

## PEMBROKESHIRE COASTAL FORUM

### MANAGEMENT GROUP MEETING ON 6 FEBRUARY 2003

#### FINANCIAL REVIEW

1. The paper reviews the current state of the finances of the Forum after the completion of the first full year of the operation of the Forum team and proposes a small number of adjustments to the budget.
2. **Expenditure** for the 15 months up to 31 December 2002 set against the budget for the period is shown in Table 1. The following points should be noted
  - The under expenditure of cash by £ 29,685 relating in particular to publicity and marketing, consultancy and Research & information gathering – this is perhaps inevitable in the early stages of the project;
  - An overall under spend of £9933;
  - The significant overspend by £17,180 in terms of “in kind” contributions – this is a healthy problem in so far as our target of £83,600 worth of “in kind” contribution over the 3 years is likely to be met easily and we can expect to have surplus that could be used in raising further funds if need be. However, it does raise an issue that in the remaining two years we must make certain that the cash element is fully spent in order to draw down the Objective 1 contribution. As shown in paragraph 4 below this does present a major problem.
3. **Income** for the 15 months up to 31 December 2002 is shown in Table 2. The following points should be noted
  - Cash from WEFO is flowing smoothly;
  - Income from the Partners is also flowing to target;
  - At the 31 December cash balances of £38,000 were held on the Forum’s behalf by MHPA – given the need to accelerate cash expenditure this is a satisfactory position;
4. **Income and expenditure for 2003 and 2004.** Table 3 sets out the 15 month actual spend against the 3 year budget for Objective 1 and revised budget figures in the light of:
  - The levels of expenditure under each budget head so far;

- The need to find an additional £5669 to cover salaries
- The need for additional £2033 to cover T&S

It is proposed that the £7702 is moved equally from Publicity & Marketing and Research & Information gathering. It is also proposed that the new Regional Tourism Partnership be approached for support in restoring that sum to those budget heads.

It should be noted that under the Research & Information gathering heading the employment of a research assistant would use £9,000 of the budget in 2003. Given the scale and urgency of the gathering information and supporting the topic groups, the management group is asked to agree the principle of using the balance of the consultancy and research/information gathering budgets [approx £23,000] to secure additional manpower to undertake the task.

We will need to secure the agreement of WEFO to these changes in the pattern of expenditure. Initial contact with them suggests that this should not be a problem.

One of the reasons for the increase in the salaries budget head is that inflation was not built into the bid. It is also the case that contributions of partners was not linked to inflation. The advice of the management Group is sought on whether or not it would be acceptable to ask for an increase reflecting two years inflation when the third contributions is sought after 1 April 2003?

##### **5. The management group is asked**

- **to note and make comment on the current situation;**
- **to approve the recast budget;**
- **to agree the use of the balance of the consultancy and research/information gathering budgets to secure additional short term manpower;**
- **to endorse an approach to the Regional Tourism partnership for financial support; and**
- **to advise on whether or not to approach partners for an increase in their contributions.**

**TABLE 1****EXPENDITURE FOR THE 15-MONTH PERIOD TO 31 DECEMBER 2002**

<b>ITEM</b>	<b>Estimate £</b>	<b>Actual £</b>	<b>Over / under spend</b>
<b>CASH</b>			
Staff	35,000	33,461	- 1,539
Overheads [exc offices]	14,330	10,508	- 3,822
T&S	2,500	2,333	- 167
Publicity & marketing	11,890	1,910	- 9,980
Consultancy	3,000	907	- 2,093
Research & information gathering	10,000	416	- 9584
<b>TOTAL CASH</b>	<b>76,720</b>	<b>49,607</b>	<b>- 29,685</b>
<b>IN KIND</b>			
Staff	27,200	44,868	+ 17,286
Offices	3,000	2,894	- 106
<b>TOTAL IN KIND</b>	<b>30,200</b>	<b>47,380</b>	<b>+ 17,180</b>
<b>GRAND TOTAL</b>	<b>106,920</b>	<b>96,987</b>	<b>- 9,933</b>

**TABLE 2****CASH INCOME FOR 15-MONTH PERIOD TO 31 DECEMBER 2002**

<b>SOURCE</b>	<b>Estimate for 3 years £</b>	<b>Received/billed to date £</b>	<b>Balance £</b>
<b>WEFO – Objective 1</b>	142,600	45,765	96,835
<b>PARTNERS</b>			
PCC	7,500	5,000	2,500
PCNPA	7,000	4,500	2,500
MHPA	9,000	6,000	3,000
Crown Estate	12,000	12,000	0
EAW	7,500	5,000	2,500
CCW	27,000	9,000	18,000
WDA	9,000	6,000	3,000
NT	1,500	1,000	500
PBI	1,500	1,000	500
Pembs Chamber of Commerce	300	200	100
<b>TOTAL</b>	<b>224,900</b>	<b>95,465</b>	<b>129,435</b>

**TABLE 3****REVISED BUDGET FOR 2003 & 2004**

	3 yr estimate £	15 month spend £	Balance for years 2 & 3 £	Revised budget 2003 £	Revised budget 2004
<b>CASH</b>					
Staff	105,000	33,461	71,539	(1) 38,604	(1) 38,604
Overheads	29,750	10,508	19,242	9,621	9,621
T & S	7,500	2,333	5,167	(2) 3,600	(2) 3,600
Publicity & marketing	37,130	1,910	35,220	(3) 15,684	(3) 15,684
Consultancy	9,000	907	8,093	4,093	4,000
Research & information gathering	30,000	416	29,584	(4) 12,868 (5)	(4) 12,868
<b>TOTAL CASH</b>	<b>218,200</b>	<b>49,607</b>	<b>168,593</b>	<b>84,470</b>	<b>84,377</b>
<b>IN KIND</b>					
Staff	74,600	44,486	30,114	(6) 15,057	(6) 15,057
Offices	9,000	2,894	6,106	3,053	3,053
<b>TOTAL IN KIND</b>	<b>83,600</b>	<b>47,380</b>	<b>36,220</b>	<b>18,110</b>	<b>18,110</b>
<b>GRAND TOTAL</b>	<b>301,800</b>	<b>96,987</b>	<b>204,813</b>	<b>102,580</b>	<b>102,487</b>

**Notes**

- (1) Salaries needs to be increased from £35,000 pa to £38,604 pa
- (2) T&S needs to be increased from £2,500 to £3,600 pa
- (3) Increased from £12,500 pa to reflect cash under spend in first 15 months – n.b. the increase is not as large as it might have been as £3851 have been transferred to the salaries and T&S budgets
- (4) Increased from £10,000 pa to reflect cash under spend in first 15 months - n.b. the increase is not as large as it might have been as £3851 have been transferred to the salaries and T&S budgets
- (5) Employment of Research assistant for 6 months will use £9,000 of this sum
- (6) Reduced figure from £26,700 pa to reflect “in kind” overspend