

**Report to:** Cabinet

**Date of meeting:** 26 January 2016

**By:** Chief Operating Officer

**Title:** The Conservators of Ashdown Forest – 2016/17 Budget

**Purpose:** To provide the Conservators' draft budget for 2016/17 and to consider the County Council's contribution and that from the Trust Fund

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## **RECOMMENDATIONS**

Cabinet is recommended to note the proposed County Council response to the Conservators of Ashdown Forest's draft budget for 2016/17, for consideration at Full Council. Cabinet is recommended to:

1. approve the Conservators' budget for 2016/17;
  2. recommend to the County Council the annual contribution for 2016/17 from the Communities, Economy and Transport (CET) budget; and
  3. approve the annual grant for 2016/17 from the Trust Fund.
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## **1 Background**

1.1 This report sets out the Conservators' draft budget for 2016/17, as presented by the Conservators, to allow Full Council 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 Fund' is 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 its disposition of general resources when considering the overall financial position of the Conservators.

## **2 Supporting information**

2.1 The Conservators' budget is formed of the Countryside Stewardship (CS) budget and the General Fund. Natural England provide the funding for the CS budget, which has replaced the Higher Level Stewardship (HLS) funding from January 2016. Although the CS funding has increased from the previous HLS funding and is more than half the total budget, this money is ringfenced for projects and has enabled the Conservators to bring forward plans for improvements. As such, any remaining surplus in the CS budget must be spent under the conditions for receipt of the money and may not be used to offset General Fund expenditure. The remaining funds held in reserve from the HLS funding, will also need to be spent accordingly.

2.2 The Conservators have produced a draft budget for 2016/17, summarised at Appendix A. This has been approved by the Board of Conservators at their meeting on 17 December 2015. Further budget detail, including a breakdown of the CS funded projects, is shown in Appendix C.

2.3 The Conservators General Fund receive grants from both the Ashdown Forest Trust, for which ESCC is the trustee, and directly from the Council's budgets, as part of the CET contribution. The balance of the Trust fund is estimated to be £157,994 at 1 April 2016; shown in Appendix B.

2.4 As presented, the Conservators' draft budget assumes the level of grant from the Trust Fund will continue at £65,100 and the contribution from ESCC, held in CET budgets, will continue at £75,800.

2.5 Assumed within the Conservators' draft budget, is the use of reserves for £10,386. The Conservators must maintain reserves sufficient to cover 6 months of staffing and administration costs. The resulting budgeted reserve balance for the year ending 2016/17 is £340,450, which exceeds the minimum balance of £242,500.

2.6 The Conservators are aware of the need to increase their income from other sources in order to maintain the level of care provided to the Ashdown Forest. As such, the Conservators are aiming to prepare a Fundraising Strategy once the outcomes of the Governance review are known. Work is also ongoing to review the Governance arrangements for the Ashdown Forest.

### **3. Recommended Funding**

3.1 It is recommended to maintain the Council's own contribution at the current level of £75,800. This matches the provision in the CET budgets.

3.2 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 Grant to the Conservators from the Trust Fund can be maintained at £65,100 in 2016/17.

3.3 The combination of maintaining the contribution and grant at the current level would give the Conservators a deficit of £10,386, which the Conservators have agreed to fund from their reserves.

### **4. Conclusion**

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.

4.2 Given the factors outlined above, Cabinet is recommended to:

- agree the Conservators' budget for 2016/17;
- agree a recommendation of a contribution from the CET budget of £75,800; and
- agree the annual grant for 2016/17 from the Trust Fund.

**KEVIN FOSTER**  
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### LOCAL MEMBERS AND MEMBERS ON THE BOARD OF CONSERVATORS

Councillors Galley, Stogdon, Tidy, Whetstone, St Pierre, Barnes & Belsey

## Appendix A – The Conservators of Ashdown Forest – Proposed 2016/17 Budget

<b>INCOME SUMMARY</b>	<b>2015/16 Budget</b>	<b>2015/16 Forecast</b>	<b>2016/17 Budget</b>
Countryside Stewardship Funding	315,214	315,164	605,259
<b>ESCC Grant</b>	<b>75,800</b>	<b>75,800</b>	<b>75,800</b>
WDC Grant	10,000	13,000	13,000
Strategic Access Management & Monitoring (SAMMs) Grant	-	-	TBC
Other Grants	-	6,670	-
Charitable Receipts and Donations*	20,460	35,706	7,500
<b>Ashdown Forest Trust Fund</b>	<b>65,100</b>	<b>65,100</b>	<b>65,100</b>
Licences and Forest Rates	175,293	178,832	177,714
Visitors	12,100	13,841	11,100
Sundry Receipts	9,200	14,991	10,840
Financial	7,300	3,000	800
<b>TOTAL INCOME</b>	<b>690,467</b>	<b>722,104</b>	<b>967,113</b>
<b>EXPENDITURE SUMMARY</b>	<b>2015/16 Budget</b>	<b>2015/16 Forecast</b>	<b>2016/17 Budget</b>
Staff Costs	378,912	378,817	425,000
Forest Centre Running costs (rates, utilities, maintenance)	14,255	13,771	16,110
Information Centre expenditure (stock, consumables)	5,650	5,650	5,400
Post, phone, printing, stationery	6,987	6,445	6,570
Professional fees (incl land purchase)	13,294	12,094	11,000
Insurances	14,670	14,670	14,620
IT	6,832	6,832	5,800
Miscellaneous Administration	500	500	500
Forest Centre Development*	-	13,217	-
Transport, machinery, equipment (incl vehicle insurance)	54,514	48,712	48,230
General conservation (dangerous trees, exotics)	6,600	6,300	9,100
Education Programme	4,960	-	5,000
Staff expenses	6,628	6,628	6,275
Staff training	7,800	7,800	2,500
Volunteer expenses	1,900	1,800	2,500
Interpretation	8,956	8,956	500
Vachery	-	222	-
Visitors/PR (car parks, bridges, meetings, litter, rides)	16,411	16,411	18,480
Other Operational Expenditure	-	915	-
Countryside Stewardship (excluding portion of staff costs)	103,121	104,745	331,310
Financial	34,771	32,018	46,010
<b>Total non capital Expenditure</b>	<b>686,761</b>	<b>686,503</b>	<b>954,905</b>
<b>Capital expenditure (incl. CS Capital)</b>	<b>16,566</b>	<b>16,646</b>	<b>15,400</b>
<b>TOTAL EXPENDITURE</b>	<b>703,327</b>	<b>703,149</b>	<b>970,305</b>
<b>Surplus/(Deficit)</b>	<b>(12,860)</b>	<b>18,955</b>	<b>(3,192)</b>
<b>BUDGET SUMMARY 2016/17</b>	<b>CS</b>	<b>General</b>	<b>Total</b>
Total Income	605,259	361,854	967,113
Total Expenditure	598,065	372,240	970,305
Surplus/(Deficit)	<b>7,194</b>	<b>(10,386)</b>	<b>(3,192)</b>

**Appendix B – Ashdown Forest Trust Fund 2016/17 Projected Income and Expenditure**

<b>ASHDOWN FOREST TRUST FUND</b>	<b>Budget 2015/16</b>	<b>Draft Budget 2016/17</b>
<b>Income</b>		
Royal Ashdown Forest Club - Rent	70,000	70,000
Bank Interest	446	445
	70,446	70,445
<b>Expenditure</b>		
Conservators of Ashdown Forest - Annual Grant	65,100	65,100
Professional & Audit Fees	2,822	4,000
	67,922	69,100
Surplus / (Deficit)	2,524	1,345
Balance Brought Forward	155,470	157,994
Balance Carried Forward	157,994	159,339