

## CAIRNGORMS NATIONAL PARK AUTHORITY FINANCE & DELIVERY COMMITTEE

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### FOR DISCUSSION

**Title: FINANCE MONITORING: 9 MONTHS TO 31  
DECEMBER 2014**

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#### **Purpose**

To present a summary review of the income and expenditure, including a summary of Operational Plan expenditure, for the 9 months to 31 December 2014, together with the revised income and expenditure to 31 March 2015.

#### **Recommendations**

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

- **note the results of the 9 months period to 31 December 2014;**
- **note the analysis of the Operational Plan net expenditure by programme for the 9 months period to 31 December 2014; and,**
- **note the projected outturn for the remaining 3 months of the financial year ended 31 March 2015.**

#### **Executive Summary**

1. Annex I, which is based on the information, prepared monthly for the Management Team, summaries the financial result of the Park Authority on a monthly and cumulative year to date basis. Annex I summarises the financial position both for the month of December and for the 9 months to 31 December 2014 with a projected revised outturn, which is revised when there are material and confirmed virements.
2. The actual net spend for December was £31,678 against a projected net spend of £5,013. The difference of £26,665 is made up as follows:

Other income	-24,784
CORE expenditure	- 22,661
Operational Plan	+16,292
LEADER	+8,927
Depreciation	-678

3. The actual underspend position for the 9 months to 31 December 2014 was £160,208 as compared with a budgeted net expenditure position at this stage in the year of £158,521. The difference of £318,729 is made up as follows:

Other income	+56,028
CORE expenditure	-155,882
Operational Plan	-133,883
LEADER	+30,886
Depreciation	-3,823

4. Variances within CORE expenditure for December and the 9 months to 31 December was as follows (- less than plan/ + greater than plan):

	<b>December</b>	<b>9 months to 31 December</b>
<b>Board and staff salary costs</b>	<b>-25,586</b>	<b>-132,820</b>
board salaries and NICER	-512	-169
staff salaries (incl SSP)	-19,412	-96,727
staff NICER	-1,884	-12,476
staff pension costs	-3,778	-23,448
<b>Other board and staff costs</b>	<b>+2,768</b>	<b>-7,196</b>
board meeting and other cost	+438	-3,006
training and other HR costs	+1,611	-6,877
recruitment and relocation	-1,590	+1,876
professional subscriptions	-180	-2,250
travel and subsistence	+2,074	-3,413
pool cars	+515	+6,744
<b>Office running costs</b>	<b>+3,905</b>	<b>+10,572</b>
rent	+72	+6,100
rates	-	-
other property costs	-2,410	-7,234
utilities	+4,083	+3,358
maintenance	+630	+3,344
telephone	-838	+7,894
office stationary and equipment	+413	-4,815
postages	-618	-1,098
other supplies	+256	+2,346
library	+2,250	+587
corporate expenses	+62	+90
<b>IT and professional costs</b>	<b>-3,748</b>	<b>-26,438</b>
computer support	+295	-9,579
corporate governance	-1,616	-7,352
legal fees	+149	-4,018
audit and accountancy fees	+100	+1,600
other professional costs	-2,676	-7,089

All grant in aid has been drawn down as profiled.

5. Other income remains ahead of plan due to either additional income secured against planned activities or income recognised ahead of plan. As a result of confirmed additional income secured, the budgeted income for the year has been increased by £50,000 to £224,000.
6. Core expenditure is under budget overall. To month 9 £132,820 has been saved on board and staff costs. The estimated outturn saving for the year, already recognised is £125,000. If following review we can confirm that this additional saving can be retained to the end of the year and is not simply a phasing variation then there will be an additional contribution of up to £15,000 to further reduce the remaining over-programmed position.
7. Other board and staff costs and IT and professional costs are currently behind plan and this represents differences in the phasing of planned spend. Office running costs are ahead of plan due largely to costs for temporary office accommodation.
8. Operational Plan payments are behind plan due to the slippage in timing of profiled payments. The variations in each programme are as follows:

**P1 Brand and visitor services -£42,982**

**P2 Getting involved +£13,424**

**P3 Land management and conservation -£33,446**

**P4 A special place -£27,317**

**P5 Opportunities for recreation +£13,203**

**P6 sustainable development -£22,123**

**P7 Organisational development -£24,713**

**P8 Planning -£9,928**

9. In summary, £54,000 savings from Operational Plan are currently recognised, (£20,000 from Local Development, £30,000 from a Special Place on saved costs on Reporter Costs and £4,000 from Planning (legal)).
10. LEADER: all claims from Scottish Government to 30 September have now been received. The claim for Quarter 3 has been recognised and the full amount offered under the original support package has now been claimed. The final project claim has also been made. Provision has been made within figures presented for a number of small irregularities identified from Scottish Government audits of the LEADER programme.
11. Additional administration funding support for LEADER has been indicated from Scottish Government for the final quarter of this year, but this has yet to be formally confirmed and quantified. The level of funding, if in line previous support, will be

around £23,000 to 31 March 2015. This potential additional income will not be recognised until confirmed by Scottish Government.

### **Projected Outturn**

12. The original projections to 31 March 2015 indicated a planned overspend of £300,000 against revenue and capital expenditure (excluding depreciation covered by separate Scottish Government allocations).
13. At 31 December the planned reductions remain as last report to the Committee for the 7 month period to 31 October 2014, giving a remaining over-programmed position of £69,000. Additional savings are being identified and will be reflected in management information as soon as confirmed. As indicated in this paper, there is a potential for up to £15,000 in additional staff salary savings plus a potential £23,000 in added administration grant support for LEADER. We are also currently aware of a further £10,000 reduction in Operational Plan expenditure requirements which is likely to be confirmed reduction in budget requirement. This gives a cumulative £48,000 potential reduction to the remaining over-programmed position, which would reduce projected outturn over-spend to £21,000.
14. It is still the intention to finish the year as close as possible to breakeven and this gives continuing challenges for the remaining 3 months, both in identifying further reductions and also in managing the usual year-end peak in Operational Plan expenditure.

**Daniel Ralph**  
**30 January, 2014**

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