

**CAIRNGORMS NATIONAL PARK AUTHORITY
FINANCE COMMITTEE**

FOR DECISION

Title: 2007-08 PROPOSED BUDGET

Prepared by: Denby Pettitt, Finance Manager

Purpose

To provide Members with an update on the budget position for the 2007-08 Financial Year.

Recommendations

- That the Committee approve the proposed 2007-08 budget.

Executive Summary

- a) Grant in Aid funding from the Scottish Executive is £4.546m for the current year compared with £4.446m for 2006-07.
 - b) Salary costs have risen since 2007-08 will include a full years' impact of employees who were recruited during 2006-07. Other Core costs are budgeted to be close to last year's level.
 - c) The amount of Operational Plan spend available to meet the Authority's Corporate Plan and National Park Plan aims rises to £1,682m and we have already identified specific spending plans for this amount.
 - d) At present we're budgeting a deficit of £52,000 for the year which is manageable given the agreed over-programming of Operational Plan spend.
-

2007-08 PROPOSED BUDGET FOR DECISION

Introduction

1. The Committee received a summary of the expected Core and Operational Plan budgets for 2007-08 at its meeting in December 2006 as part of the Comprehensive Spending review paper. The Board meeting in February 2007 also agreed the Operational Plan for the current year.
2. The Authority's Resource Allocation for 2007-08 has been agreed with the Scottish Executive at £4.633 million which includes funding to meet non-cash costs such as depreciation and notional costs.
3. The amount of Grant in Aid we will receive to spend is £4.546 million.
4. The Authority incurs two main types of expenditure:
 - a) Core running costs covering administrative expenditure such as Board costs, staff salaries, office running costs and capital expenditure; and
 - b) Programme expenditure that covers expenditure on the Operational Plan that is spent in meeting Corporate Plan goals.
5. Core expenditure tends to be relatively fixed monthly expenditure whilst the amount spent on Programme expenditure can vary from month to month depending on activity being undertaken.

Summary

6. The following table summarises the budget position and further detail is shown in Annex 1 and 2:

	see para.	Proposed budget (2007-08) £'000	Draft results (2006-07) £'000
Scottish Executive Grant in Aid	2.	4,546	4,446
Planning fees, bank interest and other income		55	55
Non-cash income		87	100
Total income		4,688	4,601
Core (inc. notional costs & depreciation)	8-11.	3,058	2,846
Programme	12-14.	1,682	1,559
Total expenditure		4,740	4,405
(Deficit)/Surplus		(52)	196

7. The draft results for 2006-07 show a surplus of £196,000 at present although we are still finalising the year-end accruals which may reduce this surplus.
8. The draft outturn position is considered in more detail in Paper 4.

Core expenditure

9. Core costs, as a percentage of total spend, are shown below:

	Actual 2003-04 %	Actual 2004-05 %	Actual 2005-06 %	Draft 2006-07 %	Budget 2007-08 %
Board	12	7	6	6	5
Staff salaries	25	39	39	43	43
Other staff costs	15	9	6	5	4
Office	10	11	9	9	9
Capex	22	3	0	0	1
Notional costs	2	3	3	2	2
Core	86	72	63	65	65
Programme	14	28	37	35	35
	100	100	100	100	100

10. The table shows that the split of resources between Core and Programme activities is now relatively stable.

Staff salaries

11. The Authority has agreed a two year pay remit which ends in March 2008. The salary costs included in the budget are based on this which includes Performance Related Pay and 1.65% increases in respect of cost of living adjustments.
12. Budgeted staff costs increase in 2007-08 as a result of the combined effect of the pay award and completion of the planned staff recruitment, in line with the agreed Corporate Plan, during 2006-07 which gives a full years effect in 2007-08. Budgeted salary costs of £2.043m in 2007-08 compare with £1.950m in 2006-07.

Other Core expenditure

13. Annex 2 shows a more detailed breakdown of Core expenditure which, with the exception of salary costs, shows little change from last year's levels. As far as possible, officers seeking to control core expenditure budgets in order to maintain the funding levels within the Operational Plan.

Programme expenditure

14. Anticipated spend on the Operational Plan is as follows:

Actual	Actual	Actual	Draft	Budget
2003-04	2004-05	2005-06	2006-07	2007-08
£'000	£'000	£'000	£'000	£'000
267	944	1,575	1,559	1,682

15. For each line of the Operational Plan with a financial spend, detailed Action Plans are being drawn up which, as well as the timing of payments, has individual milestones against which progress can be monitored. These will give an early warning if the project is dropping behind schedule and a decision can be made as to whether the project will catch up or whether it should be cancelled and the available funds transferred to another area. Once these are completed the summary budget profile will be circulated to Committee members.
16. As last year, we will review the Operational Plan quarterly with the first review being scheduled for mid-July and the outcome of this will be reported back to the Finance Committee/Board in due course.

Denby Pettitt
31 May 2007

denbypettitt@ Cairngorms.co.uk

CAIRNGORMS NATIONAL PARK AUTHORITY
Finance Committee Paper 3 (Annex 1) 15/06/07

CNPA
Income & Expenditure account

	Historic				
	Actual 2003-04 £'000s	Actual 2004-05 £'000s	Actual 2005-06 £'000s	Draft 2006-07 £'000s	Budget 2007-08 £'000s
<u>Income</u>					
Grant in Aid (GIA) from SE	1,926	3,111	4,188	4,446	4,546
Other income	1	42	76	55	55
GIA to meet notional costs	3	11	11	100	87
Total income	1,927	3,164	4,275	4,601	4,688
<u>Core Expenditure</u>					
Board costs	235	238	248	251	259
Staff salaries	492	1,308	1,678	1,887	2,043
Staff (other costs)	285	312	249	199	212
Office costs	199	368	400	401	427
Capital expenditure	432	111	14	8	33
	1,643	2,337	2,589	2,746	2,974
<u>Programme Expenditure</u>	267	944	1,575	1,559	1,682
Notional costs	3	11	11	7	6
Depreciation	44	90	110	93	78
Total expenditure	1,957	3,382	4,285	4,405	4,740

CAIRNGORMS NATIONAL PARK AUTHORITY
Finance Committee Paper 2 (Annex 2) 15/06/07

CNPA					
Core expenditure					
	Historic				
	Actual 2003-04 £'000s	Actual 2004-05 £'000s	Actual 2005-06 £'000s	Draft 2006-07 £'000s	Budget 2007-08 £'000s
<u>Board costs</u>					
Board member salaries	183	188	192	193	197
Other costs	52	50	56	58	62
	235	238	248	251	259
<u>Staff salaries</u>					
Core staff	492	1,308	1,678	1,887	2,043
<u>Other staff costs</u>					
Recruitment	227	117	81	29	30
Relocation	4	70	30	16	15
Professional subscriptions	-	1	2	4	5
Training	11	55	64	79	80
Conferences & courses	-	6	6	-	-
Pool cars	8	22	27	30	37
Travel and subsistence	35	41	39	41	45
	285	312	249	199	212
<u>Office running</u>					
Standing charges	53	79	97	110	115
Utilities	10	15	10	18	20
Stationery	14	18	32	27	31
Other supplies	11	19	34	7	7
Maintenance	2	12	41	1	10
Postages	6	10	12	10	10
Telephone	13	17	23	21	20
Computer support	24	91	48	119	125
Library	2	6	10	13	15
Professional support	64	100	90	72	70
Corporate expenses	-	1	3	3	4
	199	368	400	401	427
<u>Capital expenditure</u>					
Total capex	432	111	14	8	33
Total expenditure	1,643	2,337	2,589	2,746	2,974