

CAIRNGORMS NATIONAL PARK AUTHORITY FINANCE COMMITTEE

FOR INFORMATION

Title: 2010/11 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 2010 and a projection of the financial outcome for the year to 31st March 2011. Further, to report on Operational Plan net expenditure for the second quarter of the 2010/11 financial year.

Recommendations

The Finance Committee is requested to:

- a) Note the results for the 6 month period to the end of September 2010 and the projected outcome for the 12 months to 31st March 2011.
- b) Note the further analysis of Operational Plan net expenditure by programme for the 6 months to 30th September 2010 and the projected outcome, by programme, for the year to 31st March 2011.

Executive Summary

- a) Table 1 shows the financial results for the CNPA over the first two quarters of 2010/11. The 6 months to 30th September resulted in net income of £195k against planned net income of £180k (the £15k variance representing 0.6% of income).
- b) The £15k variance is reflected in £28k additional Income, £61k of Core Operating Cost savings and £74k of additional net Operational Plan Expenditure.
- c) The projected outcome for the year to 31st March 2011 is currently net expenditure of £34k (0.6% of projected income). Original budget for 2010/11 was for net expenditure of £57k. The projected outcome has been adjusted for £36k higher Income, £45k increased Core Operating Cost savings, additional expenditure of £39k in the Operational Plan and £19k of higher Depreciation.
- d) CNPA is currently projected to achieve greater savings than the 2% efficiency savings target of £284k set for the 3 years to 31st March 2011 (Efficiencies of £306k have been achieved for the period to 30th September 2010).
- e) Projected expenditure figures for the 12 months to 31st March 2011 reflect the initial outcome of the 2010/11 mid-year budget review. Projected figures will become budget targets in the next monitoring report to the Committee.
- f) We are currently awaiting confirmation of £120k in additional funding in relation to Ranger Services, payable following the 2010/11 SG October Budget review. This has not been added to CNPA's Baseline Grant allocation (previously SNH's) and not yet included in reported figures. If payment is confirmed, it will allow additional current year expenditure on operational and capital projects by 31st March 2011.

2010/11 SECOND QUARTER REVIEW - FOR INFORMATION

Table 1 - Results for the 6 months to 30th September 2010:

CNPA	6			12		
2010/11	Sept-10	Sept-10	Sept-10	Mar-11	Mar-11	Mar-11
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	2,262	2,271	-9	4,892	4,856	36
Operational Plan income	307	270	37	563	563	0
Total Income	a) 2,569	2,541	28	5,455	5,419	36
Expenditure						
Board and Staff salary costs	1,170	1,202	32	2,360	2,390	30
Other Board and Staff costs	92	117	25	203	233	30
Office running costs	119	109	-10	233	218	-15
IT and Professional Support	44	58	14	116	116	0
Core Operating Costs	b) 1,425	1,486	61	2,912	2,957	45
Operational Plan Expenditure	c) 920	846	-74	2,501	2,462	-39
Depreciation	d) 29	29	0	76	57	-19
Total Expenditure	2,374	2,361	-13	5,489	5,476	-13
Net Income/ -Expenditure	e) 195	180	15	-34	-57	23
Notes						
	<p>a) Reflects additional funding from 2010/11 Grant in Aid letter.</p> <p>b) Core Operating Costs are currently £61k ahead of efficiency targets. The full year projection is for £60k of Board and Staff cost savings with additional planned expenditure of £15k on office refurbishment in Grantown (repairs from winter 2009/10).</p> <p>c) Operational Plan expenditure of £920k for the first six months of the year is broadly in line with the previous year (2009 £915k), rather than as profiled. Projected Operational Plan expenditure for 2010/11 reflects the mid year budget review (see Table 2).</p> <p>d) Depreciation for the year is now projected to be £19k higher than originally budgeted to reflect additional expenditure on an electric vehicle and IT equipment during 2010.</p> <p>e) Projected net expenditure of £34k for 2010/11 will, at time of writing, be covered by the expected additional grant of £120k. In any event, expenditure will be managed to as close to break even as possible.</p>					

Table 2 - Net Operational Plan expenditure for the 6 months to 30th September 2010:

<u>CNPA Operational Plan</u>	6			12		
<u>2010/11</u>	Sept-10	Sept-10	Sept-10	Mar-10	Mar-10	Mar-10
<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	307	270	37	563	563	0
Operational Plan Expenditure	f) 920	846	-74	2,501	2,462	-39
	f) 613	576	-37	1,938	1,899	-39
Operational Plan Programmes						
1. Biodiversity and Landscapes	53	56	3	177	177	0
2. Integrated Land Management	g) 7	31	24	83	112	29
3. Sustainable Deer Management	2	0	-2	20	20	0
4. Outdoor Access	100	84	-16	272	302	30
5. Sustainable Tourism & Business	70	74	4	154	154	0
6. Affordable, Sustainable Housing	10	8	-2	20	20	0
7. Awareness and Understanding	26	32	6	396	396	0
8. Communication & Engagement	133	138	5	275	275	0
9. Planning & Development Mgmt	h) 110	94	-16	363	303	-60
10. Organisation & Community	i) 102	59	-43	178	140	-38
Net Operating Cost	f) 613	576	-37	1,938	1,899	-39
Notes						
<p>f) £39k projected additional expenditure for the year follows the result of the 2010/11 mid year budget review.</p> <p>g) £29k of budget is no longer required by the programme manager.</p> <p>h) £60k of additional budget is required to finance the joint e-planning project with LL&TTNPA.</p> <p>i) £38k of additional budget is required to fund approved LEADER projects.</p>						

Alistair Hight
12 October 2010
alistairhight@ Cairngorms.co.uk