

**CAIRNGORMS NATIONAL PARK AUTHORITY
FINANCE COMMITTEE**

Title: OUTTURN 2003/04 AND BUDGETS 2004/05

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Purpose

To provide Members with information on the outturn for the financial year 2003/04 and the budgets for 2004/05.

Recommendations

- That the Committee note the outturn for 2003/04.
- That the Committee approve the detailed budget for 2004/05

Executive Summary

The Scottish Executive wrote in July agreeing the figure of £2million for the financial year 2003-04. You will see from the figures at Annex 1 that we have operated within our allocated resources for the year and show an outturn figure of £1.994 million, which represents a slight underspend of £6K (0.3%). The set up and running costs in the first year of any organisation are difficult to predict and this has been no exception.

We have been allocated a figure of £3.55 million for the financial year 2004/05. The budget has been prepared on this figure and details are shown at Annex 1. Staff salaries account for 39% of total spend, running costs are 65% of total spend with the balance of 35% of total spend on programme expenditure.

OUTTURN 2003/04 AND BUDGETS 2004/05

Outturn 2003/04

Discussion

1. The Park Authority's original budget of £2.006 million (see Annex 1), approved by the Board on 23 May 2003, was prepared prior to a formal announcement by the Scottish Executive on the level of grant-in-aid for 2003-04. The Scottish Executive wrote in July 2003 confirming the agreed grant-in-aid allocation of £2 million for the financial year 2003-04. The outturn for 2003/04 is £1.994 million and details are shown in the table at Annex 1. The final figure represents a slight underspend of £6K or 0.3% of total allocation for the year.
2. Spend during the first year was directed towards staff salaries, recruitment, corporate ID, website and the new computer and telephone systems. The refurbishment works carried out at Grantown and Ballater proved more expensive than was originally estimated due to additional work required to meet fire and safety regulations. Staff costs are slightly under what was predicted and due mainly to slippage in the recruitment campaign. Contributions to projects were less than anticipated at £126K. Details of the outturn are set out in Annex 1.
3. **Staff salaries**, including Board and Committee costs, showed a slight decrease from the original budget. Staff salaries decreased as a result of slippage in the recruitment campaign and start dates for new staff. Board and Committee costs show a decrease due to a lower than expected spend on members' travel and subsistence and training costs.
4. **Other Staff Costs** increased as a result of contracting out the recruitment process of the senior and middle management teams and higher than expected advertising costs. Staff travel and subsistence costs have increased to take account of additional travel costs related to the Park Authority's statutory planning and other functions. In recognition of the increased official travel needs by staff, additional pool cars were acquired based at Grantown and Ballater.
5. **Accommodation costs** show an increase overall due to the additional costs for refurbishment works carried out at Grantown and Ballater. The original budget for the work at Grantown was £117K (excluding VAT) but the final cost takes account for unexpected additional works to meet fire and safety regulations. The office at Ballater had not been identified at the time the original budget was prepared and has added a further £35K.
6. **Corporate identity** costs show significant savings. Prudent use of contracting the services of a project manager resulted in considerable savings in both cost and staff time.
7. **Programme expenditure** provision was set at £282K in the original budget, which included an amount of £98K for commitments inherited from the Cairngorm Partnership. The final costs are £126K, which reflects some of the difficulties experienced in lead-time and staff availability. A number of projects have also been reprogrammed for 2004-05.

Budgets 2004/05
Discussion

8. The Park Authority has been allocated a total of £3.55 million for the financial year 2004/05 and is slightly less than was included in the Corporate Plan budget (£3.84m). As a consequence some adjustments have been made to spend across the entire budget. It is not possible to make savings in some of the running costs figures such as staff and Board salary costs, utility and some services costs. The figures for the budget, shown in Annex 1, reflect prudent assumptions for spend over the forthcoming year. Some adjustments have also been made to programme expenditure to reflect the reduced allocation from the Scottish Executive.
9. **Staff Salaries** account for some 39% of total provision and reflects the proposed recruitment of additional staff throughout the year. Board members salaries have increased by 2% in accordance with guidance from Scottish Ministers.
10. **Other Staff Costs** show an allowance of £90K to cover the recruitment and relocation costs of additional staff throughout the year. With the increase in staff numbers a more realistic sum has been allocated for the provision of training and development for staff.
11. **Accommodation** costs for rates/refuse/water have increased this year as a result of the revaluation by the relevant Councils of the premises at Grantown and Ballater. An allowance of £50K has been made to cover the cost of the final refurbishment works to outbuildings to the rear of 16 The Square, Grantown. The telephone systems and computer systems have been fully upgraded and a smaller sum of £15K has been budgeted for minor additions to the current systems.
12. **Support Services** include increased costs in relation to audit and legal services. This reflects the recent appointment of internal auditors and legal advisers and expected expenditure based on competitive bids for this work.
13. **Programme Expenditure** as a result of the reduction in the total amount allocated by the Scottish Executive, some adjustments have been made to proposed spend under this category. The reductions made should not have a significant impact on projects but careful monitoring will be carried out over the year in case further adjustments are required.

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