

**CAIRNGORMS NATIONAL PARK AUTHORITY
FINANCE COMMITTEE**

FOR DECISION

Title: 2009/10 BUDGET AND OPERATIONAL PLAN

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Purpose

To seek approval to final budget figures for the 2009/10 budget and operational plan, on which future finance monitoring will be based.

Recommendations

The Finance Committee is requested to:

- a) Endorse 2009/10 budget figures for Core and Operational Plan activities for use in ongoing financial management and monitoring.

Executive Summary

This paper now sets out proposed final budget figures for 2009/10 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 itself, together with a review of the Operational Plan for 2009/10 in the context of the Authority's wider budgetary considerations, prior to consideration of the Operational Plan for 2009/10 by the full Board.

2009/10 BUDGET AND OPERATIONAL PLAN - FOR DECISION

Background

1. This paper sets out final budget figures for 2009/10 in order to establish a baseline against which the Authority's finances may be monitored and controlled over the course of the year.
2. Financial year 2009/10 represents the second year of the current three year Comprehensive Spending Review period, and also covers the second year of delivery of the Authority's Corporate Plan for 2008 to 2011.
3. 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.
4. 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 2009/10 in the context of the Authority's wider budgetary considerations, prior to consideration of the Operational Plan for 2009/10 by the full Board.

2009/10 Income

5. The Authority's expected cash-based income for 2009/10 comprises a resource allocation of some £4.670m from Scottish Government, together with an expected increase to that figure of £0.130m in respect of ranger grants which the Authority will take responsibility for with effect from 1 April 2009.
6. This compares with £4.546m from the Scottish Government in both 2007/08 and 2008/09.

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7. In 2009/10, we are also budgeting for estimated £0.067m income from fees and charges.
8. Total budgeted, cash-based income for the coming year, 2008/09, is therefore £4.867m. This represents funding available to the Authority to support its activities and spending plans.
9. Many of the activities led by the Authority generate financial contributions from a wide range of partners. Currently, we anticipate around £0.7m 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.

2009/10 Budget: Core Budgets

10. In developing core budget estimates for 2009/10, we have worked from the 2008/09 base after adjusting for agreed efficiency savings adopted in 2008/09. This means that budget figures set for 2009/10 assume that efficiencies achieved in 2008/09 will be retained into 2009/10. The delivery of efficiency savings in 2008/09 and plans for further efficiencies in 2009/10 is the subject of a separate paper to the Finance Committee.
11. 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

	2008/09 Final Budget Figure £000	2009/10 Budget £000	Change £000
Board Salaries	204	208	4
Staff Salaries	2,055	2,230	175

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Other Board and Staff Costs	267	253	-14
Office Running Costs	220	209	-11
IT and Professional Support	154	131	-23
Capital Expenditure	33	33	0
Total	2,933	3,064	131

2008/09 Budget: Operational Plan

12. The Operational Plan for 2009/10 sets out the Authority's anticipated contributions to a range of activities over the course of the year.

13. The total expenditure proposals for the Operational Plan for 2008/09 have been over-programmed by 20% in line with previously agreed practice. Total budget allocations at the outset of the financial year for each strand of the Operational Plan are set out in detail in Annex 1 and summarised in Table Two.

Table Two: Operational Plan Expenditure Forecasts 2009/10 (inclusive of 20% budgeted over-programming)

	£000
Biodiversity and Landscapes	172
Public Support for Land Managers	244
Sustainable Deer Management	32
Opportunities for Outdoor Access	347
Sustainable Tourism and Business	433
Promoting Affordable Housing	133
Awareness and Understanding of the National Park	569
Sub-total, re National Park Plan Priorities for Action	1,930
Strategy and Communications	133

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Planning and Development Management	36
Corporate Services	65
Sub-total, corporate priorities	234
Total Operational Plan	2,164

14. The 20% over-programming built into the Operational Plan budgets at the outset of the financial year results in provision for expenditure of some £0.361m more than can be afforded on the basis of anticipated income. This practice makes allowances for the trends seen in previous years for slippage in expenditure plans for a wide variety of reasons, including difficulty in assembling multi-partner funding packages, unavoidable delays in project delivery timetables, and changing direction of delivery to achieve agreed outcomes.

15. Project managers may seek to retain the full level of planned expenditure if they are able to secure additional third party income to support activities.

16. For expenditure monitoring purposes, the final net expenditure outturn target for the Operational Plan of £1.803m will be adopted. This excludes the over-programming amount currently built into expenditure projections.

17. The level of investment in operational plan activities has been increased for 2009/10 by a total of 11.6% (£0.187m increase on the original 2008/09 Operational Plan allocation of £1.616m reported to Finance Committee in May 2008). Much of this is accounted for by the addition of funds for grant support of Ranger Services. However, even after adjusting for this step-change, management of core costs and implementation of efficiency savings measures has allowed a like-for-like increase of 3.5% in Operational Plan investment for 2009/10.

2008/09 Budget Summary

18. When Core budgets (totalling £3.064m in line with Table 1) and current Operational Plan expenditure plans (totalling £2.164m in line with Table 2) are

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combined, current expenditure plans to be funded from the Authority's resources amount to £5.228m. This is some £0.361m above anticipated income available to the Authority, and equates to the 20% over-programming built into the Operational Plan at the outset of the year to allow for slippage in development and implementation of activities.

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

Table Three: 2009/10 Budget Summary

	2009/10 Budget forecast (£m)	2009/10 Budget forecast (£m)
Total Income		4.867
Expenditure		
Core Budgets		3.064
Operational Plan	2.164	
less current Operational Plan over-programming	-0.361	
Operational Plan out-turn target		1.803
Total Expenditure		4.867

Next Steps

20. The Operational Plan will be considered at a high level by the Board at its meeting on 20 March 2009 following the Finance Committee.
21. Subject to any comment from the Finance Committee and the Board, the Finance Manager will issue the final Operational Plan and budgets for 2009/10 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

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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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