

CAIRNGORMS NATIONAL PARK AUTHORITY FINANCE AND DELIVERY COMMITTEE

FOR DISCUSSION

**Title: FINANCE MONITORING: 6 MONTHS TO
30 SEPTEMBER 2016**

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Purpose

To present a summary review of income and expenditure for the 6 months to 30 September May 2016 to the Finance and Delivery Committee.

Recommendations

The Finance and Delivery Committee is requested to:

- a) Note the results of the 6 months period to 30 September 2016;**
- b) Note the position on projects.**

Executive Summary

1. The main report to the Committee is contained in Annex I
2. Annex I shows the 3 main components of the Corporate Plan - Core and Operational Plan and 2 projects, LEADER and the Tomintoul & Glenlivet Landscape Partnership – as well as a consolidated position which will be the basis for the preparation of the Park Authority’s annual accounts.
3. Annex 2 is a month by month summary of the financial information in Annex I for other income, wages and salaries and operating costs generally.
4. As the financial year progresses further information will be given to back up the flag positions, to indicate either stress points or where milestones in performance have been achieved. Changes (vires) to the original budget agreed by the Board on 11 March 2016 will also be brought to the Committee’s attention.
5. Annex 3 is the analysis of the Operational Plan by “theme”, showing both expenditure and income. The summary information now includes committed spend, where documentation is in place to recognise that expenditure has been committed/contracted.

6. Annex 4 is a high level summary of the main components of “other board and staff costs”, “facilities costs” and “IT and professional costs”.

Overview

7. The financial position for the 6 months to 30 September is as expected with no stress flags showing on the high level information – Annex 1. There is some indication of inadequate budgets for some of the costs in Annex 4 which will be resolved by vires within the relevant cost heading.

Other Income and Operational Plan

8. At 30 September £400 (1 invoice) was outstanding on all invoices for share of planning fees or recoveries. Payment was made against this invoice on 7 October.
9. Income is attributed to the Operational Plan when it is matched funding, a recovery of operational plan expenditure, or directly linked to a Theme, e.g. contributions to planning fees and is noted in Annex 3.

Board and staff costs

10. Staff costs incurred for the six months are within plan for the year.

Operational plan

11. Annex 3 summarises the expenditure and income per Theme within the Operational Plan and now shows commitments.
12. Actual expenditure incurred and commitments recorded to date for Conservation, Visitor Experience, Planning and Rural Development are in line with expectations for the 6 months, with the first major round of payments due to be made in October – ranger grants and business plan payments to COAT totalling £146,600.
13. Conservation and land management: 45% of budget spent and committed. Income received is from recoveries from attendees on land management courses.
14. Visitor experience: ignoring funding received 84% of budget is spent of committed at 30 September. Income received is from Sustrans against work on Speyside way and from Spirit of 2014 to promote physical activity in the Park.
15. Planning: 38% spent committed though Annex 3 this excludes amounts expected to be billed on from Loch Lomond and Trossachs for maintenance and running of planning systems. Adjusting for this means that 55% of budget is either spent of committed at half year.
16. Rural Development: 95% of budget for year spent of committed.
17. Communications: 25% of budget spent or committed. Income represents matched funding from Bord na Gaidhlig for promoting the Gaelic language.

Projects

LEADER

18. Payment in full has now been received against all claims for administration costs made in the year to 31 March 2016 and for the quarter ended 30 June in 16/17.
19. Recoveries for LEADER administration costs will be claimed at a 100% rate for quarters 2 and 3, with the rate for quarter 4 being decided by the end of the financial year. The basis of the claims remains unchanged: quarterly in arrears on defrayed costs.
20. The first round of awards for LEADER funding has been considered and the first payments are expected in late quarter 3, early quarter 4, 16/17.
21. Payments from the Small Grants Programme, administered by the LEADER team on behalf of the Cairngorms LAG, now total, £13,151 or 66% of the original funds.

Tomintoul & Glenlivet Landscape Partnership

22. The final development phase grant was made to 17 July and has been received in full.
23. Costs incurred in the period from the closure of the Development Phase, not covered by HLF grants and the Delivery Phase are being covered by specific provisions from CNPA budgets. The costs to date are £3,052 which represents 2 months support officer's costs and bank charges.
24. HLF have now agreed funds of up to £2,338,000 being £65% of budgeted costs for the Delivery Phase of the project.
25. A separate report on the Landscape Partnership will be delivered as paper 2.

CORE costs

26. Other board and staff costs: overall on plan whilst some cost lines at half year are showing a red flag. For instance, pool cars are shown as a Red flag but this is due to costs for the whole year being recognised against 50% of the annual budget.
27. Facilities cost: same as point 26. Rent costs show a red flag but include 2 months prepaid at half year, due to the billing cycles from landlords. Timing differences from billing cycles will be washed through by the end of the financial year when either prepayments or accruals will be recognised to ensure that 12 months costs are captured. Specific stress points are on water rates where a new provider is being used and monthly billing has been on the basis of estimated readings. Additional, unbudgeted costs have been incurred on maintaining and servicing the bio-mass boiler. The service contract has recently been put out to tender. A vire will be required for both costs headings for the remaining 6 months and will come from cost lines where underspends can be anticipated.

28. IT and professional costs: overall on plan.

Grant-in-Aid

29. All Grant in Aid has been received as originally profiled.
30. All of the capital element of the grant-in-aid for the year has now been drawn down. £27,400 of the spend to September was for laptops and desktop computers as part of the rolling replacement of ICT, and enhanced software. The remaining spend will include additional desktop computers as part of the rolling replacement programme and new “filters” for the server, and additional wireless access points which can also be used in the new extension.
31. Additional grant-in-aid has been agreed with the sponsoring Department to cover additional costs on the Scenic Route project (£10,000) and an engineering survey for a bridge over the Spey at An Camas Mor (£20,000). This is due to be received in first quarter 2017.

Other

32. The Sage 200 accounting system has received its first major upgrade since implemented. The upgrade was also timed for the introduction of new computer and software across finance. Finance are now the only users of Windows 10 and Office 2013.
33. The Sage upgrade is a major upgrade designed to increase in processing speed, better functionality and better integration with Excel. It also comes with a sales ledger function, which will be adopted on updating, and an asset register module.

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