

## CAIRNGORMS NATIONAL PARK AUTHORITY FINANCE COMMITTEE

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### FOR DISCUSSION

**Title: REVIEW OF FOUR MONTHS TO 31 JULY 2012**

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#### **Purpose**

To present a summary review of income and expenditure for the 4 months to 31st July 2012 and a projection of the financial outcome for the year to 31<sup>st</sup> March 2013. Further, to report on Operational Plan net expenditure for the 4 months to 31<sup>st</sup> July 2012.

#### **Recommendations**

The Finance Committee is requested to:

- a) Note the results for the 4 month period to the end of July 2012 and the projected outcome for the 12 months to 31<sup>st</sup> March 2013.
- b) Note the further analysis of Operational Plan net expenditure by programme for the 4 months to 31st July 2012 and the projected outcome, by programme, for the year to 31<sup>st</sup> March 2013.

#### **Executive Summary**

- a) Table 1 shows the financial results for the CNPA over the four months to the end of July 2012. The 4 months to 31st July resulted in net income of £155k against planned net income of £123k (the £32k variance representing 2.0% of income).
  - b) The £32k overall net income variance is reflected in £21k of under spend on Core Operating Costs and £12k of additional Operational Plan income.
  - c) The projected outcome for the year to 31<sup>st</sup> March 2012 is currently net income of £3k (0.1% of projected income).
  - d) Table 2 details the 8 new Operational Plan programmes as defined by the 2012-15 CNPA Corporate Plan.
  - e) The mid-year budget review in October 2012 will determine Programme budget requirements for the remainder of the 2012/13 financial year.
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## 2012/13 FOUR MONTH REVIEW - FOR DISCUSSION

Table 1 - Results for the 4 months to 31st July 2012:

<b>CNPA</b>	4			12		
<b>2012/13</b>	Jly-12	Jly-12	Jly-12	Mar-13	Mar-13	Mar-13
<b>Net Expenditure Account</b>	Actual	Budget	Variance	Projected	Budget	Variance
<b>£000's</b>	Ytd	Ytd	Ytd	12 mths	12 mths	12 mths
<b>Income</b>						
Grant in Aid and other income	1,410	1,410	0	4,681	4,681	0
Operational Plan income	d) 216	204	12	301	301	0
<b>Total Income</b>	<b>1,626</b>	<b>1,614</b>	<b>12</b>	<b>4,982</b>	<b>4,982</b>	<b>0</b>
<b>Expenditure</b>						
Board and Staff salary costs	766	764	-2	2,399	2,399	0
Other Board and Staff costs	a) 51	67	16	200	200	0
Office running costs	82	80	-2	239	239	0
IT and Professional Support	b) 41	50	9	149	149	0
<b>Core Operating Costs</b>	<b>940</b>	<b>961</b>	<b>21</b>	<b>2,987</b>	<b>2,987</b>	<b>0</b>
<b>Operational Plan Expenditure</b>	<b>d) 495</b>	<b>494</b>	<b>-1</b>	<b>1,883</b>	<b>2,013</b>	<b>130</b>
<b>Depreciation</b>	<b>36</b>	<b>36</b>	<b>0</b>	<b>109</b>	<b>109</b>	<b>0</b>
<b>Total Expenditure</b>	<b>1,471</b>	<b>1,491</b>	<b>20</b>	<b>4,979</b>	<b>5,109</b>	<b>130</b>
<b>Net Income</b>	<b>c) 155</b>	<b>123</b>	<b>32</b>	<b>3</b>	<b>-127</b>	<b>130</b>
<b>Notes</b>						
<p>a) The £16k saving against budget is represented by £11k lower than budgeted spend against training and £5k less on travel and subsistence.</p> <p>b) £7k of this under spend has been achieved against the IT budget through lower system implementation costs (specifically relating to the Park Authorities new accounting system introduced in 2011/12).</p> <p>c) Net income to the end of July 2012 is £155k compared to £361k for the same period last year. This reflects a reduced level of Grant in Aid draw down in line with budgeted activity. The out turn for the year is now projected to be net income of £3k and further work will be done on this through the mid-year budget review in October 2012.</p> <p>d) For Operational Plan analysis, see Table 2 below.</p>						

Table 2 - Net Operational Plan expenditure for the 4 months to 31st July 2012:

<b>CNPA Operational Plan</b>	4			12		
<b>2012/13</b>	Jly-12	Jly-12	Jly-12	Mar-13	Mar-13	Mar-13
<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	216	204	12	301	301	0
Operational Plan Expenditure	495	494	-1	1,883	2,013	130
	<b>d) 279 290 11</b>			<b>1,582 1,712 130</b>		
<b>Operational Plan Programmes</b>						
P1 - Brand & Visitor Experience	59	65	6	410	410	0
P2 - Getting Involved	58	60	2	265	265	0
P3 - Land Management & Conservation	29	25	-4	130	130	0
P4 - A Special Place	32	29	-3	165	165	0
P5 - Opportunities for Recreation	e) 53	55	2	119	249	130
P6 - Sustainable Business	7	10	3	205	205	0
P7 - Organisational Excellence	16	18	2	83	83	0
P8 - High Quality Planning	25	28	3	205	205	0
	<b>d) 279 290 11</b>			<b>1,582 1,712 130</b>		
<b>Net Operating Cost</b>						
<b>d) 279 290 11 1,582 1,712 130</b>						
<b>Notes</b>						
<p>d) Operational Plans currently project an under spend of £130k. The 2012/13 mid-year budget review will further determine the budget requirements for each Programme and any adjustments will be reported to Finance Committee in due course.</p> <p>e) The £130k of under spend in Programme 5 represents the early release of 2012/13 funds to COAT in March 2012. Funds were released to contribute to the early start of COAT's 2012 spring / summer business plan activity, particularly in relation to the Mountain Heritage project. The release of these funds in 2011/12 has effectively paid for the £127k over spend originally planned into 2012/13's draft budgets (see c) above).</p>						

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