

CAIRNGORMS NATIONAL PARK AUTHORITY FINANCE COMMITTEE

FOR INFORMATION

Title: 2011/12 SECOND QUARTER REVIEW

Prepared by: Alistair Hight, Finance Manager

Purpose

To present a summary review of income and expenditure for the 6 months to 30th September 2011 and a projection of the financial outcome for the year to 31st March 2012. Further, to report on Operational Plan net expenditure for the second quarter of the 2011/12 financial year.

Recommendations

The Finance Committee is requested to:

- a) Note the results for the 6 month period to the end of September 2011 and the projected outcome for the 12 months to 31st March 2012.
- b) Note the further analysis of Operational Plan net expenditure by programme for the 6 months to 30th September 2011 and the projected outcome, by programme, for the year to 31st March 2012.

Executive Summary

- a) Table 1 shows the financial results for the CNPA over the first two quarters of 2011/12. The 6 months to 30th September resulted in net income of £424k against planned net income of £306k (the £118k variance representing 4.4% of income).
 - b) The £306k net income target represents approximately 3 weeks cover for total operational costs
 - c) The £118k net income variance is reflected in £123k lower net Operational Plan Expenditure than budget (£187k lower expenditure with £64k less income contribution).
 - d) The projected outcome for the year to 31st March 2012 is currently net expenditure of £62k (1.1% of projected income). Original budget for 2011/12 was for net expenditure of £0k. The projected outcome has been adjusted for £10k increased Core Operating Costs, additional expenditure of £13k in the Operational Plan and £39k of higher Depreciation charges.
 - e) CNPA is currently projected to achieve the 3% efficiency savings target of £144k set for the year to 31st March 2012 (efficiencies of £75k have been achieved for the period to 30th September 2011).
 - f) Projected expenditure figures for the 12 months to 31st March 2012 reflect the initial outcome of the 2011/12 mid-year budget review. Projected figures will become budget targets in the next monitoring report to the Finance Committee.
-

2011/12 SECOND QUARTER REVIEW - FOR INFORMATION

Table 1 - Results for the 6 months to 30th September 2011:

CNPA	6			12		
2011/12	Sept-11	Sept-11	Sept-11	Mar-12	Mar-12	Mar-12
Net Expenditure Account	Actual	Budget	Variance	Projected	Budget	Variance
£000's	Ytd	Ytd	Ytd	12 mths	12 mths	12 mths
Income						
Grant in Aid and other income	2,455	2,436	19	4,796	4,796	0
Operational Plan income	199	263	-64	552	552	0
Total Income	2,654	2,699	-45	5,348	5,348	0
Expenditure						
Board and Staff salary costs	1,101	1,121	20	2,243	2,243	0
Other Board and Staff costs	b) 114	105	-9	179	169	-10
Office running costs	132	121	-11	233	233	0
IT and Professional Support	66	69	3	137	137	0
Core Operating Costs	a), b) 1,413	1,416	3	2,792	2,782	-10
Operational Plan Expenditure	c) 761	948	187	2,503	2,490	-13
Depreciation	d) 56	29	-27	115	76	-39
Total Expenditure	2,230	2,393	163	5,410	5,348	-62
Net Income/ -Expenditure	e) 424	306	118	-62	0	-62
Notes						
	<p>a) Core Operating Costs for the first 6 months of 2011/12 are broadly in line with budget (£3k variance).</p> <p>b) The £10k increase in projected costs for the year reflects an increase in the training budget from £30k to £40k.</p> <p>c) The projected £2,503k Operational Plan Expenditure for the year to 31 March 2012 reflects the results of the 2011/12 mid-year budget review (see Table 2).</p> <p>d) Depreciation for the year is projected to be £39k higher than originally budgeted. This reflects the capital expenditure of £180k incurred towards the end of 2010/11 (current year capital grant allocation is £33k, in line with average).</p> <p>e) Projected net expenditure of £62k for 2011/12 mostly relates to the increased depreciation charge. The £23k of remaining cash net expenditure will be managed to as close to target break even as possible over the second half of the year.</p>					

Table 2 - Net Operational Plan expenditure for the 6 months to 30th September 2011:

<u>CNPA Operational Plan</u>	6			12		
<u>2011/12</u>	Sept-11	Sept-11	Sept-11	Mar-12	Mar-12	Mar-12
<u>Expenditure Summary</u>	Actual	Budget	Variance	Projected	Budget	Variance
£000's	Ytd	Ytd	Ytd	12 mths	12 mths	12 mths
Operating Cost Statement						
Operational Plan Income	199	263	-64	552	552	0
Operational Plan Expenditure	f) 761	948	187	2,503	2,490	-13
	f), h)	<u>562</u>	<u>685</u>	<u>123</u>	<u>1,951</u>	<u>1,938</u>
<u>-13</u>						
Operational Plan Programmes						
1. Biodiversity and Landscapes	39	66	27	203	206	3
2. Integrated Land Management	16	34	18	79	100	21
3. Sustainable Deer Management	6	6	0	16	12	-4
4. Outdoor Access	104	106	2	303	313	10
5. Sustainable Tourism & Business	35	55	20	154	154	0
6. Affordable, Sustainable Housing	4	4	0	10	20	10
7. Awareness and Understanding	43	78	35	394	397	3
8. Communication & Engagement	92	126	34	259	284	25
9. Planning & Development Mgmt	g) 129	111	-18	335	254	-81
10. Organisation & Community	94	99	5	198	198	0
Net Operating Cost	f), h)	<u>562</u>	<u>685</u>	<u>123</u>	<u>1,951</u>	<u>1,938</u>
						<u>-13</u>
Notes						
	<p>f) The £13k projected additional expenditure for the year follows the result of the 2011/12 mid-year budget review. Projected net programme expenditure for the 12 months to 31 March 2012 (£1,951k) reflects Programme Managers estimates of remaining budgets required for the year.</p> <p>g) £81k of additional budget is required to cover the costs of the Local Plan appeal plus the LDP/ NPP Main Issues report & consultation analysis.</p> <p>h) Actual spend to 30 September 2010 was £613k and current year net expenditure is c.£50k lower over the same operational plan period.</p>					

Alistair Highet
13 October 2011
alistairhighet@cairngorms.co.uk