

**Report to:** Cabinet

**Date of meeting:** 28 September 2023

**By:** Chief Operating Officer

**Title:** The Conservators of Ashdown Forest – 2022/23 Outturn

**Purpose:** To present the 2022/23 outturn, together with contribution to meet deficit on the core budget

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**RECOMMENDATIONS:**

Cabinet is recommended to:

- 1. Note the 2022/23 Outturn for the Conservators' Core and Countryside Stewardship budgets**
  - 2. Approve the contribution of £23,013 to offset the deficit on the Conservators' Core budget for 2022/23.**
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## **1 Background**

1.1 This report sets out the outturn financial position of the Conservators of the Ashdown Forest (COAF) for 2022/23 against the approved budget (Appendix 1), approved by the Board of Conservators at their meeting on 29 November 2021 and presented to ESCC Cabinet on 1 March 2022. The outturn was approved by the COAF Board on 19 June 2023.

1.2 The Countryside Stewardship (CS) budget presents a surplus of £7,590 for 2022/23 due to reduced activity and expenditure on CS projects. The surplus has been added to the CS Reserve which, at 31 March 2023, has a balance of £426,581. The CS budget is entirely funded from government grant and is ringfenced for CS activity.

1.3 The Core budget presents a deficit of £82,861 for 2022/23. Within this deficit position is £14,848 in respect of accounting (non-cash) adjustments. There is also £45,000 for an estimated potential penalty from the HSE following an incident on the Forest and this has been excluded from the deficit until the outcome of the case and actual costs are known. This leaves an adjusted operational deficit of £23,013 to be funded. In accordance with the Ashdown Forest Act 1974, during 2022/23 the Council contributed £19,546 to COAF to offset the adjusted deficit for 2021/22. The balance of the Core Reserve at 31 March 2022 was £263,580.

## **2 Supporting information**

***The Combined Income and Expenditure Summary is set out in Appendix 1***

- 2.1 The key variations against the approved budget were:
- The car parking charging scheme was implemented in November rather than August as planned, resulting in a shortfall of income. Car parking receipts totalled £128,733 which was £60,223 less than budgeted.
  - Operational Expenses: A potential liability resulting from a health and safety incident has been accrued in 2022/23 and estimated at £45,000. There was additional spend of £22,000 for the removal of dangerous trees.
  - Licences and Forest Rate: £34,000 of historical uncollected forest rates has been written off as it is now deemed to be uncollectable. COAF are currently reviewing their operating systems with a view to ensuring the records of demands and payments requests are robust. Debt management will be included in a new Enterprise Resource Planning system that is likely to be implemented in the future. This will minimise future write-offs.

- £31,800 budgeted for capital vehicle acquisitions was not spent and this with a number of smaller additional income receipts and cost reductions has reduced the deficit.

### **3. Conclusion and reasons for recommendations**

#### ***Recommended Funding***

3.1 While the Council has a statutory obligation to meet the shortfall between expenditure and income of the Conservators' Core Budget, it also has the responsibility for approving the level of expenditure. It is recognised that the 2022/23 deficit in the Core budget has arisen primarily from the delay in implementing the car park charging scheme, the provision for a potential HSE claim and the write off of historical bad debt which was not wholly foreseeable when the budget was agreed.

3.2 It is proposed that the Council makes a financial contribution to the COAF of £23,013, being the adjusted Core budget operational deficit of £82,861 less the adjustments for non-cash accounting items and the provision for the HSE penalty totalling £59,848.

3.3 Cabinet is therefore recommended to:

- Approve a financial contribution of £23,013 to offset the 2022/23 Core budget outturn deficit.

**ROS PARKER**  
**Chief Operating Officer**

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#### LOCAL MEMBERS

Councillors Galley, Howell, Lunn & Georgia Taylor

#### ESCC MEMBERS ON THE BOARD OF CONSERVATORS

Councillor Howell