

**CAIRNGORMS NATIONAL PARK AUTHORITY
FINANCE COMMITTEE**

FOR DISCUSSION

Title: **OUTTURN FOR THE SEVEN MONTHS
TO OCTOBER 2006**

Prepared by: **Denby Pettitt, Finance Manager**

Purpose

To provide Members with an update and information on the outturn for the seven months to October 31, 2006.

Recommendations

That the Committee:

- a) note the draft outturn for the seven months to October 31, 2006.

Executive Summary

- a) Annex 1 shows the Income and Expenditure account for the seven months to the end of October. A commentary is also included on each line, the accounts and commentary in this format are sent each month to Finance Committee members.
 - b) The annual budget was reviewed in September 2006 and the variances are now measured against the revised budget presented to the Committee at the October 20 meeting.
 - c) Follow the outcome of the Q2 Operational Plan review which has previously been reported to the Committee, Management Team have a list of pipeline expenditure which they can use in the second half of the financial year to ensure that we maximise our use of the Resource Allocation provided to us by the Scottish Executive.
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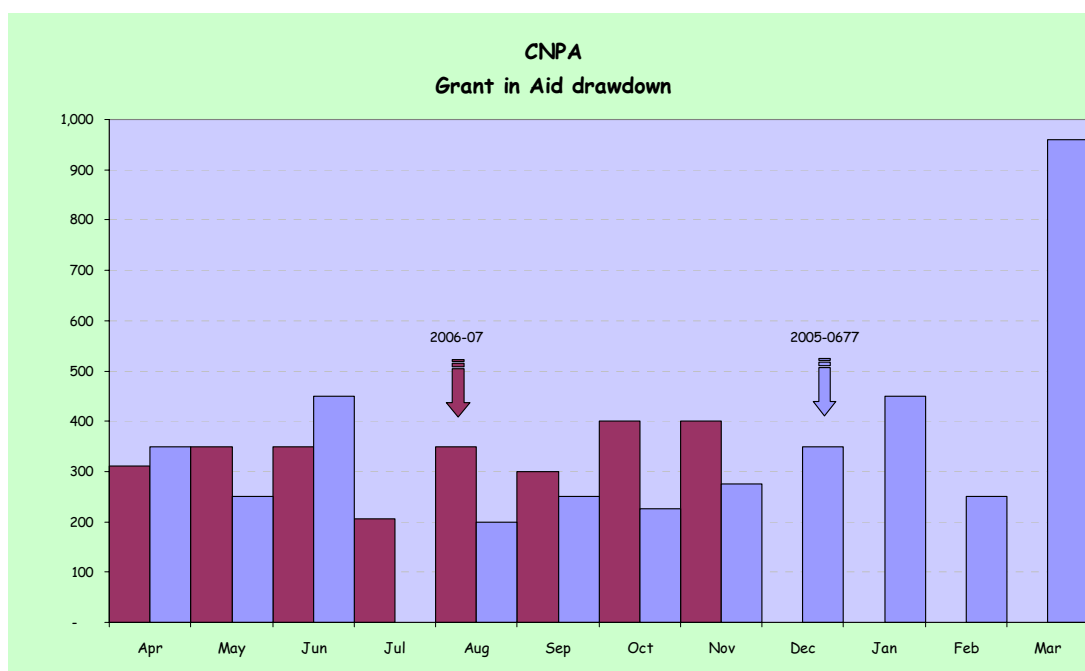
OUTTURN FOR THE SEVEN MONTHS TO OCTOBER 2006 FOR DISCUSSION

Overview

1. Annex 1 includes the latest Income and Expenditure account together with commentary on each line which focuses on actual income or expenditure against budget.
2. The budget was revised at the end of September and variances are now reported against the revised budget.

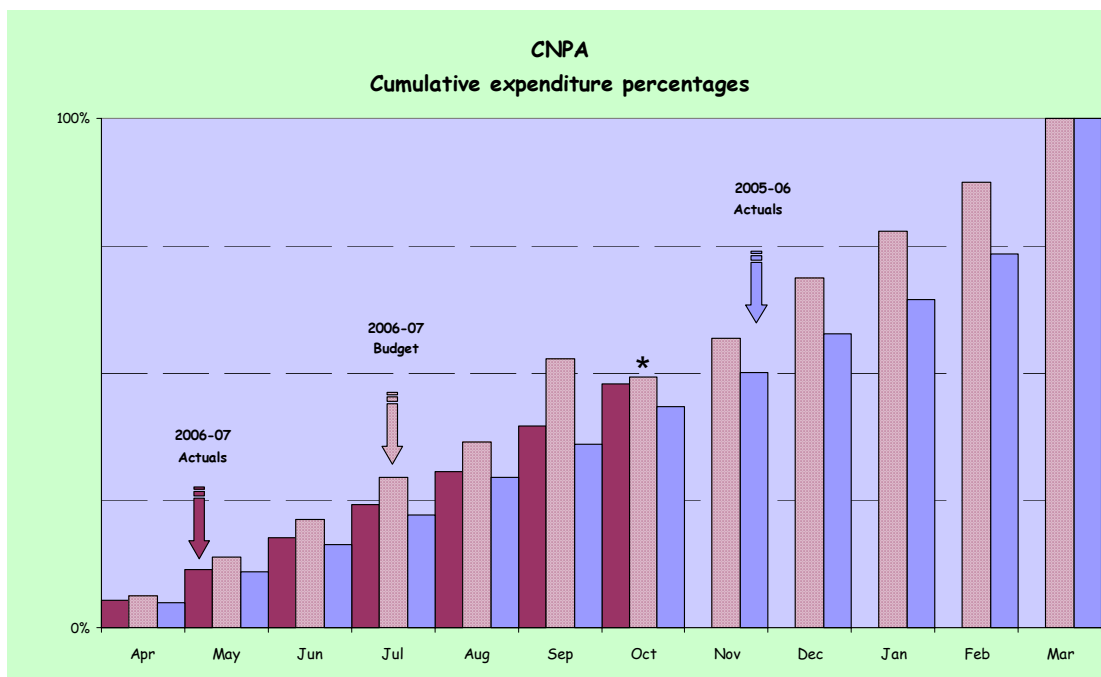
Grant in Aid drawdown and expenditure patterns

3. The chart below summarises the monthly GIA drawdowns for the last two financial years, with 2006/07 on the left and 2005/06 grant on the right of each month's columns. This provides a broad overview of the Authority's expenditure pattern over the course of these two years.



4. In order to maximise our use of Grant in Aid, future monthly drawdowns need to be £445,000 in the remaining months of the year compared with actual monthly drawdowns of £333,000 in the first seven months. Drawdowns in the last two months have been £400,000 each month.

5. The chart below shows the cumulative expenditure over the course of the year compared with budget and last year's expenditure profile.



* budgeted expenditure in October has been reduced to reflect changes in budget phasing from the mid-year review

6. Expenditure continues to be ahead of last year's level, both in monetary and percentage terms, although we are under spent by £50,000 in the current year compared with the revised budget, presented to the Committee in October.
7. Following the Q2 Operational Plan review which was reported to the Committee's last meeting, a list of new Operational Plan pipeline projects generated by various Groups that could be used to minimise any underspend has been presented to Management Team.
8. As in previous years, the main thrust of our financial management from now until the financial year end will be to ensure that we maximise the Authority's use of its Resource Allocation from the Scottish Executive whilst continuing to ensure Value for Money is also obtained.

Denby Pettitt
21 November 2006

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CNPA								
Income & Expenditure account (October 2006)								
		Year to date			Full year			Full year
	Notes	Actual £'000s	Latest budget £'000s	Variance £'000s	Initial budget £'000s	Latest budget £'000s	Activity to date %	Latest forecast £'000s
Income								(see below)
Grant in aid from SE	(a)	2,265	2,233	32	4,387	4,446	51%	4,446
Other income	(b)	6	7	(1)	75	75	8%	75
Non-cash transactions	(c)	70	71	(1)	128	128	55%	128
Total income	-	2,341	2,311	30	4,590	4,649	50%	4,649
Core Expenditure								
Board costs	(d)	148	150	2	258	257	58%	257
Staff salaries	(e)	1,077	1,098	21	1,997	1,950	55%	1,950
Staff (other costs)	(f)	127	127	-	225	225	56%	225
Office costs	(g)	196	183	(13)	412	375	52%	375
Capital expenditure	(h)	5	7	2	55	33	15%	33
	-	1,553	1,565	12	2,947	2,840	55%	2,840
Programme Expenditure								
Projects - managed by CNP	-	-	-	-	-	-	-	-
Park objectives	-	-	-	-	-	-	-	-
	(i)	639	577	(62)	1,638	1,505	42%	1,681
Cash Expenditure	-	2,192	2,142	(50)	4,585	4,345	50%	4,521
Depreciation	(j)	63	64	1	115	115	55%	115
Notional costs	(j)	7	7	-	13	13	54%	13
Total Expenditure	-	2,262	2,213	(49)	4,713	4,473	51%	4,649
Surplus/(Deficit)	Even activity through year leads to following proportion						58%	-
Notes:								
Latest budget	This was presented to the Finance Committee at their meeting on October 20.							
Latest forecast	The Programme expenditure budgets are revised to reflect new spend approved by Management Team.							

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		Commentary					
(a)	The Grant in Aid budget comprises the following amounts:						
		Resource Allocation (cash element 2006-07)					4,287
		CUP brought forward from 2005-06					100
		Additional monies reported to the Committee (Oct 20)					59
							4,446
(b)	Following the last Finance Committee meeting, I checked with the Planning group who tell me that there are protocols in place with the Local Authorities regarding the collection of planning fees at the end of the calendar year. Although these could be examined, collection of planning fees on a quarterly basis would incur an administration cost which the current level of income does not warrant.						
(c)	Non-cash transactions represent notional costs that we are 'charged' by the Scottish Executive based on the assets we use and the depreciation charge based on previous capital expenditure.						
(d)	The budget for Board costs assumed an increase in fees based on inflation. An accrual has been made in the accounts for this estimated cost although the increase in fees has not been approved by Scottish Executive yet.						
(e)	Similar to the above point, the staff's pay award for 2006-07 has not been approved yet although we have accrued for the likely cost.						
(f)	Other staff costs are in line with budget.						
(g)	As part of the six month budget revision office costs were re-budgeted. The overspend of £13,000 at the end of October against the revised budget does not give cause for concern as this area of costs consists of a number of individual budget lines and it is not feasible to account for them in exact monthly amounts.						
(h)	Nothing to report.						
(i)	After the budget revision expenditure is slightly behind budget but this is purely a timing issue.						
(j)	Non-cash costs in line with budget.						