

## CAIRNGORMS NATIONAL PARK AUTHORITY FINANCE & DELIVERY COMMITTEE

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### FOR DISCUSSION

**Title:** 2014/15 DRAFT OUT TURN FIGURES

**Prepared by:** David Cameron, Corporate Services Director  
Daniel Ralph, Finance Manager

### **Purpose**

To present:

- a) a summary review of income and expenditure for the 12 months to 31 March 2015 (the year);
- b) a report on the operational plan expenditure for the year.

### **Recommendations**

**The Finance and Delivery committee is requested to:**

- a) **Note the draft final results for the 12 months to 31 March 2015;**
- b) **Note the analysis of the net Operational Plan expenditure, by programme, for the year.**

### **Executive Summary**

1. At the time of writing, the authority's draft accounts remain subject to finalisation through the external audit process. This paper therefore presents a summary of the draft outturn position at 31 March as presented by the Authority to Audit Scotland in our draft accounts.
2. Table I below summarises our use of financial resources made available to the Authority through revenue and capital grant-in-aid and from project financing contributions secured from partners in 2014/15. The information in Table I sets out our performance in managing resources over the course of the year toward the objective of fully utilising while not overspending against budgets in total, and in particular making full use of cash resources in terms of grant in aid made available by Scottish Government.

**Table I: Summary of Financial Resource Use 2014/15**

	£000	£000
Income		
Total capital and revenue grant in aid	4,610	
Other income and project funding contributions	694	
<b>Total Income</b>		<b>5,304</b>
Expenditure		
Operating expenditure, including Operational Plan and capital grants to third parties	5,210	
Expenditure on additions to CNPA assets	86	
<b>Total Expenditure</b>		<b>5,296</b>
<b>Net Income (Expenditure) 2014/15</b>		<b>8</b>

3. As set out in Table I, our outturn position in terms of use of financial resources secured in the year shows a small, £8k, surplus of income over expenditure which equates to 0.15% of total income.

Financial Accounts

4. Annex I summarises the draft financial results for the authority for the 12 months to 31 March 2015 in line with the draft financial accounts presented for audit.
5. The result for the year is a net increase of £44k in Tax Payers' Equity from total income of £5,304k. This compares to a decrease in Tax Payers' Equity in 2013/14 of £97k. Reconciliation for the 2014/15 increase in Tax Payers' Equity position to the management accounts summary set out in Table I is given in Table 2.

**Table 2: Reconciliation Between Management Accounts Position (Table I) and Changes in Taxpayers' Equity Extracted from Draft Financial Accounts**

	£000
2014/15 Increase in Taxpayers' Equity	44
Add back depreciation charges (not cash based)	+50
Deduct resources used to create capital assets	-86
<b>Net Income 2014/15</b>	<b>8</b>

6. Resource grant-in-aid for the year was received in full. Additional capital grant-in-aid of £50k was received for investment in ICT toward delivery of the Organisational Development Strategy, along with £124k for the Scenic Routes project.
7. Income from all other sources was £444k higher than budget. This was due to primarily grants received from Sport Scotland and Sustrans against expenditure on the Speyside way extension (£325k) and from recoveries against the LEADER programme from Scottish Government (£129k). Funding was also received from SNH for the Peatland Officer (£41k). In addition to these key Operational Plan funding

contributions, various other income including planning fees of £152k were received in 2014/15.

8. Core costs were £325k less than budget due in the most part to savings made over the year on staff salary costs.
9. Savings on IT and Professional Support was matched by increased spend on Office Running Costs.
10. LEADER costs include staff and administration costs as well as provision for “irregularities” which are claw backs on claims from Scottish Government due to changes scope and in interpretation of admissible projects and costs. LEADER costs have been included as part of the Operational Plan results for the year. LEADER recoveries have been identified separately as part of other income, while LEADER costs are included as part of Operational Plan costs. Overall the net cost of the LEADER program in the year was £25k.
11. Excluding LEADER expenditure the Operational Plan expenditure was £1,873k, £545k higher than originally profiled. Throughout the year savings were identified, and made, on programmes and the additional expenditure was funded in significant part by additional grants secured from Sport Scotland and Sustrans for the Speyside Way.

## Next Steps

12. The draft Report and Accounts for audit were presented to Audit Scotland on 1<sup>st</sup> May, in advance of the audit visit on 4<sup>th</sup> May. Audit field work was completed on 7<sup>th</sup> May. We aim to submit the accounts to the Audit Committee for approval on 26<sup>th</sup> June, with the intention of their signing by Grant Moir, Chief Executive, as Accountable Officer that day. There is currently some discussion between officers and Audit Scotland on the appropriate accounting treatment of grant balances due in funding the Speyside Way extension and resolution of this point may delay the finalisation of accounts within what has been a very tight timetable. We hope to be able to prove the Committee with some update on the progress of the audit at the meeting.

**Daniel Ralph**

[danielralph@cairngorms.co.uk](mailto:danielralph@cairngorms.co.uk)

**David Cameron**

[davidcameron@cairngorms.co.uk](mailto:davidcameron@cairngorms.co.uk)

**May 2015**

**ANNEX I Draft results for the 12 months to 31 March 2015**

**Comprehensive Net Expenditure**

	<b>31 03 2015</b>		
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>
<b>Income</b>			
Grant-in-aid - resource	4,403	4,403	-
Grant-in-aid - capital	83	33	+50
Grant-in-aid - supplementary	124	-	+124
Other income	152	209	-57
Operational plan income	542	41	+501
<b>Total income</b>	<b>5,304</b>	<b>4,686</b>	<b>+618</b>
<b>Expenditure</b>			
Board and staff salary costs	2,724	3,041	-317
Other board and staff costs	207	215	-8
Office running costs	278	247	+31
IT and professional support	128	159	-31
	3,337	3,662	-325
Operational Plan expenditure	1,873	1,328	+545
<b>Total expenditure</b>	<b>5,210</b>	<b>4,990</b>	<b>+220</b>
<b>Net income/(expenditure)</b>	<b>94</b>	<b>(304)</b>	<b>-398</b>
Depreciation	50	36	+14
<b>Net income</b>	<b>44</b>	<b>(340)</b>	<b>-384</b>

**ANNEX 2 Draft Operational Plan expenditure and income  
for the 12 months to 31 March 2015**

	<b>31 03 2015</b>		
	<b>Actual £,000</b>	<b>Budget £,000</b>	<b>Variance £,000</b>
<b>Operating plan summary</b>			
Operational plan income	542	41	+501
Operational plan expenditure	1,873	1,328	+545
	1,331	1,287	+44
<b>Income</b>			
<b>P1</b> – Brand and visitor experience	2	-	-
<b>P3</b> – Land management and conservation	61	41	+20
<b>P5</b> – Opportunities for recreation	340	-	+340
<b>P6</b> – Sustainable business	10	-	+10
	413	41	+372
<b>LEADER</b>	129	-	+129
	542	41	+501
<b>Expenditure</b>			
<b>P1</b> – Brand and visitor experience	346	337	+9
<b>P2</b> – Getting involved	93	114	-21
<b>P3</b> – Land management and conservation	214	166	+48
<b>P4</b> – A special place	44	92	-48
<b>P5</b> – Opportunities for recreation	727	262	+465
<b>P6</b> – Sustainable business	74	98	-24
<b>P7</b> – Organisational excellence	101	107	-6
<b>P8</b> – High quality planning	120	152	-32
	1,719	1,328	+391
<b>LEADER</b>	154	-	+154
	1,873	1,328	+545