to generate long term funding. It is possible however, with the early success of TAFF, that a transfer of funds will be possible in 2022/23 and that will be picked up in future forecasts.

2.5 There are management actions that could be taken in 2022/23 to manage a reduction in the deficit, including deferring capital expenditure, tightly managing day to day expenditure and seeking opportunities to reassess the recharge arising from the use of the Countryside Stewardship staff for Core Budget activities. This has the potential to reduce the deficit to £60,000 prior to any additional income from car parking or the TAFF.

2.6 The Conservators' Core Budget receives a grant from the Ashdown Forest Trust, of which ESCC is the trustee. The balance of the Trust Fund is estimated to be £167,168 at 1 April 2022 (Appendix 3) and it is proposed to maintain the grant funding of £65,100 to the Conservators' Core Budget in 2022/23. The lease to the Ashdown Forest Golf Club was reviewed in early 2020 and remains unchanged at £70,000 per annum.

2.7 The Countryside Stewardship budget (Appendix 2) is showing a surplus of £109,757. The Rural Payments Agency (RPA) has overturned their 2019 Countryside Stewardship inspection results and settled the issues regarding outstanding payments on the disputed pockets of land during the 2021/22. These repayments were more than £100,000. The CoAF has received final figures and an updated agreement. A management plan to accompany this is being produced and will assist with future budgeting. This successful resolution has created a higher degree of certainty on what is expected from the RPA, and it is now confirmed that cashflows will increase by £97,757p.a.

2.8 Whilst presenting a deficit budget, the Board and Chief Executive Officer are working with Council officers and are committed to delivering an improved financial position for 2022/23, providing quarterly update reports, including updated budgets that support a sustainable Medium-Term Financial Plan by Summer 2022, that will support the strategic objectives of the COAF. Any liability from the Core Budget that does fall to the Council for 2022/23 will not be settled until after the accounts for 2022/23 have been reconciled and approved.

3. Recommended Funding

3.1 Annual income to the Trust Fund, from a long-term lease with the Royal Ashdown Forest Golf Club, amounts to £70,000 with the addition of bank interest. The contribution to the Conservators from the Trust Fund can therefore be maintained at £65,100 in 2022/23

4. Conclusion

4.1 The amended budget for 2022/23 presents a deficit of £122,980 including the impact of the decision to implement car parking charges being approved by the Board of Conservators on 31 January 2022. There remains uncertainties and opportunities for income generation in excess of modelled car parking income and from the TAFF, which together with management action during the year, that could have a positive impact on the overall budget. The Board and Chief Executive Officer are working with Council officers and are committed to delivering an improved financial position for 2022/23, providing quarterly update reports, including updated budgets that support a sustainable Medium-Term Financial Plan by Summer 2022, that will support the strategic objectives of the COAF.

4.2 Where Cabinet is recommended to:

- Approve the amended budget, as submitted by the Board of Conservators for 2022/23, and the potential maximum contribution of £122,980.
- Approve a £65,100 grant for 2022/23 from the Ashdown Forest Trust Fund.

Phil Hall
Interim Chief Operating Officer

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LOCAL MEMBERS

Councillors Galley, Howell, Lunn & Georgia Taylor

ESCC MEMBERS ON THE BOARD OF CONSERVATORS

Councillor Howell

The Conservators of Ashdown Forest – 2021/22 Outturn Forecast and Proposed 2022/23 Core Budget

INCOME SUMMARY	2021/22 FORECAST £	2021/22 Budget £	2022/23 Budget £
Licences & Forest Rate	211,915	211,915	196,465
Countryside Stewardship Staff Recharge	123,814	123,814	123,814
Unrestricted funding (ESCC, WDC, AFT, PCs)	78,100	228,100	78,100
Income generation and Donations	10,200	10,200	4,100
Forest Products incl. Meat and Deer Carcasses	37,935	37,935	23,980
Visitors	11,200	11,200	15,200
Financial	200	200	200
Car Parking	-	-	78,869
TOTAL UNRESTRICTED CORE INCOME	473,364	623,364	520,728

Restricted Funds (to be spent under terms of funding restrictions only)	34,240	34,250	45,250
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TOTAL CORE INCOME	507,604	657,614	565,978
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EXPENDITURE SUMMARY	2021/22 FORECAST £	2021/22 Budget £	2022/23 Budget £
Core Forest Staff Costs	306,033	354,600	389,702
Operational expenses	154,044	166,915	137,691
Administration Overheads	66,850	66,850	98,305
Financial	22,010	22,010	18,160
Visitors	3,300	3,300	6,300
Governance/Charity set up	-	-	-
TOTAL NON CAPITAL CORE EXPENDITURE	552,237	613,675	650,158

Expenditure from Ringfenced Funding	12,000	12,000	5,000
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Total Core Capital Expenditure	30,000	30,000	33,800
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TOTAL CORE EXPENDITURE	594,237	655,675	688,958
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CORE 2020/21 YEAR END SUMMARY	FORECAST £	BUDGET 21/22 £	BUDGET 22/23 £
Total Forecast Income	507,604	657,614	565,978
Total Forecast Expenditure	(594,237)	(655,675)	688,958
Surplus/(Deficit)	(86,633)	1,939	(122,980)

FORECAST CORE RESERVES TO YEAR END 2022/23

Reserves b/f YE 2020/21	396,772
Forecast Surplus/(Deficit) year ending 2021/22	<u>(86,633)</u>
Reserves balance Forecast to YE 2021/22	310,139
Forecast Surplus/(Deficit) year ending 2022/23	<u>(122,980)</u>
Reserves balance Forecast to YE 2022/23	187,159

Countryside Stewardship Budget 2022/23

RESERVE FORECAST TO YEAR END 2023	£
Surplus brought forward at Year End 31 March 2021	409,717
FORECAST Income/Expenditure Deficit for Year Ending 31 March 2022	(10,017)
FORECAST Surplus forecast to be carried forward at 31 March 2022	399,700
FORECAST Income/Expenditure Surplus for Year Ending 31 March 2023	109,757
Total Surplus forecast to be carried forward at 31 March 2023	509,457

INCOME/EXPENDITURE SUMMARY

	Income Budget 21/22	Expenditure Budget 21/22	Income Budget 22/23	Expenditure Budget 22/23
Heathland Area Projects (LH1)	395,214	396,902	415,723	403,723
Bracken Supplement (SP3)	33,651	33,651	33,651	33,651
Educational Visits (ED1)	7,250	7,250	7,250	7,250
Woodland CS (WD2): Deer Project	45,000	41,200	34,538	34,538
Woodland CS (WD2): Woodland Management	5,000	5,000	5,000	5,000
Income from changes to land pockets			97,757	
TOTALS	486,115	484,003	593,919	484,162

Ashdown Forest Trust Fund 2022/23 Projected Income and Expenditure

ASHDOWN FOREST TRUST FUND	Forecast 2021/22	Budget 2022/23
Income	£	£
Royal Ashdown Forest Golf Club- Rent	70,000	70,000
Bank Interest	15	20
Total Income	70,015	70,020
Expenditure		
Conservators of Ashdown Forest- Annual Grant	65,100	65,100
Professional & Audit Fees	540	540
Total Expenditure	65,640	65,640
Surplus/(Deficit)	4,375	4,380
Balance Brought Forward	162,793	167,168
Balance Carried Forward	167,168	171,548