

**CAIRNGORMS NATIONAL PARK AUTHORITY
FINANCE COMMITTEE**

FOR DISCUSSION

Title: DRAFT OUTTURN FOR THE 2005-06 FINANCIAL YEAR

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Purpose

To provide Members with an update and information on the draft outturn for the Financial Year to March 31, 2006.

Recommendations-

- That the Committee note the draft outturn for the twelve months to March 31, 2006.

Executive Summary

- a) The figures set out in this paper are draft and will be subject to audit in July. Although there are still some closing account entries to be made it is not thought that the audited figures will change materially.
 - b) Total expenditure at 31 March 2006 is £4.252m compared with total available income of £4.385m: resulting in a surplus of resource available over expenditure of £0.133m, or 3% of total income.
 - c) Overall, core expenditure, covering Board expenditure, staff salaries and associated employment costs, other staff costs (recruitment, travel and training), office running costs and capital expenditure is some £23,000 (0.9%) over the forecast outturn position for the year. This is, in part, as a result of reallocating available resource over the last part of the year in order to maximise use of available funds.
 - d) Programme (Operational Plan) expenditure, amounts to £1.543m at 31 March 2006 against a forecast outturn of £1.631m, some £88,000 below the projected level. While the year-end figure remains below the budget target, we suggest the year end figure is a significant achievement given that only £0.49m or 30% of the programme budget had been committed by the end of December 2005.
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OUTTURN FOR THE NINE MONTHS TO DECEMBER 2005 AND FORECAST OUTTURN FOR THE FULL FINANCIAL YEAR – FOR DISCUSSION

Overview

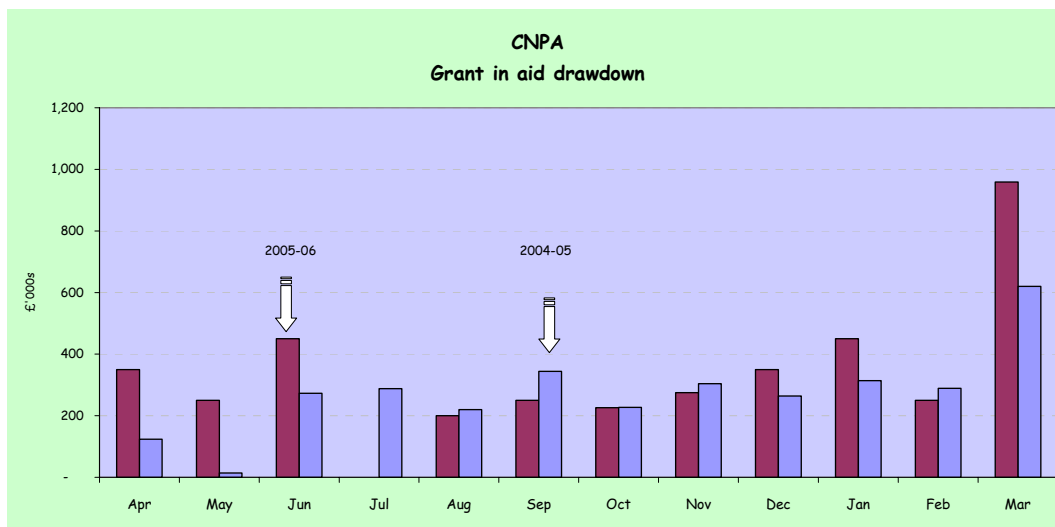
- As advised in previous reports to the Committee, and set out in the Corporate Plan for 2005 to 2008, the Authority's total resource allocation from the Scottish Executive for 2005-06 was £4.3m. The table below summarises the conversion of this resource allocation into Grant in Aid (GIA) available to finance the Authority's activities for the year.

	£'000
Initial Resource Allocation	4,300
<u>Non cash items to be met from this</u>	
- depreciation	(115)
- notional costs	(12)
Initial Grant in Aid availability	4,173
<u>Changes to 2005-06 cash availability</u>	
End Year Flexibility receipts	115
Transfer to Scottish Executive Centrally Unallocated Provision (CUP)	(100)
Total Cash Available in 2005/06	4,188
Grant required to fund 2004/05 creditors paid in 2005/06	(178)
Cash available to fund 2005/06 activities	4,010

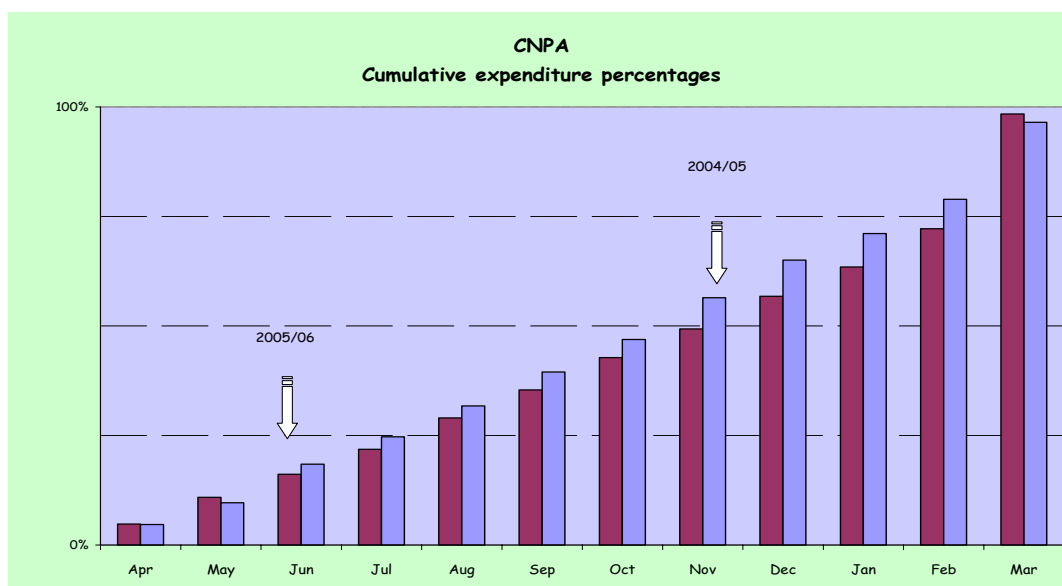
- The Authority's available cash for 2005-06 was £4.01m. This figure formed the key element of our ongoing financial monitoring, with the objective of maximising our use of this cash resource in delivery of the Authority's plans.

Grant in Aid Drawdown from Scottish Executive

3. The graph below summarises the monthly GIA drawdowns for the last two financial years, with 2005-06 on the left and 2004-05 grant on the right of each month's columns. This provides a broad overview of the Authority's expenditure pattern over the course of these two years.



4. We drew down £959,000 of GIA in March and our bank balance at the end of the year stands at £29,000. Drawing this amount of money down in March meant that we drew-down the full amount of GIA due to us for the year.
5. The chart below shows the cumulative expenditure over the course of the year as a percentage of the total GIA available. This indicates that cumulative expenditure was behind the pattern found in 2004-05 for most of the year until the last month when completion of a number of high value items brought total expenditure to £4,130,000.



6. Expenditure in 2005-06, excluding non-cash items, comes to 98% of total grant availability compared to 97% in 2004-05.

Income and Expenditure Account

7. Expenditure at 31 March 2006 totals £4.252m compared with total available income of £4.385m: resulting in a surplus of resource available over expenditure of £0.133m, or 3% of total income. These figures remain subject to final confirmation as we prepare draft financial statements for 2005/06 for external audit.
8. Total expenditure in the year of £4.25m is only £70,000 below the forecast outturn presented in February. Some slippage against the forecast total of £4.32m was required prior to the end of the year in order to avoid a potential overspend in excess of £100,000 if all expenditure plans were realised by 31 March.
9. Additional detail on the position of income and expenditure over the year to 31 March 2006 is summarised in Annex 1 to this paper. Main items to highlight to the Committee on the position for Core and Operational Plan expenditure are set out in the following sections.

Core Expenditure

10. Overall, core expenditure, covering Board expenditure, staff salaries and associated employment costs, other staff costs (recruitment, travel and training), office running costs and capital expenditure is some £23,000 (0.9%) over the forecast outturn position for the year presented to the Committee at its meeting in February.
11. Both staff salaries and Board costs were in line with the forecast outturn position presented to the Committee in February.
12. Other staff costs, which covers expenditure on recruitment, relocation, training, staff travel and subsistence, exceeded the outturn forecast by some £23,000. Office costs also exceeded the outturn forecast by £33,000. As reported to Committee at its previous meeting, Corporate Services staff were seeking to maximise use of available resources in the year and consequently staff training in particular was allocated additional budget in the last quarter of the year from anticipated underspends elsewhere. Some additional costs were also incurred in progressing recruitment of posts considered by the Committee in December 2005 and incorporated into budget proposals for 2006/07.
13. Capital expenditure has fallen below outturn forecasts primarily as a result of an anticipated payment on building refurbishments not being made by the end of the year. We also delayed investment in replacement pool cars pending review of the most appropriate type of replacement vehicle, in keeping both with the organisation's transport and also in line with the Greening Policy approved by the

Board in March. Capital grants had been drawn-down by the Authority and we are seeking to retain these funds for use in 2006/07.

Programme Expenditure

14. Programme (Operational Plan) expenditure, amounts to £1.543m at 31 March 2006 against a forecast outturn of £1.631m, some £88,000 below the projected level. While the year-end figure remains below the budget target, we suggest the year end figure is a significant achievement given that only £0.49m or 30% of the programme budget had been committed by the end of December 2005.

Next Steps

15. As indicated previously, we are now developing the Authority's financial accounts for the year to 31 March 2006. This process may identify some additional expenditure made after 31 March which relates to 2005/06 activity and which should be accrued in the Authority's accounts. Figures reported here may therefore change slightly, although the level of accruals is not expected to be significant.
16. A timetable for the external audit process has been developed with Audit Scotland and agreed by the Board's Audit Committee. We are due to submit draft accounts to Audit Scotland by 30 June, and will report on progress to the Finance Committee at its next meeting, in July 2006.

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May 2006

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