

**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

The Board approved an original budget of £2.006 million in May 2003. The Scottish Executive wrote in July agreeing the figure of £2million for the financial year 2003-04. The current projected outturn of £1.99 million takes account of actual spend up to end February and revised budgeted expenditure for March 2004. The projected outturn is illustrated at Annex 1. The set up and running costs in the first year of any organisation are difficult to predict and this has been no exception. However, you will see from the figures shown in Annex 1 that we have operated within our allocated resources and are likely to record a slight underspend of 1.7% of the total budget.

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. The Scottish Executive wrote in July confirming the agreed grant-in-aid allocation of £2 million for the financial year 2003-04. A revised outturn was prepared for the Finance Committee meeting on 7 November 2003 and details are shown in the table at Annex 1. A projected final outturn has now been prepared for the current financial year, details are shown in the table at Annex 1.
2. Spend during the first year has been principally directed towards staff salaries, recruitment, corporate ID, website and the new computer and telephone systems. To date we have drawn down £1.4m, representing 73% of our total allocation. We expect the refurbishment work to be completed at Grantown and Ballater by the end of March. This work, together with associated costs for IT, furniture, fixtures and fittings will account for some £411K of expenditure. Staff costs are slightly under what was predicted and due mainly to slippage in the recruitment campaign. Contributions to projects this year will be approximately £164K. Details of the full projected outturn are set out in Annex 1.
3. **Staff salaries**, including Board and Committee costs, remain relatively unchanged from the original budget. Staff salaries show a decrease as a result of slippage in the recruitment campaign and new staff start dates. 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 and middle management teams 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 cars to be based at Grantown and 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 (excluding VAT) 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. The office at Ballater had not been identified at the time the original budget was prepared and has added a further £35K. This figure does not take account of the cost of IT, furniture and fittings, which are likely to add a further £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 also been reprogrammed for 2004-05.

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