

**HOWARDIAN HILLS
AREA OF OUTSTANDING NATURAL BEAUTY
JOINT ADVISORY COMMITTEE
5 NOVEMBER 2009**

AONB BUDGET

1.0 PURPOSE OF REPORT

1.1 To receive details of expenditure during 2008/09 and to consider anticipated budgetary needs for 2010/11.

2.0 2008/09

2.1 Details of the final income and expenditure account for 2008/09 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 Sustainable Development Fund projects in Appendix 4.

2.2 Appendix 1 includes the budget figures prepared in October 2007, 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 2007' 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 'August 2008' column.

2.3 In general the profile of the budget out-turn was very close to that projected, although several of the Project budgets showed large underspends. A 97.6% claim for Natural England grant aid was submitted this year, with small under-claims on Core and SDF. The large underspends on some of the Project budgets did not affect the Natural England claim, as the budgets did not contain any Natural England grant.

2.4 A number of minor virements between budget heads were necessary in April 2009, to bring the detailed budget provisions into line with the anticipated expenditure. Comments on individual budget heads are given below.

2.5 Staffing:

- Sue Wright left the AONB Assistant post in May, being replaced by Maggie Cochrane in July.
- As a consequence this budget showed a slight underspend, due to the saving on salary costs (which was not out-weighed by the recruitment costs).

2.6 Office:

- As an underspend on Core as a whole was proving imminent, we took the opportunity to buy a new digital camera, extend the shelf space in the AONB office and stock-up on printer paper.
- This resulted in an overspend for this particular budget head.

2.7 Partnership Running Costs:

- The out-turn was close to the budget provision.

- 2.8 PR/Events/Research:
- 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.
 - The Northern AONBs calendar is a very cost-effective way to promote ourselves with partner organisations and has become a regular item now.
 - We used some underspend from other Core budget heads to refresh the logoed clothing that we provide to the AONB volunteers.
 - Unfortunately we didn't have time to progress any further with the Nunnington Local Walks and Information leaflet, which would also have used up some of the underspend.
- 2.9 Management Plan:
- By reducing the amount of printed material and using CDs instead, the expenditure came in lower than its budget provision.
- 2.10 AONB Enhancement – Landscape and Biodiversity:
- This budget only spent 65% of its provision.
 - Nonetheless, a number of interesting and valuable projects were completed, including further roadside hedge restoration at Firby, creation of wood pasture at Yearsley and fencing-off the ancient oak near Brandsby.
 - The relatively small number of projects completed is a reflection of the time that the AONB Manager had to devote to the revision of the Management Plan – time that in other years is at least partly available to assist with project delivery.
 - Natural England grant support for this budget was limited to the Native Woodland Development Officer post.
 - Consequently, the 35% underspend has been rolled-forward to the current year.
- 2.11 AONB Enhancement – Historic Features:
- This budget only spent 25% of its provision.
 - The principal project was the re-building of the roadside section of the Wiganthorpe Park wall near Scackleton.
 - The other major project (re-roofing the threshing barn at Hovingham), which would have accounted for 40% of the budget on its own, was funded through the Sustainable Development Fund.
 - There was no Natural England grant support for this budget and therefore the 75% underspend has been rolled-forward to the current year.
- 2.12 Sustainable Development Fund:
- A 97% spend was achieved, despite a number of projects falling through and subsequently being replaced by new projects.
 - With the approval of the SDF Panel, 35% of the budget was allocated to projects which had a strong environmental bias, including the re-roofing of the threshing barn referred to above.
 - A higher-than-normal payment was made to the North York Moors National Park Authority for their administrative services, as many of the projects that have been funded in the current year (2009/10) were actually prepared and assisted during 2008/09.
- 2.13 Enjoying the AONB:
- 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 our first annual contribution to the CAN DO Lime & Ice Project.

- The AONB Discovery Project finished its last full year with an expanded programme of Junior Ranger Club events.

2.14 At the end of the financial year 2008/09 there was a carry-forward into 2009/10 of £37,771, plus £1,405 for the Discovery Project:

- The Discovery Project money has been used in the final part of the programme – Junior Ranger Club events in Spring 2009.
- £2,212 has been allocated to the CAN DO Lime and Ice Project.
- Some of the carry-forward may be used for other major projects that arise in 2009/10, provided that the Natural England funding is fully committed and the project presents an opportunity that may not arise again in the future.
- The remainder will be kept for use on projects in future years, which of course may prove to be much tougher financially for the principal funding partners.

3.0 2009/10

3.1 The agreed budget for the current year amounts to £223,809. Details of this are set out in Appendix 5 and all the major partners' contributions to the budget have been confirmed. The budget does not include the balance of the carry-forward of £37,771 from 2008/09, although Members will note that £2,212 has already been allocated, as described in paragraph 2.14 above.

3.2 The budget includes a significant contribution from the CAN DO Partnership. This is for the control of Himalayan balsam along Wath Beck, the clearance of rhododendron from heathland on Yearsley Moor and the planting of 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 2009/10:

- The final budget is still increasing, principally due to more money being sought from the CAN DO Partnership for rhododendron control on Yearsley Moor.
- The figures presented in Appendix 5 are where we stand at the minute, although we continue to take new funding opportunities if they arise and are appropriate.
- The Single Pot arrangement means that Natural England funding is spread across nearly all the budget heads, but we are free to move it around as the year goes on.

3.4 Staffing:

- A £3,500 underspend is currently indicated.
- This is due to lower-than-expected salary costs – the original budget was based on an annual pay award of 2.5% for 09/10.

3.5 Office and Partnership Running Costs:

- It is anticipated that the out-turns will be close to the budget provisions.

3.6 PR/Events/Research:

- The AONB Newsletter and Annual Report will work out close to budget predictions.
- A local information/circular walks leaflet is proposed for Nunnington.
- Two new display banners, on Communities and the SDF, will hopefully be commissioned.
- Underspends on other budget heads (principally Staffing) may be used to employ an external contractor to digitise information on the 10 years-worth of practical management work that the JAC has completed, although NYCC may have some additional staff resource to assist with this task.

- 3.7 AONB Management Plan:
- It is anticipated that the out-turn will be close to the budget provision.
- 3.8 Sustainable Development Fund:
- £45,153 of our £45,000 budget has been formally allocated, with potential schemes amounting to a further £3,900.
 - With the Single Pot arrangement we would be able to vire additional money into this budget if necessary – from one of the AONB Enhancement budgets would be the most logical. See paragraph 3.12 below for a suggested mechanism for approving such virements.
- 3.9 AONB Enhancement (Natural Environment):
- £17,549 of the £34,968 budget has been formally allocated, with further projects in the process of being worked-up.
 - Two major projects are being completed with CAN DO funding – Himalayan balsam control on Wath Beck and rhododendron control on heathland on Yearsley Moor.
 - A recent letter to all farmers and landowners about planting in-field and boundary trees has yielded a number of responses and these will be followed-up over the next 2 months.
 - It is likely that part of this budget will remain unallocated and could therefore be available to fund other projects, e.g. as part of the Historic Environment or SDF strands.
 - Any unspent money should be available to be rolled-forward for use next year.
- 3.10 AONB Enhancement (Historic Environment):
- £9,185 of the £5,000 budget has been formally allocated, with a further £12,500 of potential projects in the process of being worked-up (although some of them are very tentative at this stage).
 - The main projects allocated funding so far are cap-stones for the Park wall at Wiganthorpe, clearance of scrub from the next section of wall adjacent and repairs to 2 mileposts.
 - The largest scheme we are pursuing this year is restoration work to the gates and Lodges at Howsham Hall, which has been a target for several years now. We hope to fund at least some work, but progress is slow.
 - It looks likely that, if the Howsham Hall project comes off, we will need to vire money into this budget from the Natural Environment budget-line, and/or use some of our reserves.
- 3.11 Enjoying the AONB:
- £4,850 of the £7,000 budget allocation has been committed. £4,000 of this is our contribution to the CAN DO Lime & Ice Project this year, which has started the major community archaeological research project centred on Yearsley Moor.
 - The Basics Plus group are continuing to clear litter from well-used lay-bys and the AONB Gateway Sign locations are being trimmed 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.

- 3.12 Wherever an underspend is indicated in the above paragraphs, money will be vired as necessary to ensure that it is used to best effect and that a full claim can be submitted to Natural England for their contribution. As an approval mechanism for viring money between budget heads it is suggested that:
- Virements of up to £2,000 be delegated to the AONB Manager (in-line with the authorisation limit for grants).
 - Virements of £2,001 to £5,000 be delegated to the JAC Chairman.
 - Virements of more than £5,001 be circulated to the JAC for majority approval.
- 3.13 Whilst the ability to move the Natural England money between budgets is very welcome and provides much more flexibility, there are some ‘political’ pitfalls that we need to be aware of:
- We should not let the level of partner contributions fall if at all possible, otherwise our ‘leverage’ rate will decline and it may appear that we do not give Natural England good value for their money.
 - The SDF is a flagship Defra project and if our allocation of funding to that budget-line falls it may then lead to a reduction in political, and consequently financial, support. It would therefore be beneficial to keep the SDF budget high or, as outlined in paragraph 3.8 above, vire more money into it during the year as necessary.
- 3.14 HLF Discovery Project:
- We had believed that the end-date for this was 31st March but discovered that it was in fact 20th July.
 - We therefore held a series of Junior Ranger Club sessions at Easter.
 - The money brought forward has paid for these and the project is now closed.
- 3.15 If all the projects we are working on come off, or we decide that opportunities need to be taken this year whilst they are available, we would need to use approx £7,500 of our £37,800 reserves. Experience indicates however that project work rarely pans-out as expected and the budget will be managed in order to achieve a balance of project implementation and prudence. The Single Pot arrangement will be of great assistance in this respect.

4.0 20010/11

- 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 slightly in comparison with the current financial year. The use of variable amounts of our reserves makes outright comparisons difficult however and our level of activity will be broadly the same as the current year.
- 4.2 2010/11 will be the final year of the Natural England 3-year grant commitment.
- 4.3 Unfortunately NE has not yet developed the new set of Indicators for measuring the success of AONB Partnerships. 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.
- 4.4 Although the Single Pot arrangement means that strictly there is no longer any distinction between Core and Project budgets, those terms have been used in Appendix 5 to enable the JAC to see the split between Staff/Office costs and project work ‘on the ground’.

- 4.5 Staffing:
- No changes are proposed to the staff structure.
 - An inflation pay award of 2% has been used to calculate the Staffing budget but in reality next April this may prove to be nearer 1%, or indeed lower.
- 4.6 Office costs:
- The running costs for the office should be broadly similar to those for 2009/10.
 - Provision has been made for the costs of renewing the lease on the AONB Office, which expires in December 2010.
- 4.7 Partnership Running Costs:
- No change in budget provision.
 - As in past years, we need to budget for 3 attendees at the annual NAAONB Conference.
- 4.8 PR/Events/Research:
- We will be publishing the regular items such as the AONB Newsletter and Annual Report.
 - The next in our series of local information/walks leaflets will be produced.
 - The Management Plan indicates an intention to carry out another Visitors and Users Survey, to update the 2003 information. Although volunteer effort will be used as much as possible, an element of external consultancy time will be needed and a provision of £5,000 has been made for this.
- 4.9 Sustainable Development Fund:
- Based on known and potential projects, £50,000 has been allocated.
 - The Community Engagement project being run by Rural Action Yorkshire will be into its second year, with a minimum of £20,000 offered for 2010/11.
 - A community orchards project at Husthwaite will also be into its second year of funding, with £7,500 offered for 2010/11.
 - A number of other projects are known to be developing their ideas, with a view to seeking funding during this year.
- 4.10 AONB Enhancement:
- The budget for Natural Environment projects will be less than that for the current year, which has benefited from a high level of contribution from the CAN DO partnership. This will be much reduced in 2010/11.
 - The budget for Historic Environment projects will be higher than that for the current year, as it is anticipated that a Conservation Plan will be prepared for the Gilling Castle Registered Park and Garden. £5,000 each is proposed from English Heritage, the Forestry Commission and the AONB JAC.
 - It is likely that we will again fund at least one ‘flagship’ project, otherwise there may be insufficient staff time to organise enough work.
 - It is anticipated that we will continue to make a contribution towards the cost of the Native Woodland Development Officer post.
- 4.11 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.
 - The provision for this budget heading also includes our contribution to the third year of the CAN DO Lime & Ice Project, which is principally funded by the Heritage Lottery Fund. The main activity for this year will be the continuation of the community archaeology project on Yearsley Moor.

4.12 Children and Young People's Activities:

- As the AONB Discovery project has now finished, budget provision has been made to continue running the popular programme of Junior Ranger Club days using our own resources. These will be supplemented by an increased charge for attendance at the events.
- An application to the Heritage Lottery Fund is likely to be submitted in late 2009/early 2010, to support a twinning programme between primary schools in the AONB and the more deprived areas of York and Hull. Although a budget for this project has not been prepared yet, a sum of £500 has been budgeted as match-funding.

5.0 RECOMMENDATION

It is recommended that:

- (a) The details of JAC expenditure during 2008/09 be received for information;
- (b) The mechanism for authorising virements between budget heads, as outlined in paragraph 3.12 of this report, be approved;
- (c) Partner authorities be asked to consider making financial contributions towards the work of the JAC in 2010/11, in line with Appendix 5 and paragraph 4 of this report.

HOWARDIAN HILLS AONB**INCOME AND EXPENDITURE 2008/09****1. INCOME 2008/09**

(a) BUDGET PROVISION	Estimated (Oct. 2007)	NE Bid (Feb. 2008)	Final (Aug. 2008)	Actual (Year end) £
Natural England	189,435	183,539	157,666	153,930
North Yorkshire County Council	42,744	44,744	47,090	47,090
Ryedale District Council	8,295	8,295	6,795	6,795
Hambleton District Council	7,300	7,300	6,800	6,800
Heritage Lottery Fund (balance in-hand)	9,067	8,786	8,786	7,452
CAN DO	2,000	2,000	6,000	5,031
FEPs	0	0	0	1,337
Environment Agency	0	0	0	0
Forestry Commission	0	0	0	0
English Heritage	0	0	0	0
Parish Councils	0	0	0	0
Donations	0	0	0	0
Brought forward	(0)	(0)	9,625	9,625
(b) TOTAL (ESTIMATED) INCOME	(258,841)	(254,664)	(242,762)	238,060

2. EXPENDITURE 2008/09

(see Appendix 2 for full details)

Core Expenditure

(a) Staffing	94,097	93,419	93,419	92,093
(b) Office	14,700	14,000	14,000	15,238
(c) Partnership running costs	2,250	1,650	1,650	1,475
(d) PR, Events, Research, etc.	7,000	5,950	5,910	5,137
(e) Management Plan	11,200	9,700	9,700	8,359

Project Expenditure

(f) Landscape/biodiversity enhancement	22,126	21,759	19,585	12,894
(g) Sustainable Development Fund	80,000	80,000	61,666	59,703
(h) Historic features	10,000	11,000	20,000	4,992
(i) Enjoying the AONB	8,301	8,300	7,945	2,908
(j) Discovery Project	9,167	8,886	8,886	6,047

(j) TOTAL (ESTIMATED) EXPENDITURE	(258,841)	(254,664)	(242,761)	208,846
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3. **2008/09 INCOME AND EXPENDITURE STATEMENT**

	Income £		Expenditure £
Brought forward from 2007/08	19,587	Expenditure	208,846
Local Authority Partners	60,685	HLF c/f to 2009/10	1,405
Natural England	153,930	Balance c/f to 2009/10	37,771
CAN DO	5,031		
Heritage Lottery Fund (in-hand)	7,452		
FEP preparation	1,337		
	<hr/> 248,022		<hr/> 248,022

(All figures rounded to the nearest £)

HOWARDIAN HILLS AONB**CORE EXPENDITURE: 2008/09****(a) Staffing (inc. Travelling, Subsistence, Training & Recruitment costs)**

AONB Manager	45,800
AONB Officer	36,640
AONB Assistant	9,653

TOTAL **92,093**

Estimated 93,419

Underspend (-) / overspend (+) -1,326

(b) Office costs

Rent/Service Charge & Insurance	6,804
Business Rates	1,963
Utilities (Electricity, water, oil, waste)	1,152
Cleaning	1,024
Telephones & internet	791
Photocopier	266
Furniture/equipment	1,530
Stationery	526
Postage	502
Miscellaneous	680

TOTAL **15,238**

Estimated 14,000

Underspend (-) / overspend (+) +1,238

(c) Partnership running costs

JAC Meetings & room hire	450
NAAONB (subs, Conference)	885
Miscellaneous	140

TOTAL **1,475**

Estimated 1,650

Underspend (-) / overspend (+) -175

(d) PR, Events, Research, etc.

AONB Newsletter	2,153
Annual Report	819
AONB Website	60
Ryedale Show	471
Local information & interpretation material	155
Northern AONBs calendar	278
Miscellaneous	1,201
TOTAL	5,137
Estimated	5,910
Underspend (-) / overspend (+)	-773

(e) Management Plan

Community events	50
Design, artwork & printing	7,999
Miscellaneous	310
TOTAL	8,359
Estimated	9,700
Underspend (-) / overspend (+)	-1,341

PROJECT EXPENDITURE: 2008/09

(f) Landscape/biodiversity enhancement

Native Woodland Development Project	2,500
Projects	10,394
TOTAL	12,894
Estimated	19,585
Underspend (-) / overspend (+)	-£6,691

(g) Sustainable Development Fund

Projects	53,703
Administration	6,000
TOTAL	59,703
Estimated	61,666
Underspend (-) / overspend (+)	-1,963

(h) Historic features

Projects	4,992
TOTAL	4,992
Estimated	20,000
Underspend (-) / overspend (+)	-15,008

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

CAN DO Lime & Ice Project	1,625
Recreation management	550
Volunteer tasks, community work, miscellaneous	733
TOTAL	2,908
Estimated	7,945
Underspend (-) / overspend (+)	-5,037

(j) Discovery project

School days	2,967
Junior Ranger Club	3,080
TOTAL	6,047
Estimated	8,886
Underspend (-) / overspend (+)	-2,839

(j) TOTAL EXPENDITURE 2008/09 £208,846

	2009/10	2010/11
BUDGET ESTIMATES	(August 2009)	
Core Costs		
Staffing	97,494	97,276
Office	14,400	15,450
Partnership running costs	2,150	2,150
PR, Events, Research	6,500	12,150
AONB Management Plan	7,000	0
Total Core Costs	127,544	127,026
Project Costs		
Sustainable Development Fund	45,000	50,000
AONB Enhancement – Natural Environment	36,968	20,500
AONB Enhancement – Historic Environment	5,000	11,000
Access/Recreation & Communities (inc Lime & Ice in 2010/11)	3,000	4,500
CAN DO Lime & Ice Project	4,000	(0)
Discovery Project	2,297	0
Children & Young People's activities	(0)	6,000
Total Project Costs	94,205	92,000
TOTAL	223,809	219,026
FUNDING CONTRIBUTIONS		
North Yorks CC	39,150	39,930
Ryedale DC	5,684	5,684
Hambleton DC	5,800	5,800
Natural England	157,666	157,666
CAN DO	11,000	2,000
Heritage Lottery Fund	2,297	2,000
b/f	2,212	5,946
TOTAL	223,809	219,026
Brought Forward from 2008/09	37,770	
<i>Carried Forward to 2011/12</i>		<i>24,354</i>