

Report to: Cabinet

Date of meeting: 13 December 2022

By: Chief Operating Officer

Title: The Conservators of Ashdown Forest – 2022/23 Forecast outturn position, updated medium term financial plan and Ashdown Forest Vision and Management Strategy.

Purpose: To present the forecast financial position as at the end of 2022/23 and the updated medium term financial plan. To share the Ashdown Forest Vision and Management Strategy document.

RECOMMENDATIONS

Cabinet is recommended to:

- 1. note the Quarter 2 budget position for the Conservators' 2022/23 Core Budget and the potential requirement for ESCC to contribute towards the Core Budget deficit, currently forecast to be £125,168.**
 - 2. note the Conservators of Ashdown Forest medium term financial plan.**
 - 3. note the Ashdown Forest Vision and Management Strategy document.**
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1 Background

1.1 This report, at Appendix 1, sets out the financial position of the Conservators of the Ashdown Forest (COAF) for 2022/23, against the approved budget agreed by the Board of Conservators at their meeting on 29 November 2021 and presented to Cabinet in January 2022. It also shows the COAF Medium Term Financial Plan (MTFP) and the Ashdown Forest Vision and Management Strategy.

2 Financial Year 2022/23

2.1 The 2022/23 original budget set out a deficit budget of £13,223, being a deficit on the Core Budget of £122,980, partially offset by a surplus on the Countryside Stewardship (CS) budget of £109,757. At the end of September there is a forecast deficit of £125,168 in the Core budget, is being presented against a deficit of £122,980; a small increase in planned deficit.

2.2 The Core budget is projecting lower income from licences, permits and rates, together with income from car parking due to the delayed implementation of the charging scheme, which came into effect on 21 November 2022. Although there is an increase recharge income from the amount of Core staff time recharged to CS projects.

2.3 Expenditure is higher than budgeted due to the additional cost arising from the staff pay award, which has been agreed at £1,925 per person which is a much higher rate than the 1.75% included in the budget. Administrative overheads have increased mainly due to the cost of car parking where a proportion of the income is retained by the parking contractor in return for the capital cost of providing the machinery. Expenditure from ringfenced funding includes the cost of a Test and Trial project which is offset by additional income.

2.4 The current Countryside Stewardship (CS) budget is forecast to overspend by £78,060 this year due to planned additional works and will be funded from the CS reserve.

2.5 East Sussex County Council is required to meet the shortfall on the Core budget which is forecast to be £125,168. The actual contribution will be known once the 2022/23 statement of accounts have been prepared.

Medium Term Financial Plan 2023/24 to 2026/27

2.6 The COAF MTFP is shown at appendix 2. The MTFP reflects the positive impact of the Ashdown Forest Vision and Management Strategy (Appendix 3) and forecasts a Core budget surplus at the end of 2023/24 largely attributable from the income from car parking. In support of the MTFP the narrative at paragraph 2.7 has been provided by James Adler the Chief Executive Officer of the Conservators of Ashdown Forest.

2.7 *“There has been a small increase in the forecast deficit in the current financial year due to the impact of inflation and the delay in the implementation of car parking payments whilst planning permission was secured. The MTFP shows a surplus position for the coming years with the introduction of payments. We will need to continue to diversify the Forest’s income streams if we are to avoid future deficits.*

The Ashdown Forest Act 1974 and the environmental protections on the Forest fundamentally limit the commercial opportunities available. With the introduction of car park payments, the Act will have been exhausted in terms of headline income generation that is possible. It already limits elements such as catering to six mobile vans, none of which can serve hot food. Undeterred, the Forest is looking closely at businesses that have developed since the Act was created in 1974. The Forest’s supporting charities are assisting with external reviews of diversification, fundraising and communication opportunities which will require capital expenditure but present options. Alongside this, the Ashdown Forest Visitor Centre has potential for a modest income generation enhancement and plans are being created to deliver this. The charities have already supported development of a new website and a carbon sequestration review meaning that these elements, whilst necessary, are not contributing to the deficit figure.

It has also been recognised that the objects of the three supporting charities are similar and there is an option to enhance project fundraising possibilities by closer working. This work has commenced in August. The three charities are independent of the Conservators but are working closely with the Forest to understand how to evolve.”

3 Recommendations

3.1 Cabinet is recommendation to:

4. note the Quarter 2 budget position for the Conservators’ 2022/23 Core Budget and the potential requirement for ESCC to contribute towards the Core Budget deficit, currently forecast to be £125,168.
 - note the Conservators of Ashdown Forest medium term financial plan.
 - note the Ashdown Forest Vision and Management Strategy document.

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LOCAL MEMBERS

Councillors Galley, Howell, Lunn & Georgia Taylor

ESCC MEMBERS ON THE BOARD OF CONSERVATORS

Councillor Howell