

## CAIRNGORMS NATIONAL PARK AUTHORITY FINANCE AND DELIVERY COMMITTEE

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### FOR DISCUSSION

**Title: 2020/21 BUDGET DEVELOPMENT**

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#### **Purpose**

This paper presents the current position on development of the Authority's budget for the 2020/21 financial year.

#### **Recommendations**

**The Finance and Delivery Committee is asked to:**

- a) Consider the update on the estimated budget position for 2020/21;**
- b) Consider whether any aspects of the budget merit further consideration in the development of final proposals to be presented to the Board in March.**

#### **Background**

1. As members are aware, the Authority's budget setting timetable has been revised for the 2020/21 financial year to take account of changes in the timetable for the UK Government budget which has had consequential impacts on the publication of the Scottish Government budget. This paper presents the current position on the Authority's budget development since publication of the Scottish budget on 6 February and highlights any key impacts on resources.
2. The Board's Staffing and Recruitment Committee will also consider the detail of the Authority's planned approach to staff pay awards at its meeting prior to the Finance and Delivery Committee on 6 March 2020. The Committee's agreed approach to pay for 2020/21 within the wider parameters of the Scottish Government's Public Sector Pay Policy for 2020/21 will be reported to the meeting. In the meantime, estimated financial consequences of the Authority's possible approach to pay are incorporated into the budget estimates for 2020/21 presented with this paper.

#### **Overview of Budget Position for 2020/21**

3. A summary of the present budget position for 2020/21 is presented in Annex I. Overall, the budget position is close to the break-even target for the year, with a net

expenditure position of only just over £9,000. This position is on the basis of total expenditure of £5.063 million funded by revenue and capital grant in aid of £4.929 million and estimated other income of £0.125 million.

4. Annex 1 presents the budget estimates for 2020/21 compared with the budget base – the underlying budget position established for development of the 2019/20 budget.

### **Staff Pay Considerations**

5. As always, the staff pay award represents a significant budget consideration for the coming year. The Staffing and Recruitment Committee's paper setting out the considerations on the staff pay award for 2020/21 is circulated separately to Finance and Delivery Committee members for information. An update on the Staffing and Recruitment Committee decisions on this paper will be presented to the Finance and Delivery Committee meeting in its consideration of this paper.
6. The gross costs of the modelled 3% pay award to all staff for 2020/21 is £72,000 of which an estimated 7.5% is expected to be recovered by external funding of posts giving a net cost of £66,000.
7. The impact of proposed progression awards for staff travelling through their salary bands is estimated at £39,000, again with elements of those costs being covered by external funding of projects with a resultant cost falling on the Authority's resources of £36,000.
8. Overall, the gross impact of pay proposals for 2020/21 is £111,000. The impact of the modelled and proposed staff pay award for 2020/21 is fully absorbed through management changes made to the Authority's staffing complement over the course of 2019/20. A number of vacancies over the course of the current year have been considered by management and not replaced, with these posts removed from the establishment. Consequently, as set out in Annex 1, gross staff salaries are estimated at £0.102 million lower than the planning base for 2019/20.
9. Total estimated staff recoveries to be made from externally funded programmes has been reduced from current year level. The year ahead brings the completion in year of the Tomintoul and Glenlivet Landscape Partnership Programme and the end of the LEADER Programme and will result in reduced levels of recoveries. It is possible that, as external funding positions and partners' budgets finalise, additional staff salaries will be identified as fundable from other sources. The position adopted at this stage is again a relatively prudent estimate to give confidence around setting and committing other budget expenditure allocations.
10. We have also reduced the estimated level of vacancy savings to be achieved in 2020/21. As external programmes come to a conclusion, there will be some requirement for staff redeployment in addition to the end of some fixed term contracts which will result in posts being taken out of the establishment. With the expectation of redeployment and also some indication of a reduction in turnover levels, we believe it is prudent to reduce estimated savings to be achieved through vacancy management actions.

11. Taking all these staff considerations into account, total staff budget for 2020/21 is £3.256 million, some £0.133 million higher than the 2019/20 planning base.

### **Non-Staff Budget Considerations**

12. Key budget considerations other than around the staff pay award and staff salary recoveries in development of the 2020/21 budget estimates are:
- a) Other income: estimated income has been reduced for the coming year by £0.050 million. This income covers planning fees and other miscellaneous contributions received in the year which are not directly linked to operational plan activities and / or externally funded projects: for example, contributions received from sponsorship activity by National Park Partnerships Limited. Income from these sources is relatively uncertain and has been declining over recent years and therefore a prudent position has been established for 2020/21 in our budget modelling.
  - b) Board fees: estimated total fees for the year have been increased to allow for both the cessation of the previous attendance policy for fee payments and also to cover the anticipated increase in daily fee rates from application of the relevant policy for appointed members' fees. Other Board and Staff Costs have been held at 2019/20 levels with the expectation that inflationary cost increases in this area of expenditure will be offset by savings from the revised Board meeting schedule.
  - c) Facilities, IT and Other Support Costs: have been increased to allow for inflationary increases in expenditure.
  - d) Visitor Services: guideline Operational Plan investment in this area has been reduced in recognition that the Authority has now completed its approved contributions into The Mountains and The People programme led by the Outdoor Access Trust for Scotland.
  - e) Rural Development and Planning: guideline Operational Plan investment in this area has been reduced in recognition that the Authority has now completed its approved contributions into the Tomintoul and Glenlivet Landscape Partnership programme.
13. The Authority's current Operational Plan provisions retain a planned investment of £1.116 million into project work in the National Park and toward delivery of National Park Partnership Plan priorities. This level of planned investment at the commencement of the year compares well with the Corporate Plan projections of Operational Plan investment of £1.032m for 2020/21.
14. Specific investment proposals planned to be delivered through the operational plan development are still in development by Heads of Service and will be presented as part of the final budget proposals to be considered by the Board at its meeting on 27 March.

## **Next Steps**

15. The Management Team and Operational Management Group will continue to review and develop budget estimates as necessary for submission to the Board at its meeting on 27 March. This development work will also include estimations of staff and other resource costs to be allocated against the Operational Plan activity lines in order to give sight of the total resource investment into each activity.
16. The Director of Corporate Services and Finance Team will also continue to closely monitor the budget position for 2019/20 and explore any opportunities arising to accelerate planned investment from 2020/21 into the current year should resources and investment plans allow. This will allow for further investment plans to be brought into the coming financial year.

**David Cameron**

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