

**CAIRNGORMS NATIONAL PARK AUTHORITY
FINANCE COMMITTEE**

FOR DISCUSSION

**Title: OUTTURN FOR THE TEN MONTHS
 TO JANUARY 2008**

Prepared by: Denby Pettitt, Finance Manager

Purpose

To provide Members with an update and information on the outturn for the ten months to January 31, 2008.

Recommendations

That the Committee:

- a) note the draft outturn for the five months to January 31, 2008.

Executive Summary

- a) Annex 1 shows the Income and Expenditure account for the ten months to the end of January. A commentary is also included on each line.
 - b) At the end of January we were underspent by £431,000 against budget. Of this £343,000 related to the Operational Plan (28% under budget) and £88,000 to Core and non-cash costs (3% under budget)
 - c) The Q3 Operational Plan Review has been performed which indicated that Operational Plan spending for the year would be £1.7m and at this level we are forecasting a deficit of £5,000.
 - d) As part of the year end management process, we are identifying projects that are planned for 2008/09 to which we could legitimately contribute monies this year if the need arises in order that we use all our Resource Allocation.
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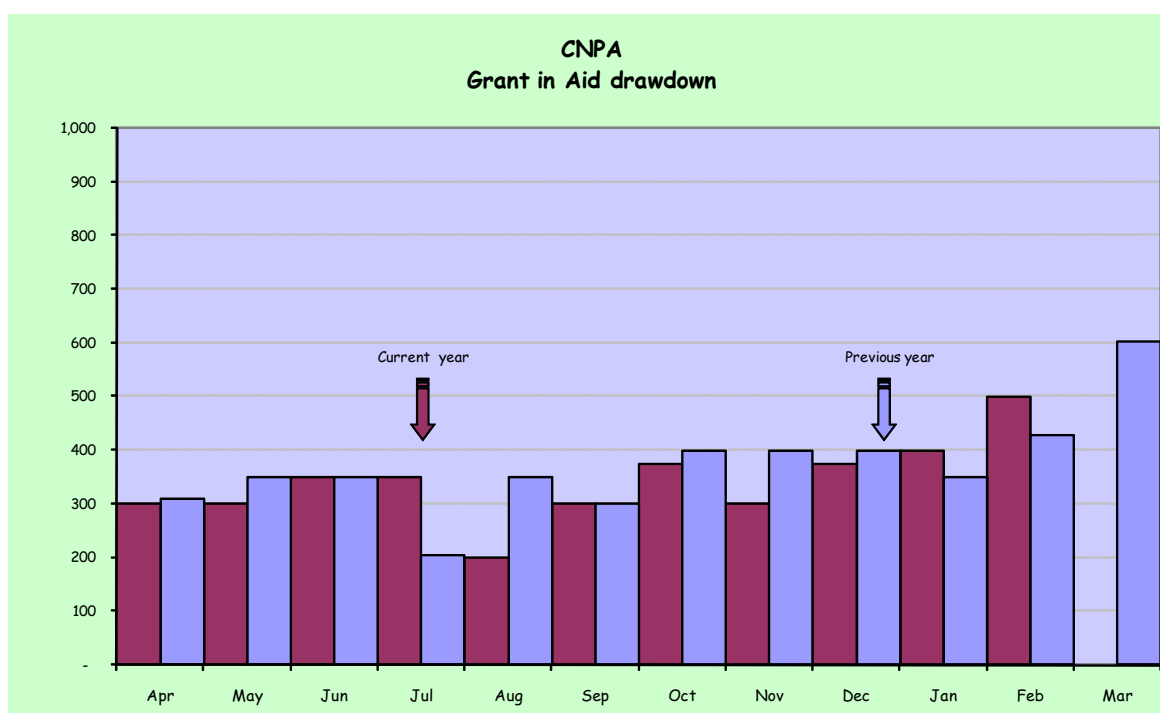
OUTTURN FOR THE TEN MONTHS TO JANUARY 2008 FOR DISCUSSION

Overview

1. Annex 1 includes the latest Income and Expenditure account together with commentary on each line which focuses on actual income or expenditure against budget.
2. Annex 2 shows how the Authority is performing against agreed financial targets which are reported to the Board quarterly in the Balanced Scorecard Summary.

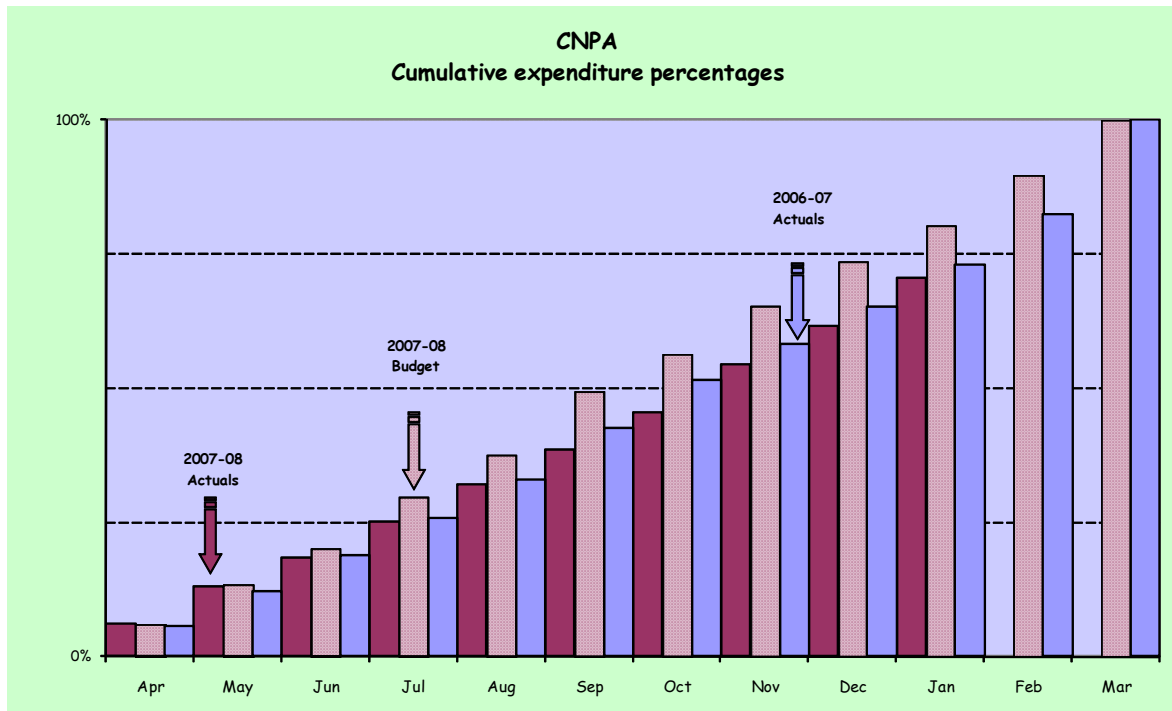
Grant in Aid drawdown and expenditure patterns

3. The chart below summarises the monthly GIA drawdowns for the last two financial years, with 2007-08 on the left and 2006-07 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. The above chart shows that the profile of monthly grant drawdowns to date is essentially the same as last year.

5. The chart below shows the cumulative expenditure over the course of the year compared with budget and last year's expenditure profile.



6. At the end of January have spent 71% of our yearly spend compared with 73% for the same period last year.

Q3 Operational Plan Review

7. The Q3 Operational Plan Review with Heads of Group was conducted in mid-December and has been agreed by Management Team.
8. These meetings focus on progress made in the Operational Plan in respect of both financial and non-financial milestones together with identifying and future resource requirements that may not have been included in the initial Operational Plan.
9. The outcome of this meeting was that we have firm plans to spend £1,677,000 on Operational Plan activities by the end of March 2008 which is very close to the initial budget of £1,682,000.

10. Taking account of the above, we are forecasting a deficit for the year of £5,000. As in previous years, the run up to the year end requires careful management of expenditure in order to maximise our use of our annual Resource Allocation from the Scottish Government. Inevitably, some expenditure plans slip even at this late stage, two points to make on this:
- i. grant schemes are more committed than they have been in previous years which gives us comfort that they will not contribute significantly to an underspend; and
 - ii. we are identifying projects that are planned for 2008/09 to which we could legitimately contribute monies this year if the need arises. As well as maximising spend in the current year this also benefits next year by reducing the demand on limited resources.

Denby Pettitt
11 February 2008

denbypettitt@cairngorms.co.uk

CAIRNGORMS NATIONAL PARK AUTHORITY
Finance Committee Paper 3 Annex 1 21/09/07

| CNPA | | | | | | | | |
|--|--|---|----------------------------|--------------------|-----------------------------|----------------------------|--------------------------|------------------------------|
| Income & Expenditure account (January 2008) | | | | | | | | |
| | | Year to date | | | Full year | | | Full year |
| | Notes | Actual £'000s | Latest budget £'000s | Variance £'000s | Initial budget £'000s | Latest budget £'000s | Activity to date % | Latest forecast £'000s |
| Income | | | | | | | | (see below) |
| Grant in aid from SE | (a) | 3,250 | 3,490 | (240) | 4,546 | 4,546 | 71% | 4,546 |
| Other income | (b) | 12 | 53 | (41) | 55 | 55 | 22% | 85 |
| Non-cash transactions | (c) | 68 | 70 | (2) | 87 | 84 | 81% | 84 |
| Total income | - | 3,330 | 3,613 | (283) | 4,688 | 4,685 | 71% | 4,715 |
| Core Expenditure | | | | | | | | |
| Board costs | (d) | 222 | 216 | (6) | 259 | 259 | 86% | 259 |
| Staff salaries | (e) | 1,655 | 1,694 | 39 | 2,043 | 2,018 | 82% | 2,028 |
| Staff (other costs) | (f) | 160 | 175 | 15 | 212 | 212 | 75% | 212 |
| Office costs | (g) | 329 | 356 | 27 | 427 | 427 | 77% | 427 |
| Capital expenditure | (h) | 16 | 27 | 11 | 33 | 33 | 48% | 33 |
| | - | 2,382 | 2,468 | 86 | 2,974 | 2,949 | 81% | 2,959 |
| Programme Expenditure | | | | | | | | |
| Projects - managed by CNP | - | - | - | - | - | - | - | - |
| Park objectives | - | - | - | - | - | - | - | - |
| | (i) | 887 | 1,230 | 343 | 1,682 | 1,740 | 51% | 1,677 |
| Cash Expenditure | - | 3,269 | 3,698 | 429 | 4,656 | 4,689 | 70% | 4,636 |
| Depreciation | (j) | 63 | 65 | 2 | 78 | 78 | 81% | 78 |
| Notional costs | (j) | 5 | 5 | - | 6 | 6 | 83% | 6 |
| Total Expenditure | - | 3,337 | 3,768 | 431 | 4,740 | 4,773 | 70% | 4,720 |
| Surplus/(Deficit) | Even activity through year leads to following proportion | | | | | | 83% | (5) |
| Notes: | | | | | | | | |
| Initial budget | This was presented to the Finance Committee at their meeting on June 15. | | | | | | | |
| Latest budget | Approved by Finance Committee at its meeting in November 2007. | | | | | | | |
| Latest forecast | Changes from latest budget include: | | | | | | | |
| | (b) | Planning fee invoices raised totalling £70,000; bank interest £15,000 | | | | | | |
| | (e) | Additional £9,500 re cover for Communications Group to March | | | | | | |
| | (i) | Operational Plan reflects Q3 review | | | | | | |

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| (a) | The Grant in Aid income is slightly behind budget reflecting lower than expected expenditure, see below, although the drawdown for February which is not included in the above figures is £500,000 | |
| (b) | Planning fees have been invoiced and expect receipt of cash in February. | |
| (c) | Nothing to report. | |
| (d) | Nothing to report. | |
| (e) | Staff salaries continue to run slightly behind budget (2.3%). | |
| (f) | Main reason for lower spend is training costs are £51,000 compared with budget of £67,000 but invoicing on these tends to be lumpy. | |
| (g) | Energy costs are higher than budget but there has been a significant reduction in the cost of the mapping licence under the Pan Government Arrangement which cost £17,000 this year compared with £51,000 last year. | |
| (h) | Nothing to report. | |
| (i) | As usual at this stage in the financial year, Operational Plan spend is behind budget but the Q2 Operational Plan review gives us confidence that, as in previous years, year end spend will be in line with budget. The latest forecast has been increased to reflect the outcome of the review. | |
| (j) | Nothing to report. | |
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| CNPA | | | | | | | | |
|---|--|-----|--------|--------|--------|--------|-----------------------------|-----------------------------|
| Balanced Scorecard Performance Measures - Finance | | | | | | | | |
| | Performance measure | | Status | | | | Performance tolerance | |
| | | | Jan-08 | Dec-07 | Sep-07 | Jun-07 | Green | Amber |
| Current year | Income in line with budget | (a) | | Green | Green | Green | ± 1% | ± 2% |
| | Core expr. in line with budget | (b) | | Red | Red | Amber | within +1% and -2% | within +2% and -3% |
| | Operational Plan expr. in line with budget | (c) | | Red | Red | Red | within +1% and -2% | within +2% and -3% |
| Next year | Income in line or above forecast | | Green | Green | N/A | N/A | over 100% | over 97% |
| | Operational Plan commitments in line with agreed control level | | Green | Green | Green | Green | ≤ 30% current year's budget | ≤ 31% current year's budget |
| Notes | | | | | | | | |
| (a) Income £3.25; budget £3.49m (93%) | | | | | | | | |
| (b) Expenditure £2.38m; budget £2.47m (96%) | | | | | | | | |
| (c) Expenditure £887k; budget £1,230k (72%) | | | | | | | | |