

**CAIRNGORMS NATIONAL PARK AUTHORITY
FINANCE COMMITTEE**

Title: CURRENT YEAR'S FINANCIAL PROVISION

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Purpose

To provide Members with an update on the current year's financial provision.

Recommendations

- That the Committee note the content of this report

Executive Summary

Following a meeting in June between the Convenor and the Minister to discuss the Park Authority's grant-in-aid requirements, the Scottish Executive wrote in July agreeing the figure of £2million for the financial year 2003-04.

An original budget of £2.006 million was approved by the Board in May 2003. The current projected outturn of £1.99 million takes account of actual spend up to end September and revised budgeted expenditure for the period October to end March 2004. The projected outturn is illustrated at Annex 1. It is anticipated that the Park Authority will spend all its allocated provision to enable it to discharge effectively its full range of statutory functions.

CURRENT YEAR'S FINANCIAL PROVISION

Discussion

1. Members will recall that the Park Authority's original budget of £2.006 million (see Annex 1), approved by the Board on 23 May 2003, was prepared prior to a formal announcement by the Scottish Executive on the level of grant-in-aid for 2003-04. At that time the Public Expenditure allocation for CNPA was set at £1.2 million, the balance remaining within the National Parks line. In the intervening period, the Convenor met the Minister to discuss the Park Authority's financial requirement, based on the figures approved by the Board. The Scottish Executive wrote in July confirming the agreed grant-in-aid allocation of £2 million for the financial year 2003-04.
2. Spend during the first 6 months has been principally directed towards staff salaries, recruitment, corporate ID, website and the new computer and telephone systems. To date we have drawn down £760K, representing 38% of our total allocation. Over the next 3 months we expect the refurbishment work to be completed at Grantown and Ballater. This work, together with associated costs for IT, furniture, fixtures and fittings will account for some £230K of expenditure. Additional staff costs in the last quarter of the financial year will add a further £50K to the salary costs. Contributions to projects this year will be approximately £160K. Details of the full projected budget are set out in Annex 1.
3. **Staff salaries**, including Board and Committee costs, remain relatively unchanged from the original budget. Staff salaries show an increase to take account of recruitment up to the end of the financial year. Board and Committee costs show a slight decrease overall, mainly due to an expected reduction in members' travel and subsistence costs.
4. **Other Staff Costs** have increased significantly as a result of contracting out the recruitment process of the senior management team and higher than expected advertising costs. Staff travel and subsistence costs have increased to take account of additional travel costs related to the Park Authority's statutory planning functions. Provision has also been made for an additional pool car to be based at Ballater.
5. **Accommodation costs** show an increase overall mainly due to the rise in refurbishment costs for the premises at Grantown and Ballater. The original budget included an anticipated cost of £117K for the refurbishment of the adjoining offices in Grantown but the final estimated cost is now in the region of £175K, based on a competitive tendering process. This figure does not take account of the cost of IT, furniture and fittings, which are likely to add a further £20K. The office at Ballater had not been identified at the time the original budget was prepared. Modest provision had been made but more realistic costs are available and it is expected that the cost of refurbishment plus IT, fixtures and fittings will amount to approximately £35K.

6. **Corporate identity** costs show significant savings. Prudent use of contracting the services of a project manager resulted in considerable savings in both cost and staff time. A successful website and corporate logo are now in place.
7. **Programme expenditure** provision was set at £282K in the original budget, which included an amount of £98K for commitments inherited from the Cairngorm Partnership. These costs have been subject to on-going assessment taking account of lead-time and staff availability. The current provision of £159K more accurately reflects what the Park Authority will be able to deliver this financial year. A number of projects have been reprogrammed for 2004-05.

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BUDGET for 2003-2004	Original	Budget Head Total	Revised	Budget Head Total
Staff Salaries	523,456	523,456	573,159	573,159
Other Staff Costs		93,378		217,044
Staff recruitment	70,000		160,231	
Travel & Subsistence	9,402		37,014	
Pool Car	7,976		10,926	
Training	6,000		8,873	
Board Costs		244,858		237,430
Member salaries	173,358		189,717	
T&S for Board Members	37,500		10,893	
Member training	20,500		17,503	
Board meeting costs	3,500		5,699	
Committee meeting costs	3,600		7,243	
Adv Gp and Wkg Gp costs	6,400		6,375	
Accommodation		427,599		510,648
Office rent - GoS	72,500		30,714	
Office rent - Ballater			3,162	
Sub/Office	61,130			
Temporary Accommodation	2,175		5,565	
Rates/refuse/water	18,199		20,521	
Insurance	0		0	
Cleaning	6,935		6,553	
Heat & Light	5,280		5,701	
Office maintenance and refurbishment	97,880		264,273	
Furniture, fittings, equipment	46,000		7,003	
Ditto			52,316	
IT hardware	117,500		114,840	
Office Services		33,829		36,575
Telephone	8,846		9,278	
Postage	8,125		7,247	
Stationery, p'copying, gen office svcs	10,474		7,203	
Ditto			5,253	
Ditto			498	
Printed stationery	5,000		4,155	
Library and newspapers	1,384		2,941	
Publications and PR		241,052		134,495
Corporate ID (including website)	169,500		51,584	
PR adviser	33,492		18,952	
Publications	30,000		36,313	
Other info, events	8,060		27,646	
Support Services		160,510		130,008
HR Support	95,000		39,735	
Legal support	10,000		7,350	
Accounting support	4,000		4,000	
Accounting support (Annual Accounts)			5,000	
IT support (Internet)	6,260		1,034	
(Computers)			18,481	

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(Web page)			8,782	
Misc (Other Professional Support)	30,250		29,256	
Annual Audit	10,000		12,000	
Subscriptions	5,000		4,370	
Sub total				
Programme expenditure		282,251		159,190
Existing Commitments	97,751		159,190	
Additional Commitments	184,500			
Sub total				
TOTAL		<u>2,006,933</u>		<u>1,998,549</u>