



For discussion

Title: 2023/24 Budget monitoring
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Purpose

This paper presents an early overview of the Park Authority's budget management position at the end of the first two months of the 2023/24 financial year, as at 31 May 2023. The paper focuses on the position of actual payroll for the first two months of the year against budget as a test of the robustness of this significant element of the Authority's budget.

Recommendations

The Resources Committee is asked to:

- a) Consider the budget management position for 2023/24

Overview

1. The appendix provides a summary of expenditure against the profiled budget. It is early in the year yet and meaningful trends in expenditure have not been established. However, actual spend is 10% lower than anticipated against the phased budget for the first two months of the year.
2. Budget adjustments have been incorporated into the figures and the appendix shows these changes against the budget presented to the Board at its meeting in March 2023. These adjustments have been made possible by payment forward, at the end of 2022-23, of part (£150k) of our annual contribution to the Cairngorms 2030 project.

Staff Costs

3. The budgeted investment in staff over the year is a key element of the budget, at £4.841 million, equivalent to 36.8% of the total expenditure budget resourced by Scottish Government grant in aid. The position against this budget figure of the first two months' payroll therefore represents a key test of the robustness of this significant budget figure.



4. Expected budget for payroll in April and May after allowing for 2023/24 pay awards not yet being implemented, is £776,000 including employers' national insurance and pension contributions.
5. Actual value of payroll and associated costs for April and May is £770,000: a favourable variance of £6,000 against budget: less than 1% variation under budget.
6. The budget allows for performance related increments, and an annual award of 4%. Providing the final award remains at this level, the budget would appear to be realistic
7. As is always the case, the finance team and Senior Management Team will play close attention to this budget position over the early months of the year to determine whether any budget reallocation may be warranted.

Programme Management

8. All expected programme management costs are being recovered from external funders, and there are no unanticipated impacts from the programmes on the central budget for the Park Authority

Running Costs

9. Overall, running costs show an underspend of £50k against the phased budget. This seems to be a timing effect and the Finance Manager is currently reviewing the budget profile to allow us to provide members with a more appropriate benchmark for running costs.

Operational Plan

10. Heads of Service have carried out an exercise to forecast the phasing of their budgets across the year. This will provide a benchmark against which to understand the timing of expenditure. They are working to contract expenditure as early in the year as possible, with the aim of achieving a more balanced spend profile across the year. The phased operational plan budget shown in the appendix reflects the predicted profile for April and May. While this approach is not an exact science, it will give us a view of where expenditure is falling behind our expected timeframe and should therefore provide us with early warning of the potential for under/overspend.



Peatland restoration

11. Most of the significant expenditure to date on peatland restoration has contributed to the finalisation of projects contracted in 2022-23 or before. The limited expenditure (circa £12k) has been on sundry staff resources, including training and equipment.

Other Budget Considerations

12. No programme or project management impacts on the Park Authority's core budget have been identified. There are no unanticipated calls on financial resources created by the Park Authority's leadership or accountable body roles for these programmes and projects.

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