

**HOWARDIAN HILLS
AREA OF OUTSTANDING NATURAL BEAUTY
JOINT ADVISORY COMMITTEE
30 OCTOBER 2008**

AONB BUDGET

1.0 PURPOSE OF REPORT

- 1.1 To receive details of expenditure during 2007/08 and to consider anticipated budgetary needs for 2009/10.

2.0 2007/08

- 2.1 Details of the final income and expenditure account for 2007/08 are set out in Appendix 1 and Appendix 2 provides a breakdown of actual expenditure. Details of countryside management projects funded are in Appendix 3, with details of the Sustainable Development Fund in Appendix 4.
- 2.2 Appendix 1 includes the budget figures prepared in October 2006, to allow Members to compare the actual budget against that predicted. It should be borne in mind that the budget prepared in October each year is then adjusted and refined, to take account of likely changes in income and expenditure. These revisions are shown in the 'December 2006' column of Appendix 1 and formed the basis of the formal bid submitted to Natural England. The final budget, following the receipt of grant offer letters etc., is shown in the 'July 2007' column.
- 2.3 In general the profile of the budget out-turn was very close to that projected. A 99% claim for Natural England grant aid was submitted this year – a full claim on Core and Projects, but a small underspend of £1,850 on the Sustainable Development Fund.
- 2.4 A number of minor virements between budget heads were necessary in March 2008, to bring the detailed budget provisions into line with the anticipated expenditure. Comments on individual budget heads are given below.
- 2.5 Staffing – A stable year for the AONB Unit, with all 3 posts being fully filled for the whole year.
- 2.6 Office – We now have a good indication of the annual running costs, so out-turns were very close to budget predictions. The small overspend is due to using the underspends in other Core budget heads to 'stockpile' items for future use, e.g. heating oil, printer cartridges, envelopes, etc.
- 2.7 Partnership Running Costs – We need to budget for 3 delegates going to the annual NAAONB Conference, but if less than 3 attend then it results in an underspend. Several other items also worked out cheaper than expected.
- 2.8 Publicity & Interpretation – As our Annual Report and AONB Newsletter have been running for a number of years, their production costs are now about as efficient as they can be. Artwork costs are minimal and the majority of the cost is now associated with the printing of the documents. The main items of expenditure this year were the AONB Newsletter and the Welburn Local Walks and Information leaflet. We also used some underspend from other budget heads to buy some promotional material (cotton bags and pens).

- 2.9 Management Plan – A small amount was spent on preparatory work for the revision of the Management Plan. This consisted of some research work and also digitising the information contained on the maps in the Plan (which were produced using Letraset on acetate overlays last time!).
- 2.10 Countryside Management – Another good year, with major wall restoration work being carried out at Grimstone and Scackleton, as well as a large hedge restoration scheme at Thornton-on-the-Hill. There were also a large number of smaller landscape, biodiversity and historic environment projects, including the completion of fencing at Littledale SINC (finally), as well as support for the Native Woodland Development Officer post.
- 2.11 Sustainable Development Fund – From our initial allocation of £70,000, the final out-turn was £1,850 short of this figure. The underspend is due to one project changing tack in late February, by which time there were no opportunities to re-allocate the funds to a project that could be completed by the 31st March deadline.
- 2.12 Access and Interpretation – On-going maintenance/improvement work was carried out on Rights of Way furniture by the County Council, but without any recourse to JAC funds. The other main areas of expenditure were the programme of litter picking carried out around the AONB during the summer months by the Basics Plus team, and support costs for our team of AONB Volunteers.
- 2.13 At the end of the financial year 2007/08 there was a carry forward into 2008/09 of £19,328, plus £7,452 for the Discovery Project. The Discovery project money will be used in the final year of the programme (2008/09), with any remainder likely to be reclaimed by the Heritage Lottery Fund. £8,000 of the brought forward money has been allocated to the re-roofing of the Listed threshing barn at Moor House Farm, Hovingham, with £1,625 also allocated to the first year of the CAN DO Lime and Ice Project. The remainder will be kept for use in future years.

3.0 2008/09

- 3.1 The agreed budget for the current year amounts to £242,762. Details of this are set out in Appendix 5 and all the major partners' contributions to the budget have been confirmed, although some are at a lower level than originally anticipated. The budget does not include the balance of the carry forward of £19,328 from 2007/08, although Members will note that £9,625 has already been allocated, as described in paragraph 2.13 above.
- 3.2 The budget includes additional contributions from the two District Councils and the CAN DO Partnership. These contributions are for specific projects – the District Council money to assist with the preparation of the draft revised AONB Management Plan and the CAN DO contribution for control of Himalayan balsam and planting individual field and boundary trees.
- 3.3 As usual it is too early in the financial year to make any reliable estimate of anticipated final expenditure during 2008/09. The final budget was prepared in August using the most up-to-date information available and it is therefore anticipated that it will prove to be reasonably accurate. For project work, Natural England is supporting the Native Woodland Development Project and Sustainable Development Fund budgets only, with Local Authority and other partner contributions funding the other items.

- 3.4 Staffing, Office and Partnership Running Costs – It is anticipated that the out-turns will be close to the budget predictions.
- 3.5 AONB Management Plan – Figures just received from the designers producing the Plan indicate that the budget provision of £9,700 will prove to be more than adequate. The current estimate of the production costs is £7,700, so the final out-turn may be around £8,000. In comparison, the draft Management Plan produced in October 2003 cost £9,350.
- 3.6 PR, Events and Research – The AONB Newsletter and Annual Report will work out close to budget predictions. A local information/circular walks leaflet is proposed for Nunnington, but it is debateable whether there will be enough staff time to complete this during this financial year. Underspends on this budget head and also the Management Plan might be used to employ an external contractor to digitise information on the 10 years-worth of practical management work that the JAC has completed.
- 3.7 AONB Enhancement – Work has been slow so far this year, although the major repairs to the threshing barn at Hovingham account for £16,000 of the £37,085 total budget. There are however a number of large projects currently being prepared and we therefore hope that the full allocation will be used. It should however be noted that, as Natural England has been unable to support this area of the budget, any unspent money can be rolled-forward for use next year.
- 3.8 Sustainable Development Fund – £22,800 of our £61,666 budget has been formally allocated. A flier was recently sent out to a large number of contacts in the AONB and this has resulted in some new project ideas being put forward. We also have a number of projects in development which we hope will come forward to full application stage. £15,000 of the total sum has been allocated to more environmental-biased projects, which in previous years may have been supported out of the AONB Enhancement budget. Although only one small grant offer has been made in this category, we anticipate that some of the larger countryside management projects will utilise this money and it is therefore anticipated that the full £61,000 will be spent.
- 3.9 Enjoying the AONB – The Basics Plus group are continuing to clear litter from well-used lay-bys and the AONB Gateway Sign locations are being strimmed regularly. Sums of money have been allocated to Rights of Way improvement works and purchase of equipment, but it is unclear at present whether these will be taken-up by the County Council. Any unspent money can be rolled-forward for use in next year's budget.
- 3.10 HLF Discovery project – This is the last year of this 5-year project. It is hoped that the available budget of £8,886 will be fully spent, but if not then any unspent funds will need to be returned to the Heritage Lottery Fund. A total of £6,600 has been spent or committed to date this year.
- 3.11 CAN DO Lime & Ice Project – This is the first year of this HLF-supported project and it is anticipated that our contribution will be paid early in 2009.

4.0 2009/10

- 4.1 An estimate of anticipated expenditure during the next financial year is shown in Appendix 5. Members will note that the overall budget total is expected to decrease by 12% in comparison with the current financial year. This is principally due to the freeze in the level of Natural England funding, as well as declines in local authority contributions (one-off increases were received in 2008/09 for the preparation of the new Management Plan).

- 4.2 Following a debate in the House of Lords in early 2008, and considerable pressure on Natural England (NE) to maintain funding levels for AONBs, the NE Board resolved to commit to a 3-year funding package. The NE Chief Executive, Helen Phillips, wrote to all AONBs in May to guarantee funding at a level of not less than 95% of our 2008/09 grant, for both 2009/10 and 2010/11.
- 4.3 In addition to the 3-year commitment, NE is introducing a new national agreement on funding of AONBs, together with a Local Agreement to replace the existing Memorandum of Agreement. This will be a locally-agreed document, based on a national template. It is designed to reflect the new relationship of inter-dependence between AONBs and NE, setting targets and Indicators to measure success (equivalent to the current AONB Partnership Indicators).
- 4.4 As part of the new national agreement, the rigid distinction between Core, Project and SDF contributions will be relaxed. This in effect will allow us to distribute the NE grant money across the whole budget as the JAC sees fit. It should allow us to continue funding countryside management Project work, as well as setting the SDF at a level that we feel is realistic for the Howardian Hills (rather than being given a lump sum and then being unable to use it for other projects if it isn't spent).
- 4.5 Unfortunately NE has not yet developed the new set of Indicators for measuring the success of AONB Partnerships, nor the annual bidding process for grant funds. It is therefore unclear as to whether we should expect 100% of our allocated grant, or 95%, or something in between. The budget contained in Appendix 5 has been based on the assumption that we will receive 100% of our allocated grant – should this not be the case then up to £7,883 will need to be trimmed from the budget.
- 4.6 As the overall amount of money available has not increased, and in fact has decreased in real terms due to inflation and staff salary increments, the budget preparation process has not changed significantly from that used in previous years. The 'Core' elements of Staff, Office, Partnership Running Costs and Management Plan have been costed and allocated funds, with the remainder then being split between Projects and the SDF. Detailed commentary on the individual budget heads follows below.
- 4.7 Staffing – No changes are proposed to the staff structure.
- 4.8 Office costs – The costs for the office should be similar to those for 2008/09, with a small increase to account for inflation.
- 4.9 Partnership Running Costs – An increase in budget, due to the rise in NAAONB subscriptions to £600. A review of the NAAONB's staffing arrangements is currently taking place, as the CEO is due to retire by the end of 2009. This process is likely to result in an increase in staff time resources for the NAAONB, which will have spin-off benefits for all AONBs. As in past years, we need to budget for 3 attendees at the annual NAAONB Conference.
- 4.10 Publicity – As well as publishing regular items such as the AONB Newsletter and Annual Report, and attendance at local events, the next in our series of local information/walks leaflets will be printed.
- 4.11 Management Plan – This will be a major element of both financial and staff time expenditure, as the Plan is prepared for its final print next July. Due to the use of CDs rather than printed documents however, the cost has been reduced to approximately 65% of what it was five years ago.

- 4.12 AONB Enhancement – The budget for projects is likely to be slightly less than that for the current year. It is likely that we will again fund at least one ‘flagship’ project, otherwise there will be insufficient staff time to organise enough work. The funding package for the Native Woodland Development Officer post will be discussed during late 2008/09, as it comes to the end of its 2-year term in March 2009. It is anticipated that we would make a contribution should the post be continued.
- 4.13 Sustainable Development Fund – A sum of £45,000 has been allocated, which is significantly less than that available in previous years. In the past however we have never spent our full allocation and therefore the new ‘Single Pot’ funding allocation from Natural England may allow us to set a budget that is more realistic for the Howardian Hills. New guidance is also being made available, which may impact on the type of projects that can be funded via the SDF. As mentioned in paragraph 3.8 above, a recently-circulated flier has generated a number of good new ideas that have been put forward by potential applicants.
- 4.14 Access/Recreation and Communities – A small budget has been allocated to Access work, with a sum also available for work with communities and volunteers. This latter area of activity is quite time-intensive but does not incur significant financial expenditure. After the end of the AONB Discovery Project in April 2009, it is hoped to continue running a number of Junior Ranger Club sessions. These are likely to cover a wider range of activities and be self-financing via higher participant fees.
- 4.15 HLF Discovery Project – As indicated above, this 5-year programme of activities ends on 31st March 2009. A new project is being discussed and developed with a number of partners, but any application that is submitted is unlikely to receive approval until later in 2009/10, with activities beginning in spring/summer 2010.
- 4.16 CAN DO Lime and Ice Project – As well as a number of generic area-wide initiatives, the main activity for this year will be the start of a community archaeology project on Yearsley Moor

5.0 RECOMMENDATION

It is recommended that:

- (a) The details of JAC expenditure during 2007/08 be received for information;
- (b) Partner authorities be asked to consider making financial contributions towards the work of the JAC in 2009/10, in line with Appendix 5 and paragraph 4 of this report.

HOWARDIAN HILLS AONB**INCOME AND EXPENDITURE 2007/08****1. INCOME 2007/08**

(a) BUDGET PROVISION	Estimated (Oct. 2006)	NE Bid (Dec. 2006)	Final (Jul. 2007)	Actual (Year end) £
Natural England	205,867	210,867	165,536	163,686
North Yorkshire County Council	36,760	38,760	39,750	39,750
Ryedale District Council	5,383	7,383	5,383	5,383
Hambleton District Council	5,800	5,800	5,800	5,800
Heritage Lottery Fund (balance in hand)	4,980	4,980	4,980	(11,878)
Environment Agency	2,000	2,000	500	500
Forestry Commission	0	0	2,161	2,161
English Heritage	0	0	0	0
CAN DO	0	0	5000	2,000
FEPs	0	0	0	0
Parish Councils	0	0	0	0
Donations	0	0	0	0
Brought forward	0	1,000	3,931	0
(b) TOTAL (ESTIMATED) INCOME	(260,790)	(270,790)	(233,041)	231,158

2. EXPENDITURE 2007/08

(see Appendix 2 for full details)

Core Expenditure

(a) Staffing	87,098	87,098	87,098	87,591
(b) Office	14,200	14,200	14,200	14,973
(c) Partnership running costs	2,250	2,250	2,250	1,459
(d) PR, Events, Research, etc.	8,500	9,000	9,000	9,441
(e) Management Plan	2,000	1,500	1,500	1,300

Project Expenditure

(f) Landscape/biodiversity enhancement	35,162	45,162	31,913	31,551
(g) Sustainable Development Fund	100,000	100,000	70,000	68,150
(h) Historic features	Inc. in (f)	Inc. in (f)	10,000	594
(i) Enjoying the AONB	5,000	5,000	2,000	985
(j) Discovery Project	6,580	6,580	5,080	4,426
(j) TOTAL (ESTIMATED) EXPENDITURE	(260,790)	(270,790)	(233,041)	220,470

3. **2007/08 INCOME AND EXPENDITURE STATEMENT**

	Income		Expenditure
	£		£
Brought forward from 2006/07	16,093	Expenditure	220,470
Local Authority Partners	50,933	HLF c/f to 2008/09	7,452
Natural England	163,686	Balance c/f to 2008/09	19,328
CAN DO	2,000		
Heritage Lottery Fund (in-hand)	11,878		
Forestry Commission	2,161		
Environment Agency	500		
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	247,251		247,250

(All figures rounded to the nearest £)

HOWARDIAN HILLS AONB**CORE EXPENDITURE: 2007/08****(a) Staffing (inc. Travelling, Subsistence & Job adverts)**

AONB Manager	43,024
AONB Officer	34,849
AONB Assistant	9,713

TOTAL **87,586**

Estimated 87,098

Underspend (-) / overspend (+) +468

(b) Office costs

Rent/Service Charge & Insurance	7,659
Business Rates	1,887
Cleaning	976
Utilities (Electricity, water, oil, waste)	1,004
Telephones & internet	846
Stationery	94
Postage	500
Photocopier	551
Furniture/equipment	503
Miscellaneous	645

TOTAL **14,665**

Estimated 14,200

Underspend (-) / overspend (+) +465

(c) Partnership running costs

JAC Meetings & room hire	266
NAAONB (subs, Conference)	1,017
Miscellaneous	176

TOTAL **1,459**

Estimated 2,250

Underspend (-) / overspend (+) -1,791

(d) PR, Events, Research, etc.

AONB Newsletter	2,521
Annual Report	485
AONB Website	60
Ryedale Show	265
Local information & interpretation material	4,055
Northern AONBs calendar	324
Miscellaneous	1,782
TOTAL	9,492
Estimated	9,000
Underspend (-) / overspend (+)	-492

(e) Management Plan

Data preparation	1,300
TOTAL	1,300
Estimated	1,500
Underspend (-) / overspend (+)	-200

PROJECT EXPENDITURE: 2007/08

(f) Landscape/biodiversity enhancement

Projects	31,551
TOTAL	31,551
Estimated	31,913
-362	-£6,514

(g) Sustainable Development Fund

Projects	61,850
Administration	6,300
TOTAL	68,150
Estimated	70,000
Underspend (-) / overspend (+)	-1,850

(h) Historic features

Projects	594
TOTAL	594
Estimated	10,000
Underspend (-) / overspend (+)	-9,406

Please see Appendices 3 and 4 for full details of the projects completed under each of the 3 above programmes, together with their priority in the Action Programme of the Management Plan

(i) Enjoying the AONB

Recreation management	568
Volunteer tasks, community work, miscellaneous	417
TOTAL	985
Estimated	2,000
Underspend (-) / overspend (+)	-1,015

(j) Discovery project

School days	1,781
Junior Ranger Club	2,645
TOTAL	4,426
Estimated	5,080
Underspend (-) / overspend (+)	-654

(j) TOTAL EXPENDITURE 2007/08 £220,470

	2008/09	2009/10
BUDGET ESTIMATES	(August 2008)	
Core Costs		
Staffing	93,419	97,494
Office	14,000	14,400
Partnership running costs	1,650	2,150
PR, Events, Research	5,910	6,500
AONB Management Plan	9,700	7,000
Total Core Costs	124,679	127,544
Project Costs		
Native Woodland Development Project	2,500	2,500
AONB Enhancement – Biodiversity & Landscape	17,085	28,408
AONB Enhancement – Historic Features	20,000	5,000
Sustainable Development Fund	61,666	45,000
Access/Recreation & Communities	6,320	3,000
Discovery Project	8,886	0
CAN DO Lime & Ice Project	1,625	4,000
Total Project Costs	118,082	87,908
TOTAL	242,761	215,452
FUNDING CONTRIBUTIONS		
North Yorks CC	47,090	39,090
Ryedale DC	6,795	5,684
Hambleton DC	6,800	5,800
Natural England	157,666	157,666
CAN DO	6,000	5,000
Heritage Lottery Fund (in-hand)	8,786	0
b/f	9,625	2,212
TOTAL	242,762	215,452
Brought Forward from 2007/08	19,328	
<i>Carried Forward to 2010/11</i>		<i>7,491</i>