

Item 4. 2015-18 AONB Partnership budgets

1. Summary

This paper presents outturn figures for 2015-16, a revised budget for 2016-17, and an outline budget for 2017-18.

2. 2016-17 AONB Partnership Budget

- i. **Staff costs** – The pension lump sum charged by Shropshire Council has gone up 39% from 2015-16, and National Insurance costs have also increased 39% from 2015-16 following the Government’s amendments on ‘contracted out’ pensions.
- ii. **Office costs** include the first full-year costs for Drovers House. Ongoing running costs are still not exactly known, but it appears the new office is very slightly cheaper than the previous one overall, though the difference is small. Heating bills are much lower but the business rates are significantly higher. Broadband installation cost spread over three years is included.
- iii. **Project budgets** for 2016-17 are more or less self-contained, apart from some small income contributions to the ‘core’ budget, and/or cash match contributions needed from us. Not all of the figures here are fully up to date with the latest detailed project budgets held separately.
- iv. **Earned income.** The ‘Income and Balances detail’ block near the bottom of the table shows the repayment to the Council for support services agreed in principle for 2016-17 and proposed for 2017-18. It also shows an allowance for one-off set-up costs for an independent organisation. This does show a predicted shortfall in the current year, and the need to work hard on additional earned income. The Commons project is a key potential income earner for the years ahead, and a decision on this is expected on 24 May.
- v. **Reserve.** The AONB Partnership’s reserve of previously earned income held on our behalf by Shropshire Council can be seen in the lower part of the table. The committed part of this is an accounting means of holding early contributions for particular projects, and is not available for other purposes. The unattached reserve has been built gradually over some years and is needed to cover contingencies including possible redundancy costs which are not covered by the Defra grant, project grants or by Shropshire Council. It is also vital sometimes to use as a source of cash match funding for external funding bids.

3. RECOMMENDATION:

The Management Board is recommended to note and comment on the 2015-18 budgets.

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Appendix 1 AONB Partnership Budget 2015-18, update at 10.5.16