

CAIRNGORMS NATIONAL PARK AUTHORITY FINANCE & DELIVERY COMMITTEE

FOR DISCUSSION

Title: FINANCE MONITORING: 11 MONTHS TO 29
FEBRUARY 2016

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Purpose

To present a summary review of the income and expenditure, including a summary of Operational Plan expenditure, for the 11 months to 29 February 2016, together with the revised income and expenditure projected outturn at 31 March 2016.

Recommendations

The Finance and Delivery Committee is requested to:

- a) note the results of the 11 months period to 29 February 2016;
- b) note the analysis of the Operational Plan net expenditure by programme for the 11 months period to 29 February 2016; and,
- c) note the projected outturn for the year based on the remaining 1 month of the financial year ended 31 March 2015.

Executive Summary

1. Coming close to the end of the current financial year this paper will highlight the projected outturn for the year and key variances to the end of February 2016.
2. The projected net outturn for the financial year to 31 March 2016 (15/16) is to show a surplus on resource income of £181,000 which represents income received in the year in respect of Speyside Way project expenditure incurred in the year 14/15 (£131,000) and agreed unapplied grant in aid received from Scottish Government for 15/16 (£50,000)
3. Annex I summarises the actual spend to 20 February and the projected income and expenditure for March 2016.

Grant in Aid

4. All Grant in Aid has been received as originally profiled. The Grant in Aid funding for the Scenic Routes projects was re-profiled by Scottish Government and will be received in March.

Other income

5. As previously reported other income received was higher than originally forecast due to the reclassification of £131,000 Sustrans/sportsScotland income from 2014/15.
6. Points to note:
 - a) Conservation: the final claim from SNH for the Peatland Officer's post will be made in March to a maximum of £21,000;
 - b) Visitor experience: Funding yet to be received includes £20,000 against survey work on the Speyside Way extension. As noted in Annex I the Scenic Routes funding is now shown as Grant in Aid rather than other income;
 - c) Planning: estimated planning fees for the quarter are £16,000, and a recovery of £11,000 is also due against joint survey work undertaken between the Authority and The Highland Council;
 - d) Tomintoul & Glenlivet Landscape Partnership (T&GLP): The actual HLF grant claim for the quarter to 31 December 2015 was £35,444.75 and was received on 5 February. The HLF grant for the quarter to 31 March will be recognised in the 15/16 transactions and, based on the current anticipated project spend, this will be approximately £70,000. A final claim for the Development Phase will be made by 30 June 2016. The intention is to submit the HLF claim early in April so that the funds will be received by the time of the final audit;
 - e) LEADER: post the last Committee claims against administration costs were made at short notice covering the periods from the signing of the Service Level Agreement (13 August) to 30 September and the final calendar quarter. These 2 claims totalled £36,016.94. All amounts claimed to date, £94,535.78, remain unpaid by Scottish Government. A meeting of the LEADER Accountable Body representatives has been called for 10 March prior to the LEADER Conference and the matter of payment of outstanding grant will be raised then by Corporate Services Director;
 - f) Other: known recoveries from other parties and yet to be made are approximately £11,000.

Operational Plan

7. At 29 February actual expenditure plus committed expenditure on the operational plan means that just under 3% of the expected spend has yet to be finalised. This means that requisitions have yet to be prepared for known expenditure and logged in the accounting system or that spend is "discretionary" such as legal costs which are on-going and the cost will not be accurately known until the end of the billing cycle in early April.
8. Annex I, projected column, presents all payments yet to be made, committed and expenditure yet to be committed.
9. LEADER: there is minimal expenditure on administration, other than staff costs, anticipated in March.
10. T&GLP: the current best estimate for project spend in March is £128,000 and is likely to change depending on whether the project costs can be accrued for in March or recognised when final payments are made in April/May. This will have no impact on

the outturn for the year as all expenditure will be match funded from the various partners and the Heritage Lottery Fund Claim.

Core Variances

11. Projected spend in March for Other Board and staff costs, Office running costs and IT and professional fees, are based on the current best estimate of identified costs coming through in March.
12. Material variances to 29 February are noted below. No annex of actual costs to date has been included as the emphasis in accounting in the last quarter has moved from monitor to projecting costs for the full year. Only material variances as at 29 February are noted.

Board and staff salaries: anticipated outcome is now for a total board and staff cost of approximately £2,926,000. This is £31,000 higher than the projected costs at 31 December 2015 and is due to further savings in staff costs (£11,000) which is more than offset by the annual charge for the Staff Benefits Provision (£42,000) which has now been quantified in advance of the year end. This provision quantifies the staff costs locked in untaken holidays, flexi and TOIL (Time off in Lieu) at a point in time. This provision has historically been calculated after the closure of the year but in 15/16 an attempt at early quantification has been made as the charge represents only a provision rather than an actual cost, and we need to factor the impact of change into our financial management at the earliest opportunity.

Other board and staff costs:

training and other HR costs	+15,200	recoveries still to be made
recruitment and relocation	+8,200	
pool cars	+4,700	car kept on lease + higher running costs

Office running costs

maintenance	+11,100	unplanned and necessary repairs
health and safety	+8,900	
telephone	+5,000	leased line allocation

IT and professional support

Computer support	-39,300	higher expenditure expected in March
Corporate governance	+7,800	
Legal Fees	+4,300	

Depreciation: charge for full year will be £51,000 due to delays in capital spend which are now skewed to latter part of the year which means less depreciation will be charged.

Projected outturn

13. The intention remains to finish the year as close as possible to the anticipated surplus indicated to Scottish Government £181,200. To achieve this weekly updates (Transaction Reports and projected outcome per service based on actual costs and

committed costs) are provided to Heads of Service with the intention of having made all material payments by mid-March Projected spend in March is based on the current best estimate of identified costs coming through in March. All other potential income and costs are monitored on a daily basis.

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