

## CAIRNGORMS NATIONAL PARK AUTHORITY FINANCE COMMITTEE

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### FOR INFORMATION

**Title: 2009/10 SECOND QUARTER REVIEW**

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#### **Purpose**

The purpose of this paper is to present a summary review of income & expenditure for the 6 months to 30<sup>th</sup> September 2009 and a projection of the financial outcome for the year to 31<sup>st</sup> March 2010. The paper also reviews net Operational Plan expenditure over the same period.

#### **Recommendations**

The Finance Committee is requested to:

- a) Note the results for the 6 months to the end of September 2009 and the projected outcome for the 12 months to 31<sup>st</sup> March 2010.
- b) Note the further analysis of net Operational Plan expenditure by programme for the 6 months to 30<sup>th</sup> September 2009 and the projected outcome, by programme, for the year to 31<sup>st</sup> March 2010.

#### **Executive Summary**

- a) Table I shows the financial results for the CNPA over the first two quarters of 2009/10. The 6 months to 30<sup>th</sup> September 2009 resulted in a gain of £29k against a planned gain of £1k (the £28k variance representing 1% of income).
  - b) The £28k surplus is reflected mainly in savings of £36k on core operating costs.
  - c) The projected outcome for the year to 31<sup>st</sup> March 2010 is a loss of £46k, which represents a variance of £17k against the original budget for the year.
  - d) The variance of £17k represents the outcome of the Park Authority's mid-term budget review. This has managed the £361k (or 20%) original over programming reported at the end of quarter one down to current projected levels.
  - e) £50k of additional core cost savings, above required efficiency levels, has been targeted for the year and this has allowed Operational Plan budgets to remain £67k above original budget.
  - f) Final budget levels have been left at £17k higher than originally budgeted as, historically, some expenditure slippage can occur towards the end of the year. It is therefore probable that the final outcome for the year will be closer to break even.
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## 2009/10 SECOND QUARTER REVIEW – FOR INFORMATION

Table I. Results for the 6 months to 30<sup>th</sup> September 2009:

<b>CNPA</b> <b>2009/10</b> <b><u>Operating Cost Statement</u></b> <b>£000's</b>	6			12		
	Sept-09 Actual Ytd	Sept-09 Budget Ytd	Sept-09 Variance Ytd	Mar-10 Projected 12 mths	Mar-10 Budget 12 mths	Mar-10 Variance 12 mths
<b>Income</b>						
Grant in Aid and other income	2,140	2,143	-3	4,862	4,862	0
Operational Plan income	275	290	-15	689	689	0
<b>Total Income</b>	a) <b>2,415</b>	<b>2,433</b>	<b>-18</b>	<b>5,551</b>	<b>5,551</b>	<b>0</b>
<b>Expenditure</b>						
Board and Staff salary costs	1,156	1,181	25	2,413	2,438	25
Other Board and Staff Costs	104	127	23	230	253	23
Office running costs	114	105	-9	207	209	2
IT and Professional Support	68	65	-3	131	131	0
<b>Core Operating Costs</b>	b) <b>1,442</b>	<b>1,478</b>	<b>36</b>	<b>2,981</b>	<b>3,031</b>	<b>50</b>
<b>Operational Plan Expenditure</b>	c) <b>915</b>	<b>926</b>	<b>11</b>	<b>2,559</b>	<b>2,492</b>	<b>-67</b>
<b>Depreciation</b>	<b>29</b>	<b>28</b>	<b>-1</b>	<b>57</b>	<b>57</b>	<b>0</b>
<b>Total Expenditure</b>	<b>2,386</b>	<b>2,432</b>	<b>46</b>	<b>5,597</b>	<b>5,580</b>	<b>-17</b>
<b>Recognised Gain/-Loss</b>	d) <b>29</b>	<b>1</b>	<b>28</b>	<b>-46</b>	<b>-29</b>	<b>-17</b>
<b>Notes</b>	<p>a) Income for the year is projected to be in line with budget.</p> <p>b) Significant savings in board/ staff salary and other costs have been made over the first 2 quarters of 2009/10. These include £13k in overall salary costs, £10k in pension costs and £13k in training costs. A saving of £50k on core operating costs has now been targeted for the year to enable increased spending on the Operational Plan. This saving is on top of the required 2% recurring efficiency savings incorporated in budget targets.</p> <p>c) Operational plan expenditure for the year is projected to be £2,559k, or £67k above original budget. This represents the outcome of the mid-term budget review to manage down the original £361k (20%) of over programming on which Programme Managers based their initial planning.</p> <p>d) The combined effects of targeted cost savings and final Operational Plan expenditure budgets is a projected loss of £46k for the year, £17k higher than originally budgeted. This outcome will move closer to break even if there is any further reduction in planned expenditure.</p>					

Table 2. Net Operational Plan expenditure for the 6 months to 30<sup>th</sup> September 2009:

<b>CNPA Operational Plan</b>	6			12			
<b>2009/10</b>	Sept-09	Sept-09	Sept-09	Mar-10	Mar-10	Mar-10	
<b>Expenditure Summary</b>	Actual	Budget	Variance	Projected	Budget	Variance	
<b>£000's</b>	Ytd	Ytd	Ytd	12 mths	12 mths	12 mths	
<b>Operating Cost Statement</b>							
Operational Plan Income	275	290	-15	689	689	0	
Operational Plan Expenditure	e) 915	926	11	2,559	2,492	-67	
	e)	<b>640</b>	<b>636</b>	<b>-4</b>	<b>1,870</b>	<b>1,803</b>	<b>-67</b>
<b>Operational Plan Programmes</b>							
1. Biodiversity and Landscapes	40	53	12	170	143	-27	
2. Land Management Support	76	73	-3	190	203	13	
3. Sustainable Deer Management	1	10	8	12	27	15	
4. Outdoor Access	64	55	-9	285	289	4	
5. Sustainable Tourism & Business	h) 106	139	34	362	361	-1	
6. Affordable Sustainable Housing	g) 171	104	-67	214	111	-103	
7. Awareness and Understanding	h) 102	133	31	448	474	26	
8. Communications	49	48	-2	113	111	-2	
9. Planning	30	21	-9	41	30	-11	
10. Corporate Services	0	0	0	35	54	19	
<b>Net Operating Cost</b>	e), f)	<b>640</b>	<b>636</b>	<b>-4</b>	<b>1,870</b>	<b>1,803</b>	<b>-67</b>
<b>Notes</b>							
e) Budgeted net Operational Plan expenditure is now £67k higher than original target levels. This is the result of the mid-term budget review for 2009/10, which managed the original £361k of over programming in Programme Managers budgets down to current projected levels.							
f) Net expenditure of £640k for the first 6 months of 2009/10 compares with net expenditure of £549k for the 6 months to the end of September 2008. Current year total expenditure is broadly in line with overall target at the end of the second quarter.							
g) Programme 6 reflects the costs of the Local Plan Inquiry and the requirement to allocate additional budget for the year to this activity.							
h) Variances in these programmes at the end of the second quarter of 2009/10 relate to non-critical timing differences.							

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