
CAIRNGORMS NATIONAL PARK AUTHORITY FINANCE & DELIVERY COMMITTEE

FOR DISCUSSION

**Title: FINANCE MONITORING: 7 MONTHS TO 31
OCTOBER 2014**

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

Purpose

To present a summary review of income and expenditure, including a summary of Operational Plan expenditure, for the 7 months to 31 October 2014, together with the revised income and expenditure to 31 March 2015.

Recommendations

The Finance & Delivery Committee is requested to:

- a) Note the results of the 7 months period to 31 October 2014;**
- b) Note the analysis of the Operational Plan net expenditure by programme for the 7 months period to 31 October 2014;**
- c) Note the projected outturn for the remaining 5 months.**

Executive Summary

- a) Annex I, which is based on the information prepared monthly for Management Team summarises the financial results for the Park Authority on a monthly and cumulative year to date position. Annex I summarises both October results and 7 months to 31 October 2014, with a projected revised outturn, which is revised when there are material variances.
- b) The actual net spend compared to plan for October was £24,000 against a projected net spend of £68,300. The difference of £44,300 is made up as follows:

Other income	- £3,000 - additional income not in plan
CORE expenditure	-£12,900 - less than plan
Operational Plan	-£37,900 - less than plan
LEADER	+£10,100 - recoveries less than plan
Depreciation	-£600 - less than plan

- c) For the 7 months to 31 October the actual outturn was an under spend of £381,600 compared to a planned spend of overspend of £148,500. The variance of £530,200 is made up as follows:

Other income	-£80,800 - additional income
CORE expenditure	-£112,700 - less than plan
Operational Plan	-£352,300 - less than plan
LEADER	+£18,100 - less than plan
Depreciation	-£2,500 - less than plan

- d) Material variances within CORE expenditure is as follows (- less than plan / + greater than plan):

	month	7 month
Board and staff salary costs	-17,500	-89,200
staff salaries	-12800	-63000
staff social security costs	-1500	-9,200
Staff pension costs	-2800	-16,900
Other board and staff costs	+1,700	-10,000
training and other HR	+3,300	-11,100
travel and subsistence	-1,330	-6,200
pool cars	+500	+6,100
Office running expenses	+2,100	+6,600
rent	+0	+5,400
other property costs	-2,400	-2,200
maintenance	-100	+3,100
telephone	+5,600	+4,100
Other supplies	+2,100	+2,500
IT and professional support	-1,300	-22,300
computer support	-500	-9,100
corporate governance	+1,200	-5,400
legal fees	-500	-2,400
other professional support	+500	-3,800

- e) All grant-in-aid has been drawn down as profiled.
- f) Other income is ahead of plan due to either unplanned income or income recognised ahead of plan. As a result the budgeted income for the year has been increased by £50,000 to £224,000
- g) CORE expenditure is overall behind plan. To month 7 £89,200 has been saved on board and staff costs. The estimated saving for the year, already recognised,

is £125,000. Other board cost and IT and professional support costs are behind plan and represents differences in the phasing of planned spend. Office running costs are ahead of plan due mostly to unplanned costs for temporary office accommodation.

- h) Operational plan payments are behind plan due to the slippage in timing of profiled payments. The variations, and largest components in each programme are as follows:

P1 Brand and visitor services: -£141,200: website, Rangers, Glenmore payments behind schedule, though payments will pick up from November onwards;

P2 Getting involved: +£11,700: payment of Deeside/Donside grant and VABS ahead of schedule.;

P3 Land management and conservation: -£20,000: Cairngorm Nature and land management spend behind plan;

P4 A special place: £48,900: behind plan, of which £30,000 has been released against the overall Operational plan. This is a saving on the budgeted Reporters cost on the Local Development Plan, which reported in September;

P5 Opportunities for recreation: -£98,300. £110,000 is still to be paid over to COAT (due to be paid late November). Expenditure also includes £6,400 on Scenic Routes in advance of funds still to be allocated and made available from Scottish Government in respect of enhancement work at Corgarff. The best indication is that £125,000 will be made available for payment in early 2015. The full income and expenditure has yet to be recognised in the coming 5 months projections. The Scenic Route Projects is considered further in paper 4;

P6 Sustainable development: -£23,100 spend on all profiled activities is running behind plan;

P7 Organisational development: -£24,900 no spend has yet been made on the proposed document management system;

P8 Planning: -£7,600 spend behind plan. A £10,000 saving from the planning legal budget for 7 months has been recognised.

- i) In summary, £40,000 savings from Operational Plan now recognised, reducing the outturn gap to £144,000 (£30,000 from Local Development Plan, £10,000 from Planning legal).
- j) LEADER: All claims from Scottish Government to 30 September have now been received. Only £3,500 remains to be claimed from the original support offered. This will be claimed on the quarter 3 2014/15 claim along with the final project claim.
- k) An additional provision for identified irregularities will be recognised in month 8. (This was quantified after month 7 closure. This is £2,400.)
- l) As the new LEADER programme will now start 1 April 2015, rather than 1 January, additional funding from Scottish Government is expected. The level of funding has not been indicated but if it is in line with previous support it will be

approximately £23,000. This potential additional income will not be recognised until it is confirmed by Scottish Government.

- m) The Depreciation charge to date is lower than budgeted due to the capital spend being behind plan, specifically that 2 new servers took longer to procure than originally expected.
- n) The original projections to 31 March 2015 indicated a planned overspend of £355,000. After 7 months the total of savings recognised and additional income is £211,000, leaving the over spend at £144,000. It is still the intention to finish the year as close as possible to break even and this gives continuing challenges for the remaining 5 months. However, given the success to date only 40% of the original planned overspend remains to be covered. For the remaining 5 months, and as previously indicated to the committee, all aspects of income and expenditure will continue to be closely monitored.

Daniel Ralph
27 November 2014

danielralph@cairngorms.co.uk
davidcameron@cairngorms.co.uk