

**CAIRNGORMS NATIONAL PARK AUTHORITY
FINANCE COMMITTEE**

FOR INFORMATION

Title: 2009/10 FIRST QUARTER REVIEW

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Purpose

To present a summary review of income & expenditure for the 3 months to 30th June 2009 and a projection of the financial outcome for the year to 31st March 2010. Further, to analyse Operational Plan net expenditure for the first quarter of the 2009/10 financial year.

Recommendations

The Finance Committee is requested to:

- a) Note the results for the 3 month period to the end of June 2009 and the projected outcome for the 12 months to 31st March 2010.
- b) Note the further analysis of Operational Plan net expenditure by programme for the 3 months to 30th June 2009 and the projected outcome, by programme, for the year to 31st March 2010.

Executive Summary

- a) Table 1 shows the financial results for the CNPA over the first quarter of 2009/10. The 3 months to 30th June resulted in a deficit of £1k against a planned deficit of £13k (the £12k variance representing 1% of income).
 - b) The £12k surplus is reflected in an under-spend of core operating costs.
 - c) The projected outcome for the year to 31st March 2009 reflects the current over-planning of 20% (£361K) in the Operational Plan. This initial over-planning is intended to allow programme managers as much leeway as possible in developing their programme plans for delivery in the remaining 3 quarters of the year.
 - d) The next phase of the budgeting year will bring this 20% over-plan back to affordable levels (£2,492K of gross expenditure) by the end of October 2009. Current operational plan targets reflect actual activity until the 20% over-plan has been managed out.
 - e) Reductions to net Programme Budgets will not necessarily reflect an across the board 20% saving from £2,164k to £1,803k as shown in Table 2. Reductions of 20% may not be possible in programmes such as Outdoor Access, where there are large commitments to such as COAT. The next financial update will show a substantially reduced variance in projected net Operational Plan expenditure, with an indication of where the available net £1,803k will actually be spent.
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2009/10 FIRST QUARTER REVIEW – FOR INFORMATION

Table I. Results for the 3 months to 30th June 2009:

CNPA	3			12		
2009/10	Jun-09	Jun-09	Jun-09	Mar-10	Mar-10	Mar-10
Operating Cost Statement	Actual	Budget	Variance	Projected	Budget	Variance
£000's	Ytd	Ytd	Ytd	12 mths	12 mths	12 mths
Income						
Grant in Aid and other income	960	961	-1	4,862	4,862	0
Operational Plan income	99	99	0	689	689	0
Total Income	a) 1,059	1,060	-1	5,551	5,551	0
Expenditure						
Board and Staff salary costs	569	574	5	2,438	2,438	0
Other Board and Staff Costs	49	63	14	253	253	0
Office running costs	59	52	-7	209	209	0
IT and Professional Support	32	33	1	131	131	0
Core Operating Costs	b) 708	722	13	3,031	3,031	0
Operational Plan Expenditure	c) 337	337	0	2,853	2,492	-361
Depreciation	14	14	0	57	57	0
Total Expenditure	1,060	1,073	13	5,941	5,580	-361
Recognised Gain/-Loss	d) -1	-13	12	-390	-29	-361
Notes						
	<p>a) Income for the year is projected to be in line with budget.</p> <p>b) Significant savings in core costs for the first quarter have been c.£10k in training, recruitment and relocation expenditure. Core costs are projected to be on budget for the year, a result which will deliver the required 2% recurring efficiency savings.</p> <p>c) Operational plan budgeted expenditure for the first quarter reflects actual activity (£337k spend compares with £231k in the first quarter of 2008/09). For the full year, the projection reflects current over-planning levels of 20%.</p> <p>d) The outcome for the year reflects the initial 20% over-budget in the Operational Plan. This difference will be managed down through programme reviews by the end of October 2009.</p>					

Table 2. Net Operational Plan expenditure for the 3 months to 30th June 2009:

CNPA Operational Plan	3			12			
2009/10	Jun-09	Jun-09	Jun-09	Mar-09	Mar-09	Mar-09	
Expenditure Summary	Actual	Budget	Variance	Projected	Budget	Variance	
£000's	Ytd	Ytd	Ytd	12 mths	12 mths	12 mths	
Operating Cost Statement							
Operational Plan Income	99	99	0	689	689	0	
Operational Plan Expenditure	e) 337	337	0	2,853	2,492	-361	
	e)	238	238	0	2,164	1,803	-361
Operational Plan Programmes							
1. Biodiversity and Landscapes	17	17	0	172	143	-29	
2. Land Management Support	18	18	0	244	203	-41	
3. Sustainable Deer Management	0	0	0	32	27	-5	
4. Outdoor Access	6	6	0	347	289	-58	
5. Sustainable Tourism & Business	g) 67	67	0	433	361	-72	
6. Affordable Sustainable Housing	f) 68	68	0	133	111	-22	
7. Awareness and Understanding	34	34	0	569	474	-95	
8. Communications	18	18	0	133	111	-22	
9. Planning	10	10	0	36	30	-6	
10. Corporate Services	0	0	0	65	54	-11	
Net Operating Cost	e), h)	238	238	0	2,164	1,803	-361
Notes							
<p>e) Targets for the first quarter reflect actual activity. Full year budgets reflect 20% initial over-planning. Over-planning will be reduced by the end of October 2009 as Programme Managers confirm their actual funding requirements and indicate areas where budget is not required.</p> <p>f) First quarter spend of £9k in 2008/09. This reflects the cost of the Local Plan Inquiry.</p> <p>g) £39k spend in the first quarter last year. Increase reflects higher activity in LEADER and community grants, where the new LEADER programme had not started last year.</p> <p>h) The £1,803k budget allocation for the year represents an illustration of what affordable expenditure levels are without 20% over-planning. Final budgets without over-planning may not spread the 20% saving required as evenly amongst programmes as shown here.</p>							

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