
CAIRNGORMS NATIONAL PARK AUTHORITY FINANCE AND DELIVERY COMMITTEE

FOR DISCUSSION

Title: BUDGET MONITORING 2014/15 - 3 MONTHS TO 30 JUNE 2014

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Purpose

To present a summary review of income and expenditure for the 3 months to 30 June 2014, and on progress to date on balancing the budget for the full year.

Recommendations

The Finance Committee is requested to:

- a) Note the results of the 3 months period to 30 June 2014;
- b) Note the analysis of the Operational Plan net expenditure by Directorate, Service; and Programme level for the period; and
- c) Note progress made on meeting the planned over-programming of costs in the first quarter.

Executive Summary

1. Annex 1, shows the financial results for the Park Authority for the month of June and the three months to 30 June 2014 based on monthly information prepared for the Management Team. The Annex shows Net expenditure, Operational Plan expenditure per programme and graphics showing analysis of gross expenditure over the various budget heads.
2. Annex 2 repeats the results for the Programmes allocated to Directorate and Head of Service level. Only the actual results are shown, with no comparison to monthly budget as the emphasis is on the remaining spend for the financial year. Analysis is prepared internally on a line by line basis at Programme level, showing variance to budget monthly. The analysis is undertaken at this level as it is the appropriate level for the outturn in the Annual Report and Accounts.
3. Overall for the three months there is a positive variance comparing actual outturn to budgeted of £216,000. The variance represents:

a) Unplanned income	£27,000	(para: 5)
b) Accelerated income	£4,000	(para: 6)
c) Under spend on Core costs	£56,000	(para: 8)
d) Under spend on Programme costs	£129,000	(para: 9)

Each of these variances will be considered further in detail below.

4. Grant-in-Aid, to cover operational costs and capital expenditure together was drawn down as forecast. The capital drawdown has covered a new air condition unit for the server room, and two new servers (purchase currently in progress). No enhanced capital grants (Shovel Ready) have been anticipated in framing the budgets.
5. Unplanned income recoveries and contributions over and above budgeted income which is still considered achievable.
6. Accelerated income represents LEADER Local Development Strategy income claimed earlier than originally forecast (September). An adverse variance will therefore be noted in September.
7. Budgeted income received to date includes full planned recovery of £13,000 from SNH against the costs of the Peatland Officer post, and £32,000 contribution from Scottish Government against the administration costs of the LEADER team.
8. Overall the under spend on Core expenditure for the quarter was £56,000. Key variances are:
 - a) Board and staff costs £39,000 less than budget;
 - b) Other board costs £7,000 less than budget;
 - c) Office running costs were £4,000 higher than budget (unplanned for costs on temporary accommodation in Grantown, and
 - d) IT + professional support £14,000 less than budget.
9. Material individual variances (positive [-] and adverse [+]), expressed as a % variation value, actual to budget were:

a) Temporary accommodation	+293%	£4,600
b) Building interior repairs	+100%	£2,100
c) Computer support	- 56%	£4,600
d) Corporate governance	- 74%	£4,100
10. The under spend on IT and professional costs to date is due to changes in the anticipated phasing of purchases rather than costs which can be avoided.
11. To date there has been an under spend on the Operation Plan which is due entirely to the phasing of planned payments: the anticipated payment to COAT from Programme 5 (Opportunities for recreation) was not made in full in April as originally profiled. In Programme 2 (Getting Involved) payments were made to VABS, Strengthening Communities project, and the Deeside Donside Partnership earlier than originally profiled.
12. Little or no costs have yet been incurred on Programmes 4, 6 and 7 as the profiling is for spend from the second quarter onwards:
 - a) **Programme 4 (A special place):** due to the accrual made in the previous financial year against the Reporter's costs for the examination of the proposed Local Development Plan no cost has yet been borne by the 2014/15 budget. Based on the billed in costs to date this is likely to happen either in July/August. The Reporter's costs incurred so far (at time of preparation of this paper) are £28,029.36, up to and including May. The indications are that the Reporter's work will be finished by September. The

Reporters Unit has not given an estimate for the total final cost but based on the costs incurred by other Local Authorities it is likely to be between £50,000 and 70,000.

- b) **Programme 6 (Sustainable development):** costs are profiled in from quarter 2.
 - c) **Programme 7 (Organisational excellence):** the cost of board elections and for shared services with Loch Lomond and Trossachs National Park Authority are profiled for March 2015.
13. No changes were made to either the Core or Operation Plan budgets other than revising the level of depreciation following discussion with the Sponsoring Division of Scottish Government.
14. The anticipated final outturn for the year based on the initial budget is dependent on operational income matching forecast expenditure. The 2014/15 budget approved by the Board set out an initial over-programmed position amounting to £304k and additional income and/or expenditure reductions amounting to this value need to be found prior to the end of the year to ensure a balanced outturn. To the end of June savings of approximately £126,000 have been identified. These savings are highlight in the virement column of the projected outturn on Annex I. A comprehensive mid-year review will be undertaken in October based on six months to 30 September to identify other potential costs savings.

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