

CAIRNGORMS NATIONAL PARK AUTHORITY FINANCE COMMITTEE

FOR DECISION

Title: 2010/11 BUDGET AND OPERATIONAL PLAN

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Purpose

To seek approval to budget figures for the 2010/11 budget and operational plan, prior to submission of the Authority's Operational Plan for the coming year to the Board in March 2010.

Recommendations

The Finance Committee is requested to:

- a) Endorse 2010/11 budget figures for Core and Operational Plan activities for presentation to the Board in March 2010;
- b) Endorse the 2010/11 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 2010/11 in order to establish a baseline against which the Authority's finances may be monitored and controlled over the course of the year.

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 2010/11 in the context of the Authority's wider budgetary considerations, prior to consideration of the Operational Plan for 2010/11 by the full Board.

2010/11 BUDGET AND OPERATIONAL PLAN - FOR DECISION

Background

1. This paper sets out proposed budget figures for 2010/11 in order to establish a baseline against which the Authority's finances may be monitored and controlled over the course of the year.
2. The budget, and particularly the Operational Plan allocations included within it, also provides a planning baseline from which officers may begin to develop investment plans for the coming year in delivery of Corporate Plan achievements and National Park Plan Priorities for Action
3. Financial year 2010/11 represents the final year of the current three year Comprehensive Spending Review period, and also covers the final year of delivery of the Authority's current Corporate Plan for 2008 to 2011.
4. Figures presented in this paper exclude depreciation and notional costs, and also the resource allocation included in the Authority's Comprehensive Spending Review settlement to cover these non-cash costs. The focus for figures presented in the paper is therefore on the cash-based resources available to the Authority.
5. The purpose of this paper to Finance Committee is to allow some more detailed consideration of the Operational Plan itself, together with a review of the Operational Plan for 2010/11 in the context of the Authority's wider budgetary considerations, prior to consideration of the Operational Plan for 2010/11 by the full Board.

2010/11 Income

6. The Authority's expected cash-based income for 2010/11 comprises a resource allocation of some £4.790m from Scottish Government, including the £0.120m for ranger grants, for which the Authority took lead responsibility with effect from 1 April 2009. This total resource allocation figure has yet to be confirmed by Scottish Government following on from the Scottish Parliaments consideration of the national budget for 2010/11.
7. This anticipated grant allocation compares with £4.546m from the Scottish Government in both 2007/08 and 2008/09, and £4.790m in 2009/10.
8. In 2010/11, we are also budgeting for estimated £0.066m income from fees and charges. This figure has fluctuated over the years, with the budgeted income towards the top end of the range seen in previous years.
9. Total budgeted, cash-based income for the coming year, 2008/09, is therefore £4.856m. This represents funding available to the Authority to support its 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 £0.648m of additional funding support to be received by the Authority to support projects led by the organisation's staff. Therefore, the Authority's final accounts typically reflect a total turnover in the region of £5.5m to £5.6m, with £5.504m income budgeted for 2010/11.
11. This income focuses on activity led by the CNPA and which will be reported on in our accounts. There are also a wide range of partner led initiatives taking place in the National Park which are not budgeted for by the Authority but which result in further investment within the National Park.

2010/11 Expenditure Budget: Core Budgets

Efficiency Savings

12. In developing core budget estimates for 2010/11, we have worked from the 2009/10 base after adjusting for agreed efficiency savings. Our assumption is that efficiencies achieved in 2008/09 and 2009/10 will be retained into 2010/11 – as is required by Scottish Government Guidance on this matter. The specific delivery of efficiency savings in 2009/10 and plans for further efficiencies in 2010/11 will be the subject of a separate paper to the Finance Committee at a future meeting.
13. Once again, our goal for 2010/11 budgets has been to seek to identify efficiency savings from central, "core" areas of the organisation and hence seek to protect the sums available for investment in the Operational Plan and, through that, delivery of NPP priorities and our Corporate Plan achievements.
14. A summary of core budget estimates for 2009/10 financial year, after deduction of planned £90,000 efficiency savings, is set out in Table One.

Table One: 2009/10 Core Budget Summary

	2009/10 Original Budget £000	2010/11 Budget Proposals £000	Change £000
Board Salaries	208	182	-26
Staff Salaries	2,230	2,208	-22
Other Board and Staff Costs	253	233	-20
Office Running Costs	209	218	9
IT and Professional Support	131	116	-15
Total	3,031	2,957	-74

2010/11 Expenditure Budget: Operational Plan

15. The Operational Plan for 2010/11 sets out the Authority's anticipated contributions to a range of activities over the course of the year.
16. The total expenditure proposals for the Operational Plan for 2010/11 have been set this time at 100% of available budget. For the coming year we have not included an over-programme element, on the basis that programme managers are increasingly clear on their expenditure plans for the year and there is, consequently, a much higher risk of over-spending were budgets for the year over-programmed.
17. As previously advised to Committee, we are implementing a rolling two-year budget process. We aim to draw together planned 2011/12 expenditure by the end of April. This process will allow programme managers to develop investment plans over a rolling two year period. Should any slippage in expenditure arise over 2010/11, we also anticipate that there will be planned 2011/12 expenditure which may be brought forward to utilise budgets released by any slippage.
18. Total budget allocations at the outset of the financial year for each strand of the Operational Plan are set out in detail in Annex I and summarised in Table Two.

Table Two: Operational Plan Expenditure Forecasts 2010/11 compared with 2009/10 Revised Budget

	2009/10 £000	2010/11 £000
Biodiversity and Landscapes	170	177
Public Support for Land Managers	190	168
Sustainable Deer Management	12	20

	2009/10	2010/11
	£000	£000
Opportunities for Outdoor Access	295	302
Sustainable Tourism and Business	362	309
Promoting Affordable Housing	220	166
Awareness and Understanding of the National Park	438	463
Sub-total, re National Park Plan Priorities for Action	1,687	1,605
Strategy and Communications	113	116
Planning and Development Management	66	150
Corporate Services	4	28
Sub-total, corporate priorities	183	294
Total Operational Plan	1,870	1,899

19. Revised 2009/10 budget figures, which strip out the original 20% over-programming figures, are used for comparison purposes in table 2 in order, as far as possible, to compare figures on a like for like basis.
20. Overall, despite a static overall funding environment and managing inflationary cost pressures, the budget control activity and focus of efficiency savings across core areas of budget has allowed planned Operational Plan investment to increase by £0.029m (1.6%).
21. The Promoting Affordable Housing priority for action includes the activity lines in 2009/10 addressing the local plan and inquiry. Figures for 2009/10 in the above table against this priority include the budget for exceptional local plan costs incurred in the year. For 2010/11, budget provision has been included against both this priority for action to address research and consultation requirements on the Local Development Plan and National Park Plan main issues report. Increased budget provision is also made against the planning corporate priority to provide for development of supplementary planning guidance and planning gain activity.

2008/09 Budget Summary

22. The summary budget position for 2009/10 is set out in Table Three.

Table Three: 2009/10 Budget Summary

	2010/11 Budget forecast (£m)
Total Income	4.856
Expenditure	
Core Budgets	2.957
Operational Plan	1.899
Total Expenditure	4.856

Next Steps

23. The Operational Plan will be considered at a high level by the Board at its meeting on 19 March 2009.
24. Subject to any comment from the Finance Committee and the Board, the Finance Manager will issue the final Operational Plan and budgets for 2010/11 in order that staff may commence delivery of activities over the course of the year.
25. 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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