

CAIRNGORMS NATIONAL PARK AUTHORITY FINANCE AND DELIVERY COMMITTEE

FOR INFORMATION

Title: FINANCE MONITORING: 3 MONTHS TO 30 JUNE 2015

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Purpose

To present a summary review of the income and expenditure, including a summary of Operational Plan expenditure, for the 3 months to 30 June 2015.

Recommendations

The Finance and Delivery committee is requested to:

- a) Note the results for the 3 months period to 30 June 2015;
- b) Note the analysis of the Operational Plan net expenditure by Service and Priority for the 3 months period to 30 June 2015; and
- c) Note the analysis of CORE expenditure for the 3 months period to 30 June 2015.

Executive Summary

1. The Annexes are based on information prepared monthly for the Management Team, and summarise the financial results of the Park Authority on a monthly and cumulative year to date basis and the variances between actual and budgeted results.
 - a) Annex 1 summarises the consolidated financial position both for the month of June and for the 3 months to 30 June 2015 highlighting favourable and adverse variances on income and expenditure for CORE and net Operational Plan expenditure/income. (see also 2 below);
 - b) Annex 2 summaries Operational Plan expenditure and income by Service and by Priority for the month of June and for the 3 months to 30 June 2015. Adverse and favourable variances compared to budget are highlighted;
 - c) Annex 3 summaries detailed CORE expenditure highlighting both adverse and favourable variances compared to budget.
2. Annex 1 is a consolidated report which includes, as part of the Operational Plan, the net costs of the new LEADER program and the Tomintoul and Glenlivet Landscape Partnership Project (T&G) where the Park Authority is acting as lead partner. (see 7 and 9 below)
3. All budgeted grant-in-aid has been drawn down in line as profiled with the sponsoring department within the Scottish Government.

4. Other income is higher than budgeted by £238.
5. CORE expenditure was overall £2,672 less than budgeted. The variances against the budget lines are noted in Annex 3. The Committees attention is drawn to the following:
 - a) Board Costs: £171 (0.4%) adverse variance;
 - b) Staff Costs: £1,848 (0.2%) favourable variance due to staff losses in in period offset by seconded staff costs being 20% higher than anticipated due to the application of VAT on the supply. The favourable variance will continue in the short term until 2 vacant posts are filled. The secondment from Loch Lomond and Trossachs National Park Authority ended in June when the secondee became a member of staff;
 - c) Other Board and Staff Costs: £746 (1.6%) favourable variance due mostly to the phasing of costs. The only budget line with an adverse variance was due to the annual costs of a vehicle being booked in full in June;
 - d) Office Running Costs: £180 (0.3%) adverse variance. The variance on maintenance is due the replacement of a Velux window. (A contribution is to be made by the landlord to the cost of the window and installation.);
 - e) IT and professional fees; £789 (1.9%) favourable variance. The result for the 3 months is due to overspends on other professional costs being met by underspends on other budget lines. IT costs are anticipated to be less than budgeted for the remainder of the financial year due to a change in software licensing for the organisation.
6. Operational Plan expenditure and income (excluding LEADER and Tomintoul & Glenlivet) are summarised in Annex 3. All variations are due to the timing of spend compared to the original spend profile with the exceptions of the following material differences:
 - a) Visitor experience, Priority 2, access infrastructure: this is spend earmarked for the Scenic Route at Corgarff. The project is behind due to the delay in production of the stainless steel cowls.
 - b) Visitor experience, income: the income noted is the grant income from Sustrans and Sportscotland received post year end which had originally been accounted for in 2014/15.
7. LEADER: the only costs incurred in the 3 months are staff and administration costs, which are £4,953 less than budgeted. No claim was made to Scottish Government in the 3 months to 30 June for defrayed expenses. A claim for 100% of defrayed expenses was subsequently made in July. Under interim rules claims will now be made monthly until September when claims will revert to calendar quarters in arrears.
8. LEADER transactions are ring-fenced from CORE, Operational Plan and T&G transactions. A separate bank account designated solely for LEADER is also in use. Further transaction analysis will be included in future monitoring papers when the programme is active.
9. T&G: the only costs incurred in the 3 months are staff and administration costs. These costs, taken with partner contributions from the Park Authority (£50,000) and Chivas £5,000), means that there is a favourable variance of £4,862 at 30th June.

It should be noted that the Park Authority's contribution is included as part of Rural Development's Priority 3 expenditure. The net effect is nil for the 3 months. For year-end reporting purposes, in the 2015/16 financial statements, the transaction will be eliminated on "consolidation" of the trial balances. This will have no impact on the results for the year.

10. As with LEADER all T&G transactions are ring-fenced from CORE, Operational Plan and LEADER transactions. A separate bank account designated solely for T&G is also in use. Further transaction analysis will be included in future monitoring papers when the project is more advanced.
11. In July the Management Team undertook a comprehensive review of income and expenditure for the year due to more grant-in-aid than originally budgeted being made available. These changes will be reported to the Committee in the next monitoring paper and cover both CORE and Operational Plan expenses and capital spend, together with a revised outturn position.
12. Resource grant-in-aid is increased by £149,000 to £4,403,000 (same as 2014/15) and capital grant-in-aid has been increased by £22,000 to £55,000.
13. The main financial objective for the Park Authority is to ensure the financial outturn for the year, on a cash basis, is within the resources budget allocated by Scottish Government. It is the intention to finish the year as close as possible to a cash breakeven position. This position for 15/16 will be modified to take account of the additional cash resource and the Sustrans and Sportscotland income carried forward from 2014/15.

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29th July 2015

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