
CAIRNGORMS NATIONAL PARK AUTHORITY FINANCE & DELIVERY COMMITTEE

FOR DISCUSSION

**Title: FINANCE MONITORING: 1 MONTH TO 30 APRIL
2019**

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Purpose

To present a summary review of income and expenditure for the months to 30 April, 2019.

Recommendations

The Finance & Delivery Committee is requested to:

- a) **Note the outturn for the month to 30 April 2019**

Executive Summary

1. The main report to the Committee is contained in Annex 1. This report covers the 5 main components of the Authority's operations - Core and Operational Plan and projects: LEADER, the Tomintoul & Glenlivet Landscape Partnership (T&GLP), Great Place Badenoch (GPB) and the Caper Framework (CF).
2. Annex 2 is the analysis of the Operational Plan by Theme, showing both expenditure (actual and committed) and any attributable income.
3. Any adverse variances year to date are highlighted under CORE activities. Variances on CORE expenditure and Operational Plan are monitored on an ongoing basis and variances of greater than 15% or £5,000 from budget, whichever is the higher, will be brought to the Committee's attention. Most of the reported variances will self-correct during the financial year due to the timing of spend and recognition of prepayments or accruals.
4. Positive variances in future reports will be reported as + £x,xxx and negative as - £x,xxx.

Overview

Other Income

5. Other income recognised in April includes the following:
 - a) recovery £191
 - b) Planning fees £13,851

CORE Activities

Board and Staff Costs

6. Board fees are ahead of budget after 1 month and this is expected to be back on track by the end of June. Core and project staff costs are broadly in line with projections for April. Some variation is expected during the year due to the timing of recovery of staff costs from partners.
7. Staff costs recovered recognised in April include payments from staff for enhanced leave, Paths for All for 1 post, and the full year's contributions from the East Cairngorm Moorland Partnership.

Other Board and Staff Costs

8. Other board and staff costs have been minimal in the month with the largest spend being on Board training.

Facilities Costs / IT and Professional Costs

9. The should be borne in mind for the month:
 - a) **Rates** have been paid in full for the whole year in April. Full provision for the additional rates for the new build was taken into the 18/19 as an accrual.
 - b) **Rent** for the new build is now coming through as expected and at agreed rates.
 - c) **Motor vehicle** insurance has been recognised for the full year
 - d) **Prepayments** recognised in 18/19 for 19/20 were released in full over all accounts in April this includes rent, the motor vehicle fleet and IT maintenance and services plans. Other than this there are no adverse variances to report.

Operational Plan

10. Annex 2 shows the amounts paid and committed compared to the agreed budget for the year.
11. Income attributable to the Operational Plan received in April was contributions to the Writer in Residence project from Creative Scotland and the Woodland Trust.
12. In March £100,000 was received from NHS Highland as Developer contribution which is being held until planning permission is granted for the Aviemore Community Hospital.
13. Committed spend at 30 April is approximately 39% of the adjusted Operational Plan for the year.

Non-Cash

14. Non-cash budget provision from Scottish Government provides for depreciation of assets and other accounting provisions made necessary by the Authority's operations. The draft outturn for the year to 31 March 2019 shows an overspend on depreciation, compared to allocation allowed by Scottish Government of £2,892.
15. An initial look through for 2019/20, based in assets in use at the beginning of the financial year, proposed capital spend and no abnormal charges or write downs for diminution in value, indicates that current year's non-cash budget will be underspent.

Grant-in-Aid

16. **Resource (R DEL):** resource grant-in-aid has been drawn down in line with the planned drawdown (£600,000 to date of £4,565,000). The intention is to draw down as profiled.
17. **Capital (C DEL):** no capital grant-in-aid has been yet been drawn down (budget of £200,000). The C Del allocation is to cover assets bought to be used in the Park Authority's operations or to be spent as capital contributions/grants.

Capital Spend

18. The only purchase in the month was for additional furniture for the new office reception and kitchen.

Projects

Tomintoul & Glenlivet Landscape Partnership

19. Amounts due from the Heritage Lottery Fund (HLF) since last paper to Committee:

Quarter ended	£	Received
31 December (claim 7)	93,315	26/03
31 March (claim 8)	64,034	o/s at 27 05

20. The final contribution to the Project from Crown Estate (£50,000) is still awaited..
21. Funding for 18/19 of £50,000 from HIE was received in March, a month earlier than previously reported.
22. Activity so far has been slower than expected so far and is now accelerate on the major projects Blairfindy, Scalan and Access, with material payments starting in May. projects. This will put pressure on cash flow in the 2nd and 3rd quarter of 2019/20.

LEADER

23. All claims for project advances and administration costs continue to be made on the "LARCS" system.

24. £79,998.65 (70%) was received in April claims against project advances made at 31 March of £114,085.33. A further £25,508.59 (22%) is flagged for payment at the end of May with the remainder flag as “due to LAG”. The “RAG” status on LARCS remains at “amber” and we are hoping this will be changed to “green” shortly.

25.

	Admin costs claimed	Project advances claimed	Suspense	Claims still to be made	Total
	£	£	£	£	£
As at 01.04.19	-	114,085.33	(277.67)	30,431.85	144,239.51
Transfer	-	-	-	-	-
Advances made	-	23,749.60	-	31,587.50	55,337.10
Received	-	(79,998.65)	-	-	(79,998.65)
As at 30.04.19	-	57,836.28	(277.67)	62,019.35	119,577.96

26. £24,110.43 of claims still to be made were made after 30 April. The remainder, £37,908.92 (3 advances), is dependent on software changes being made to the LARCS system.

27. All the project advances claimed at the end of April are now flagged as due to the LAG.

28. No admin claims are planned for at least the next 6 months when the position for the year will be reviewed.

Great Place Badenoch

29. This is a 3 year (to end by 3 March 2021) HLF project to conserve and development the cultural heritage of Badenoch. The permission to start was granted in March 2018 and a project manager was in post in April. (The project manager is employed by Voluntary Action Badenoch & Strathspey,)

30. There was minimal spend in April, and the Project has now committed 50% of its budget.

31. Amounts due from the Heritage Lottery Fund (HLF) since last paper to Committee:

Quarter ended	£	Received
31 March (claim 4)	31,373	14 05 19

Capercaillie Framework

32. The Development Phase of the HLF project to conserve the remaining Capercaillie population in the Cairngorms was given the permission to start by HLF on 28th June and all directly employed staff are now in post. HLF will contribute funding at a rate of 62.5%.

33. Amounts due from the Heritage Lottery Fund (HLF) since last paper to Committee:

Quarter ended	£	Received
31 March (claim 4)	25,733	o/s at 27 05

CASH FLOW AND CASH MANAGEMENT

34. Although CNPA has been successful in attractive funding for high value projects the cash management falls on CNPA to ensure that adequate funding is available to meet project liabilities as they arise, in addition to CNPA's own funding requirements and to stay within guidelines set by the sponsoring Department and Scottish Government.
35. A number of tools are being developed to help manage and balance cash needs to identify stress points. This monitoring will be developed further and cash flow models will be used for each component of the Authority's activities.
36. The RAG status of current projected cash flow, until 31 December 2019, with the cash position of each component's RAG status shown. (**Red**, warning; **amber**, neutral; **green** positive) is as follows:

Quarter ended...	June	Sept	Dec
CORE activities			
LEADER			
T&GLP			
GPB			
CF			

Outturn Position 2019/20

37. All budget lines continue to be monitored on a weekly basis, while working closely with Heads of Service to identify pressure points or slack as early as possible. Internal reporting of management information to the Management Team has been enhanced with an on-demand system which shows key metrics and analysis.
38. The 19/20 budget presented to the Board in March showed a planned deficit of £33,000. While it is still early in the financial year the intention is still to manage spend, without compromising the delivery of planned objectives with the intention of coming as close as possible to break even on resource and capital spend.

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