

CAIRNGORMS NATIONAL PARK AUTHORITY FINANCE COMMITTEE

FOR DECISION

Title: 2013/14 BUDGET AND OPERATIONAL PLAN

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Purpose

To seek approval of budget figures for the 2013/14 core and operational plan, prior to submission of the Authority's Operational Plan for the coming year to the Board in February 2013.

Recommendations

The Finance Committee is requested to:

- a) Endorse 2013/14 budget figures for Core and Operational Plan activities for presentation to the Board in February 2013;
- b) Endorse the 2013/14 budget figures, subject to any amendment at Committee or subsequently at Board, for use in ongoing financial management and monitoring.

Executive Summary

This paper sets out proposed budget figures for 2013/14.

The paper allows Committee members to consider the proposed overall split in finance allocation between "core" organisational running costs and Operational Plan investment. The proposed split for 2013/14 reflects the culmination of work endorsed by the Management Team and undertaken by Programme Managers in reviewing resource requirements for the forthcoming financial year.

In summary, Operational Plan investment for 2013/14 is proposed at £1.54m. This a reduction of £60k on the projected Net Operational Plan of £1.60m for 2012/13 but comes against a backdrop of an £80k reduction of Grant in Aid funding from Scottish Government and an increase of £147k in staffing resource requirements originally identified in the 2012-15 Corporate Plan.

The wider purpose of this paper to Finance Committee is to allow some detailed consideration of the Operational Plan, together with a review of the total Operational Plan budget for 2013/14 in the context of the Authority's wider budgetary considerations, prior to consideration of the Operational Plan for 2013/14 by the full Board.

2013/14 BUDGET AND OPERATIONAL PLAN - FOR DECISION

Background

1. This paper sets out proposed budget figures for 2013/14. The paper allows Committee members to consider the proposed overall split in finance allocation between “core” organisational running costs and Operational Plan investment. The paper follows a review, by Programme Managers, of the Operational Plan budgets for 2013/14 originally outlined in the 2012 -15 Corporate Plan. The purpose of this review was to reduce proposed over planning of financial resources to below £100k, this remaining over planning to be further reduced at the 2013/14 mid-year budget review.
2. The wider purpose of this paper is to allow detailed consideration of the Operational Plan, together with a review of the total Operational Plan budget for 2013/14 in the context of the Authority’s corporate priorities, prior to submission of the Operational Plan for 2013/14 to the full Board.
3. Financial year 2013/14 represents the second of the three-year Corporate Plan for 2012 to 2015, the approval of the Corporate Plan having been given by the Board in May 2012.
4. At the time of writing this paper, the Scottish Parliament has still to approve final budget figures for 2013/14 and all grant figures are therefore based on the draft budget published in November 2012.
5. Details of budget proposals for 2013/14 are set out in the Annex to this paper. The following sections of the paper go on to discuss in some detail the specific issues around income, “core” running costs and Operational Plan investment proposals.

2013/14 Income

6. The Authority’s expected cash-based income for 2013/14 comprises a resource allocation of £4.566m from Scottish Government.
7. This anticipated grant allocation compares with £4.646m from the Scottish Government in 2012/13. There is therefore a reduction in grant-in-aid support of £0.80m when compared with 2012/13.
8. In 2013/14, we are also budgeting for an estimated £0.035m in income from fees and charges.
9. Total budgeted, cash-based income for the coming year, 2013/14, is therefore £4.601m. This represents funding available to the Authority to support its on-going activities and spending plans.
10. Many of the activities led by the Authority generate financial contributions from a wide range of partners. Currently, we anticipate £0.25m of additional funding support to be received by the Authority to support projects led by the organisation’s staff.

Therefore, the Authority's total income is expected to be in the region of £4.85m for 2013/14. As these financial contributions are for specific projects only, the Park Authority's discretionary income, for budget purposes, remains as £4.6m.

11. This income focuses on activity led by the CNPA and which will be reported in our accounts on an ongoing basis. In addition to this on-going activity, the Park Authority has been provisionally awarded £1.46m in funding for non-recurring capital projects in 2013/14. These are described in a separate accompanying paper to Finance Committee and as they are project specific do not form part of this budgeting process.

2013/14 Expenditure Budget: Core Budgets

12. The 2013/14 Core Budget is drawn unchanged from the second year of the current 2012 to 2015 Corporate Plan, initially approved in May 2012. Proposed additional staffing requirements identified at that time as being necessary for the delivery of the Corporate Plan have now been included in the Core Budget.
13. No efficiency targets have been set as yet by Scottish Government for 2013/14. Core budget targets will be revisited when any such targets are set to ensure that required levels of efficiency (currently 3%) are met. Savings will be redirected to more prioritised areas of spending within the overall Core budgets outlined below.
14. A summary of core budget estimates for the 2013/14 financial year is set out in Table One.

Table One: 2013/14 Core Budget Summary

	2012/13 Projected Core Expenditure £000		2013/14 Original Corporate Plan Budget £000	2013/14 Budget Proposals £000	Change £000
Board Salaries	159		161	161	0
Staff Salaries	2,190		2,179	2,326	-147
Other Board and Staff Costs	230		202	202	0
Office Running Costs	239		241	241	0
IT and Professional Support	149		150	150	0
Total "cash" based expenditure	2,967		2,933	3,080	-147
Depreciation of fixed assets	109		78	78	0
Total expenditure	3,076		3,011	3,158	-147

2013/14 Expenditure Budget: Operational Plan

15. The Operational Plan for 2013/14 sets out the Authority's anticipated contributions to a range of activities over the course of the year.
16. Initial provision for Operational Plan investment in 2013/14 totalled £1.742m. In order to reduce the current over planning level in the 2013/14 budget to below £100k, Programme Managers have agreed reductions of £202k in the Operational Plan to £1.540m.
17. Total budget allocations at the outset of the financial year for each strand of the Operational Plan are set out in detail in Annex 2 and summarised in Table Two.

Table Two: Operational Plan Expenditure Forecasts 2013/14 compared with year 2 of 2012/15 Corporate Plan

Programme	Operational Plan 2012/13 £000	Corporate Plan 2013/14 £000	Operational Plan 2013/14 £000
1. Brand and Visitor Experience	400	425	385
2. Getting Involved	265	280	240
3. Land Management & Conservation	170	135	135
4. A Special Place	145	120	90
5. Opportunities for Recreation	119	279	240
6. Sustainable Business	185	200	170
7. Organisational Excellence	83	83	80
8. High quality Planning	235	220	200
Total Operational Plan	1,602	1,742	1,540

18. Further detail of areas of activity planned within each of these Operational Plan Programmes is set out in Annex 1 to this paper. Core costs have been allocated against programmes based on Programme Managers' initial estimates of staffing requirements. Further management will be required in this area as total staff full time equivalents (FTEs) requested equal 67 against planned staffing levels of 55. The planned staffing levels include the additional staff resource originally identified in the Corporate Plan 2012-15 but do not include a staffing allowance for the additional capital projects recently announced as funded for the Park Authority in 2013/14 by Scottish Government. Managing this staff resource issue may cause pressure to build towards pushing some activity back until 2014/15.

2013/14 Budget Summary

19. The summary budget position for 2013/14 is set out in Table Three.

Table Three: 2013/14 Budget Summary

	2012/13 Projected Outcome (£m)	2013/14 Corporate Plan (£m)	2013/14 Budget forecast (£m)
Total Income	4.687	4.601	4.601
Expenditure			
Core Budgets	3.076	3.011	3.158
Operational Plan	1.602	1.742	1.540
Total Expenditure	4.678	4.753	4.698
Net Expenditure	0.009	-0.152	-0.097

Next Steps

20. The Operational Plan will be considered at a high level by the Board at its meeting on 15 February 2013. This will provide the full Board with an opportunity to consider the overall priority of activities planned over the coming year.
21. Subject to any comment from the Finance Committee and the Board, the Head of Finance will issue the final Operational Plan and budgets for 2013/14 following the Board meeting, in order that staff may commence delivery of activities over the course of the year.
22. Finance staff will also work with colleagues to establish budget profiles for the year and determine a monitoring and review process in order that we are able to detect any slippage or alterations in expenditure intentions at as early a point in the process as possible. Budget profiles developed will be used to present future monitoring reports to Committee.

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