

# CAIRNGORMS NATIONAL PARK AUTHORITY

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## FOR DECISION

**Title:** **2020/21 BUDGET AND OPERATIONAL PLAN REVIEW**

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### Purpose

This paper presents a second review of the Authority's financial position for 2020/21 in light of the impacts of COVID19 affecting the Authority since commencement of the financial year, following the first such review considered by the Board at its meeting of 12 June.

The paper follows consideration of these matters by the Finance and Delivery Committee at its meeting of 13 November 2020.

### Recommendations

#### The Board is requested to:

- a) Consider the financial position of the Authority presented;
- b) Agree allocation of available £40,000 to support visitor management and information infrastructure investment in support of the 2021 visitor management season;
- c) Agree that no further financial reallocations are appropriate at this point based on the financial monitoring position;
- d) Agree the principle of utilising funds which may become available nearer the end of the financial year to support a further round of Green Recovery Grants working with the Cairngorms Trust.

### Summary of Finance and Delivery Committee Considerations

- I. The Authority's financial position at the end of the seven month period to 31 October was presented to the Finance and Delivery Committee at its meeting on 13 November 2020.

<https://cairngorms.co.uk/resource/docs/boardpapers/13112020/201113FinCtteePaperIAAFinanceMonitoringCover.pdf>

<https://cairngorms.co.uk/resource/docs/boardpapers/13112020/201113FinCtteePaperIAAnexI.pdf>

2. The summary position considered by the Committee at that meeting was:
  - a) Total income remains broadly on budget.

- b) There are no exceptional net costs or liabilities posed at present by the Authority's leading or accountable body role for significant externally funded projects. All project expenditure is covered by received or anticipated project income.
- c) Salaries and Board fees are on budget: a small overspend of £8,000 on a total budget for the period of £2.056 million (less than 0.4% variation) indicating that vacancy savings and wider action in staff management by the management team continue to achieve the levels of vacancy savings achieved when the budget was originally approved by the Board in March 2020.
- d) Having made some reductions to core running costs budgets in June reflecting downturns in activity as a consequence of COVID19 restrictions, the overall position is a relatively balanced position with a current net underspend of £38,000 on core running cost budgets. However, an element of this position relates to phasing rather than budget savings, with activities such as the internal audit programme getting underway later in the year than anticipated.
- e) The operational plan investment programme highlighted a financial position with a considerable proportion of planned investments committed but yet to be made. This is a fairly typical phasing of financial activity across the Authority's annual operational plans, with the majority of expenditure typically falling in the last third of the year.

## **2020/21 Operational Plan Review**

- 3. The Management Team has completed a review of the Authority's Operational Plan activities for 20/21 since the Committee meeting. The outcome of this review, showing total level of potential budget variation across each of the Authority's delivery areas, is summarised in Table One.

Table One: Potential Variations in 20/21 Operational Plan Budgets

	Over (under) original budget £000
Conservation	(5)
Land Management	(4)
Visitor Services	(19)
Planning and Rural Development	(16)
Corporate Services	+30
Communications	0
Overall positions	(14)

- 4. Overall, therefore, the projected outturn position presents little opportunity for further substantial reallocation of funding to other projects at this stage in the year with a net amount of £14,000 currently potentially available. Elements of the underspend summarised here also relate to "demand-led" activity such as legal support which is dependent on the scale of advice required from planning activities and other, typically externally led activities. As such the current levels of underspend may be reduced as the year proceeds.

5. Corporate services increases highlighted relate primarily to one-off software upgrade cost increases which have been slightly higher than originally anticipated for some systems and also brought forward into the current financial year by suppliers.

### **Green Recovery Plan**

6. Financial reallocations agreed by the Board in June to progress the Authority's Green Recovery Plan have progressed as intended, with the exception of the £40k allocation to support the Tomintoul and Glenlivet Dark Skies Observatory Project, which is not now expected to proceed. This £40,000 therefore remains open for further reallocation.
7. Seasonal ranger services have progressed as planned, with seven seasonal rangers in place from the end of June to the end of October. Two seasonal rangers are in place between November and March to continue service provision and assist in planning for the start of the 2021 peak visitor season.
8. Full use was made of the £100,000 reallocated to the delivery of a Green Recovery Fund, with the Cairngorms Trust committing a further £30,000 to support approved projects. One project was considered by the evaluation panel to merit support should other funds become available. At the time of writing this paper, we understand that NatureScot are planning to provide finance for this project. Information on successful projects was made available through the Finance and Delivery Committee's papers: <https://cairngorms.co.uk/resource/docs/boardpapers/13112020/201113FinCtteePaper2Annex1GreenRecoveryFund.pdf>

### **Proposed Financial Management Approach**

9. Given the relatively small scale of potential underspend in the Operational Plan and remaining risk of expenditure increases, no further reallocation from the Operational Plan budgets is proposed at this time.
10. As such, the £40,000 released from allocation to the Observatory Project represents the only free resource available to reallocate at this point in the year.
11. The Executive Management Team's priority for use of these available funds is to support visitor management activities and facilitate preparations for the 2021 visitor season. Such support may include assisting implementation of enhanced traffic management and visitor information infrastructures.
12. As is standard practice, we will continue to closely monitor the evolution of the overall financial position over the final third of the year. Should further available resources firm up toward the end of the year, the Executive Team's priority is to facilitate a further round of green recovery fund grants through the Cairngorms Trust, allowing a degree of financial flexibility with funds capable of being deployed across financial years by the charity trustees.

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