

Report to: Cabinet

Date of meeting: 28 January 2020

By: Chief Operating Officer

Title: The Conservators of Ashdown Forest – 2020/21 Budget

Purpose: To approve the Conservators' draft budget for 2020/21 and to consider the contribution from the Trust Fund

RECOMMENDATIONS

Cabinet is recommended to:

1. approve the Conservators' Core budget for 2020/21; and
 2. approve the annual grant for 2020/21 from the Trust Fund.
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1 Background

1.1 This report sets out the Conservators' draft budget for 2020/21 as presented by the Conservators. This enables consideration to be given to both the overall position and the balance of funding which may be made available to the Conservators from the Trust. 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 Core Budget (General Fund) and the Countryside Stewardship (CS) budget. The Conservators draft Core Budget for 2020/21 is summarised at Appendix A. This was approved by the Board of Conservators at their meeting on 25 November 2019 and requires approval from the Council. The Ashdown Forest Trust position is shown at Appendix B and the draft Countryside Stewardship (CS) budget, including a breakdown of CS funded projects, is shown at Appendix C. The draft CS budget is shown for information only.

2.2 The Conservators Core Budget (General Fund) receives a grant from the Ashdown Forest Trust for which ESCC is the trustee. As presented, the draft budget assumes the level of grant from the Trust Fund will continue at £65,100. The balance of the Trust Fund is estimated to be £156,949 at 1 April 2020; shown in Appendix B. The lease to the Ashdown Forest Golf Club expires in January 2020 and is currently being renegotiated.

2.3 The contribution from ESCC which was £30,000 in 2019/20 has been completely removed for 2020/21, as planned, as part of the Council's approved savings programme and the delivery of services within the Core Offer.

2.4 The 2019/20 forecast expenditure figure is significantly higher than budget. Staff costs have increased due to the appointment of a new Chief Executive, part time member of staff to administer the income generation project and to address some salary grading discrepancies. There was an upgrade to the unit's radio communications system, and investment into setting up the Ashdown Forest Foundation. Donations for car parking are lower than expected and the scheme will be further promoted for 2020/21. Sale of deer carcasses is slightly lower than budgeted but the plan is to engage a butcher which should increase future sales.

2.5 The Conservators have presented a balanced Core Budget (General Fund) for 2020/21. The budget includes £55,500 of income from the sale of commemorative plates on the new memorial wall. This figure is based on the fact that these schemes have been shown to be very popular nationally and there has been significant interest locally. The wall is at the pre-planning consent stage and there may be a risk of project

slippage. Any resulting shortfall of income will be met from reserves. There is also a planned contribution of £15,000 from the recently formed Ashdown Forest Foundation generated by private donations and the recovery of gift aid. A number of Ashdown Forest Centre events are planned including a launch event and a sponsored walk which should generate £10,000. The expenditure budget includes the additional cost of changes to staff hours and responsibilities and of the new part time member of staff. £18,000 has been planned as the cost of building the memorial wall. The Conservators are aware that the income from the memorial wall is one-off and will work with the newly appointed Chief Executive to ensure that future budgets are sustainable in the long term.

2.6 The Conservators agreed to maintain reserves sufficient to cover 6 months of staffing and administration costs. The Conservators are not planning any draws from reserves during 2020/21. The resulting budgeted reserve balance for the year ending 2020/21 is £343,432, which exceeds the minimum balance of £196,000.

2.7 Natural England provide the funding for the CS budget £522,676 for 2020/21 and although this represents more than half the total Forest income, it is ring-fenced for Heathland Conservation projects. As such, all CS budget must be spent under the conditions for receipt of the money and may not be used to offset General Fund expenditure. However, there is a multiplier applied to CS staff costs and contracted-out in house staff to enable the Conservator's to recoup some staff on-costs and Forest Centre overheads. For 2020/21 this is £135,000 and is shown under income as 'Countryside Stewardship Staff Recharge'. The CS budget shows a planned deficit of £84,210 and will be met from the CS reserve which includes a £46,768 projected surplus in 2019/20. The CS budget has been separated from the General Fund and is shown as Appendix C.

2.8 The Conservators are acutely aware of the need to continue to increase their income and control their costs in order to maintain the level of care provided to the Ashdown Forest and to help bridge the gap to sustainability.

3. Recommended Funding

3.1 It is proposed to remove the Council's grant which was £30,000 in 2019/20. 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 contribution to the Conservators from the Trust Fund can be maintained at £65,100 in 2020/21.

3.3 Awarding the grant from the Trust Fund at the recommended level would give the Conservators a balanced budget for 2020/21.

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 Cabinet is recommended to:

- Approve the Conservators' budget for 2020/21;
- Approve the annual grant for 2020/21 from the Trust Fund.

KEVIN FOSTER
Chief Operating Officer

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LOCAL MEMBERS

Councillors Galley, Stogdon, Tidy & Whetstone

ESCC MEMBERS ON THE BOARD OF CONSERVATORS

Councillors Barnes, Stephen Shing, Tidy, Whetstone, Elkin and Stogdon

INCOME SUMMARY	2019/20 Budget £	2019/20 Forecast £	2020/21 Budget £
Licences and Forest Rate	190,952	194,856	200,755
Countryside Stewardship Staff Uplift	115,000	120,000	135,000
Income Generation and Donations	37,000	25,700	98,800
Unrestricted Funding	110,100	112,300	77,480
Sale of Forest Products including Meat	25,300	28,700	26,100
Visitors	8,860	13,722	12,900
Financial	200	1200	1,200
TOTAL UNRESTRICTED CORE INCOME	487,412	479,728	552,235

Restricted Funds (designated for specific purpose)	-	21,699	-
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TOTAL CORE INCOME	487,412	518,177	552,235
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EXPENDITURE SUMMARY	2019/20 Budget £	2019/20 Forecast £	2020/21 Budget £
Core Forest Staff Costs	361,500	377,000	407,732
Expenditure from Ring-fenced Funding	500	16,866	-
Operational expenses	50,579	69,887	73,101
Administration Overheads	48,153	53,442	43,692
Financial	23,280	20,280	18,160
Visitors	3,400	6,878	3,300
Governance/Charity Expenditure		5,250	5,250
TOTAL NON CAPITAL CORE EXPENDITURE	487,412	549,604	551,235

Total Core Capital Expenditure	-	-	1,000
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TOTAL CORE EXPENDITURE	487,412	549,604	552,235
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SURPLUS/DEFICIT PROJECTION	Budget 2019/20 £	Forecast 2019/20 £	Budget 2020/21 £
Total Income	487,412	518,177	552,235
Total Expenditure	487,412	549,604	552,235
Surplus/(Deficit)	-	(31,427)	-
Planned allocation from reserves	-	(31,427)	-

INCOME	2019/20 Budget £	2019/20 Forecast £	2020/21 Budget £
Licences	190,952	194,856	200,755
Domestic (Track) Rents	24,000	25,000	25,000
Commercial Rents/Licences and Wayleaves			
Wayleaves - BT	54,500	54,500	54,500
Ice Cream Licence	22,500	22,500	23,000
MOD licence	10,000	11,000	11,000
Cats Protection	4,010	4,044	4,200
Dog Walking Licence	1,000	1,300	1,500
Wayleaves - EDF & UKPN	1,150	1,150	3,755
Aerial site rental	500	500	500
Model Airplane Licence	392	392	400
Riding Permits	32,000	38,000	38,000
Forest Rate	24,000	24,000	27,000
Licence preparation/deed of covenant/ consideration fees			
Consideration Fees	8,000	6,000	6,000
Deed of Covenant	1,500	1,500	1,500
Licence preparation fees	1,500	1,500	1,000
Temporary licences (incl Filming, Wood, Events)			
Wood Permits	2,400	2,400	2,500
Marketing Board licences	500	500	200
Filming Permits	3,000	500	500
Events licence incl. fitness licence	-	70	200
Countryside Stewardship Staff Recharge	115,000	120,000	135,000
1.8 multiplier no cost of staff fully funded by C.S.	50,000	55,000	70,000
Contracted-out in-house staff for CS projects	65,000	65,000	65,000
Income Generation and Donations	37,000	25,700	98,800
Memorials	5,000	9,000	52,500
The Ashdown Forest Foundation (fundraising, staff recharge)			15,000
Donations incl. Donations Box and Post	7,500	9,400	12,200
AF Centre Events	4,500	1,000	10,000
Donate! Text Giving (car parks)	20,000	3,000	5,000
Car stickers	-	2,200	3,000
Online maps and walks leaflets	-	1,000	1,200
EasyFundraising	-	100	100
Unrestricted Funding	110,100	112,300	77,480
Ashdown Forest Trust	65,100	65,100	65,100
ESCC	30,000	30,000	-
WDC	10,000	10,000	10,000
Maintenance of Pooh Car Park from ESCC	-	2,000	380
Parish Councils	5,000	5,200	2,000
Sale of Forest Products incl Meat and Deer Carcasses	25,300	28,700	26,100
Products (e.g. Logs, Xmas trees)	500	3,000	3,000
Grazing Project Income (deer)	10,000	9,000	9,000
Grazing Project Income (sheep)			
Sheep meat sales	3,500	3,500	3,500
Wool	100	100	100
Sale of breeding sheep	2,000	2,000	2,000
Grazing Project Income (cattle)			
Beef	2,000	3,700	-

<i>Hides</i>	-	-	-
<i>Sale of Breeding cattle</i>	-	-	-
Grazing Project Income (other)	-	100	500
Miscellaneous Other			
<i>Ashdown Forest Riding Association</i>	4,000	4,000	4,000
<i>Deposits</i>	500	200	600
<i>Corporate volunteers</i>	-	-	500
<i>Miscellaneous</i>	500	500	500
Renewable Heat Incentive (Boiler)	1,000	1,400	1,200
Feed in Tarif (Solar Panels)	1,200	1,200	1,200
Visitors	8,860	13,722	12,900
Barn sales	6,500	7,000	8,000
Pop-up café	-	3,500	3,500
Sheep Proof Your Dog	-	1,422	-
Exhibition sales	500	500	-
Education team-run events	-	500	-
Hire of premises/equipment			
<i>Hire of premises</i>	760	300	500
<i>Hire of staff/equipment</i>	1,000	400	800
Talks by staff	100	100	100
Financial	200	1,200	1,200
Bank Interest	200	1,200	1,200
Restricted Funds (designated for a specific purpose)	-	21,699	-
<i>Natural England contribution for school visits</i>		7,250	
<i>School income for school visits</i>	-	9,608	-
<i>Friends of Ashdown Forest</i>	-	3,741	-
<i>Other grants or funding received</i>	-	1,100	-
TOTAL INCOME	487,412	518,177	552,235

EXPENDITURE	2019/20 Budget £	2019/20 Forecast £	2020/21 Budget £
Staff Costs (CORE Staff)	361,500	377,000	407,732
CORE Gross salaries, NI & Pension	344,500	360,000	389,732
Pension - additional monetary amount	17,000	17,000	18,000
Operational expenses	50,579	69,887	73,101
Transport,machinery, equip (incl vehicle insurance)	38,859	53,782	43,691
Machinery (Big) - Parts	500	500	500
Machinery (Big) - Repairs	800	500	800
Machinery (Small) - Parts and fuel	1,000	1,000	1,000
Machinery (Small) - Repairs	500	500	500
Tractors - Fuel & Oil	3,000	6,000	6,000
Tractors - Parts	1,500	1,500	500
Tractors - Repairs	500	500	500
Tractors - Servicing	2,000	2,753	2,800
Vehicles - Fuel & Oil	8,000	8,000	9,000
Vehicles - Repairs	1,100	1,100	1,200
Vehicles - Servicing	2,000	2,000	2,000
Vehicles - Parts	1,000	1,000	1,000
Vehicles - Insurance	14,809	14,809	15,691
Vehicles - Licences	1,700	1,820	1,700
Radio	150	11,000	-
Hand tools	300	800	500
Income Generation expenses	-	3,000	3,500
Staff expenses	2,400	2,100	1,400
Travel expenses	100	100	100
Mileage Allowance	800	500	300
Staff and Volunteer Clothing	1,500	1,500	1,000
Staff training	1,000	500	-
Volunteer expenses	2,200	2,400	1,300
Mileage Allowance	1,200	1,200	800
Meetings & volunteer expenses	1,000	1,200	500
General Operations	4,700	2,900	4,000
Non-CS tree work (incl. emergencies)	4,000	4,000	3,000
Car park maintenance	-	2,000	-
Non-CS Fencing	200	400	-
Commoners' Expenses	-	-	500
Health & Safety	500	500	500
Other	1,420	4,205	19,210
Memorials	-	3,500	18,000
Subscriptions	420	205	210
Miscellaneous Amenity and Community Costs	1,000	500	1,000
Administration Overheads	48,153	53,442	43,692
Forest Centre Running costs (rates, utilities, maintenance)	14,481	17,021	15,100
Office Furniture - small items	-	40	-
Buildings Maintenance	8,150	10,750	8,800
Refreshments	200	100	100
Rates (WDC)	3,081	3,081	3,200
Electricity	2,000	2,000	2,000
Water rates	1,050	1,050	1,000

Other core staff costs (contract staff, recruitment exps)	5,000	6,500	6,500
Post, phone, printing, stationery	6,000	6,500	5,600
<i>Postage</i>	500	2,000	1,200
<i>Stationery</i>	500	500	300
<i>Stationery - Printing</i>	1,500	1,500	1,200
<i>Telephone</i>	3,500	2,500	2,900
Professional Fees	6,000	6,500	6,000
<i>Audit and accountancy</i>	6,000	6,000	6,000
<i>Legal</i>	-	500	-
Insurances, excluding vehicles	9,772	9,921	9,242
<i>Insurance buildings</i>	8,572	8,721	8,042
<i>Trustee Indemnity Insurance</i>	1,200	1,200	1,200
IT	6,600	6,700	7,500
<i>Computing - hardware & software small items</i>	100	200	-
<i>Computing - service</i>	6,500	6,500	7,500
Miscellaneous	300	300	250
<i>Miscellaneous finance and support purchases</i>	300	300	250
Financial	23,280	20,280	18,160
Irrecoverable rents and rates and bad debts	-	-	100
<i>Bad Debt Provision</i>	-	-	100
Credit card terminal	1,300	1,300	1,100
Bank charges	980	980	960
<i>Bank Interest Paid</i>	30	30	10
<i>Bank charges</i>	950	950	950
Input VAT irrecoverable (non-CS)	21,000	18,000	16,000
Suspense account	-	-	-
Visitors	3,400	6,878	3,300
Information Centre (Shop)	2,500	3,500	2,000
<i>Stock for resale</i>	2,500	3,500	2,000
Forest Centre Events	900	3,378	1,300
<i>Forest Centre Events</i>	-	26	-
<i>Sheep Proof Your Dog</i>	-	1,452	-
<i>Pop-up Café</i>	800	1,500	1,000
<i>Info centre purchases other than stock</i>	100	400	300
Governance/Charity Expenditure	-	5,250	5,250
Funding for charity	-	5,250	5,250
Expenditure from Ringfenced Funding	500	16,866	-
Education programme resources	-	12,768	-
Travel bursaries for schools	-	824	-
Education Team-run Events	-	1,775	-
Other: bridge materials (Danehill Parish Council)	-	1,000	-
Total non-capital Expenditure	487,412	549,604	551,235
Capital Expenditure			1,000
Computing - Hardware & Software	-	-	1,000
TOTAL EXPENDITURE	487,412	549,604	552,235

Ashdown Forest Finances**Core Budget 2020/21****The Conservators of Ashdown Forest – Reserves****£**

Reserves 1 April 2019	374,859
Forecast deficit 2019/20	(31,427)
Forecast reserves at 31 March 2020	343,432
Forecast Movement 2020/21	-
Forecast reserves at 31 March 2021	343,432
Minimum restricted reserve	196,000
Discretionary restricted reserves	36,000
Unallocated reserves	182,432
Total Reserves	343,432

Ashdown Forest Trust Fund 2020/21 Projected Income and Expenditure

ASHDOWN FOREST TRUST FUND	Budget 2019/20	Budget 2020/21
Income	£	£
Royal Ashdown Forest Golf Club- Rent	70,000	70,000
Bank Interest	250	400
Total Income	70,250	70,400
Expenditure		
Conservators of Ashdown Forest- Annual Grant	65,100	65,100
Professional & Audit Fees	6,500	4,500
Total Expenditure	71,600	69,600
Surplus/(Deficit)	(1,350)	800
Balance Brought Forward	158,799	156,949
Balance Carried Forward	156,949	157,749

Countryside Stewardship Budget 2020/21

DRAFT For approval in January 2020

RESERVE FORECAST TO YEAR END 2021	£
Reserve brought forward at 31 March 2019	305,298
Income/Expenditure Surplus/(Deficit) forecast for year end 2019/20	46,768
Forecast reserve 31 March 2020	352,066
Income/Expenditure Surplus/(Deficit) forecast for year end 2020/21	(84,210)
Forecast Reserve/Project Carry Over at 31 March 2020	267,856

INCOME/EXPENDITURE SUMMARY

Budget Summary	INCOME 2019/20 £	EXPENDITURE 2019/20 £	INCOME 2020/21 £	EXPENDITURE 2020/21 £
Heathland Area Payment	431,775	352,074	431,775	499,635
Bracken Supplement	33,651	48,246	33,651	50,000
Educational Visits	7,250	7,250	7,250	7,250
Woodland CS: Deer project	45,000	56,838	45,000	45,001
Woodland CS: Woodland Management	5,000	11,500	5,000	5,000
TOTALS	522,676	475,908	522,676	606,886

EXPENDITURE BY PROJECT

CORE STAFF COSTS	Budget 2019/20 £	Budget 2020/21 £
Core staff Totals	154,118	209,235
<i>Total cost to employer (to include NI, pension)</i>	109,023	145,885
<i>1.8 multiplier difference to be attributed to Forest Core Budget</i>	45,095	63,350
Deer Programme Staff	30,254	31,241
<i>Total cost to employer (to include NI, pension)</i>	18,024	21,667
<i>1.8 multiplier difference to be attributed to Forest Core Budget</i>	12,230	9,574
PROJECTS SUMMARY	Budget 2019/20 £	Budget 2020/21 £
Heathland Area Projects	183,665	197,870
Manage Scrub (Gorse)	28,900	30,000
Wild Fire Risk and Plan	200	200
Birch, Oak, Willow and Scots Pine Control	30,000	35,000

Remove Rhododendron and Gaultheria (Heathland)	500	3,000
Provide/Maintain Livestock Control Structures (Visible)	32,668	43,000
Conservators Grazing - Cattle	11,594	12,000
Commoners Headage Payments	31,600	25,000
Conservators Grazing - Sheep	9,325	10,000
Conservators Grazing - Ponies	4,690	-
Livestock Welfare Facility - Barn	2,000	20,000
Manage Heather	350	-
Manage Grassland (Mowing)	170	170
Removal of Invasive Woodland	5,250	1,000
Remove Turkey Oak	1,200	500
Create Glades	10,000	3,000
Control of non-native species (spraying)	2,850	4,000
Annual mowing of rides	-	5,000
Manage Habitat (open waters, etc) by excavation	500	-
Manage Habitat (open waters, etc)	500	1,500
Ashdown Forest Life	7,100	4,000
Volunteer Management and Expenses	4,268	500
Bracken Supplement	37,500	50,000
Bracken Control	37,500	50,000
Educational Visits	7,250	7,250
School Visits - Teacher time & support costs	7,250	7,250
Woodland CS: Woodland Management	5,000	5,000
Rhododendron Removal Cutting/Spraying (Woodland)	5,000	5,000
Woodland CS: Deer Management (See supporting budget)	14,746	13,760
Deer Project additional costs (excl.staff cost)	14,746	13,760
Fencing Public Consultation and Application	90,670	45,000
Project costs from Project Budget v1	43,257	45,000
Staff cost: Total cost to employer (to include NI, pension)	33,455	-
1.8 multiplier on gross staff cost - recharge to Forest Core Budget	13,958	-
Additional Expenditure	24,030	47,530
Staff Expenses and Training	3,000	1,000
CMSi Software & Training	230	230
Memberships/Subscriptions	1,000	500
Small tools and equipment (under £100)	800	800
Vehicle expenses including repairs	6,000	5,000
Machinery repairs	1,000	1,000
Machinery capital	-	27,000
VAT	12,000	12,000
TOTAL CS EXPENDITURE	547,233	606,886