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## CAIRNGORMS NATIONAL PARK AUTHORITY FINANCE & DELIVERY COMMITTEE

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### FOR DISCUSSION

**Title: DRAFT OUTTURN FOR THE YEAR TO 31 MARCH  
2021**

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SERVICES**

#### **Purpose**

To present the draft outturn, subject to audit, for the year to 31 March, 2021 to the Finance & Delivery Committee.

#### **Recommendations**

**The Finance & Delivery Committee is requested to:**

- a) note the unaudited results of the year to 31 March 2021**

#### **Executive Summary**

1. A key table from the draft Annual Report and Accounts is reproduced below which shows the outturn for the financial year ended 31 March 2021.
2. All the information in this report are subject to audit.
3. In a particularly challenging year for budgetary and financial management brought about by COVID19 restrictions and the requirement to significantly review budget deployment to meet rapidly changing operational circumstances, the draft outturn is overall a small underspend on each of Resource, Capital and Non-cash budget allocations:
  - a) £6,000 Resource arising from a £4,000 cash overspend which has been offset by a £10,000 non-cash allocation (see para 8);
  - b) £44,000 Capital; and
  - c) £171,000 on ring fenced non-cash, depreciation, (see para 9).
4. This outturn is viewed by the Finance Team as a positive achievement in a very challenging operational year.

## Draft Outturn

5. Table 1, summarises expenditure for the year with total operational plan income and cash grant-in-aid received, (as adjusted for the spend on capitalised tangible and intangible assets [£51,000], and a non-cash Resource award [£10,000]):

	<b>£'000s</b>
Operation plan income	<b>(1,337)</b>
Other income	<b>(374)</b>
Total operating income	<b>(1,711)</b>
Cash grant-in-aid less spend on capitalised assets	<b>(5,364)</b>
Total income	<b>(7,075)</b>
Board member and staff costs	<b>3,800</b>
Operational plan expenditure	<b>1,625</b>
Project expenditure	<b>976</b>
Other operating costs	<b>634</b>
Total operating expenditure	<b>7,035</b>
Underspend on cash received	<b>(40)</b>

6. The cash underspend for the year represents 0.7% of cash grant-in-aid received, and 0.6% of total income and grant-in-aid.
7. Table 2, to be included in the draft unaudited Annual Report and Accounts for the year ended 31 March 2021, summarises the net expenditure for the year and compares to budget allocations, cash and non-cash allocated by Scottish Government.

Table 2	<b>Resource DEL</b>	<b>Capital DEL</b>	<b>Total DEL</b>	<b>Non- Cash DEL</b>	<b>Total</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
Budget allocation	4,938	487	<b>5,425</b>	320	<b>5,745</b>
Resources expenditure	(4,932)	(392)	<b>(5,324)</b>	-	<b>(5,324)</b>
Depreciation	-	-	-	(149)	<b>(149)</b>
Non-current assets bought	-	(51)	<b>(51)</b>	-	<b>(51)</b>
(Over)/underspend	<b>6</b>	<b>44</b>	<b>50</b>	<b>171</b>	<b>201</b>
(Over)/underspend %	.12%	9.0%	<b>.9%</b>	53.4%	<b>3.5%</b>

8. The Resource DEL budget for the year includes a non-cash allocation of £10,000, to cover expenditure relating to accruing staff benefits (staff holiday pay accrual) recognise that staff have been less able to either take their full holiday entitlement or in using accumulated flexitime / TOIL due to either covid restrictions of changed work patterns. Scottish Government have recognised this management issue, and also the commitment of Cairngorms NPA staff to delivering targets over the year, by awarding an additional £10,000 cover for the additional value of leave and accumulated time

carried forward by the Authority and which we must recognise in our financial statements. This is “non-cash” cover as it effectively provides government approval for the increase in our estimated costs of staff benefit owed by the organisation and brought into our accounts as a provision, rather than a “cash cost” of additional payments to staff.

9. The Ring-fenced (non-cash) DEL budget for the year included an allocation to cover the implementation of IFRS 16: Leases, that had been due to be introduced in 2020-21 but has been deferred until April 2022. No reduction of the award was made in the year and Scottish Government are content to accept the consequent underspend due to the deferred implementation of IFRS 16. Similarly, for 2021/22, the ring-fenced (non-cash) budget awarded includes an allocation to cover IFRS 16 and the outturn for the year will again show a substantial variance, and in line with current guidance, there will be no early adoption of the deferred standard in 2021/22.
10. Following a change in the funding mechanisms of Peatland Restoration, resources were made available late in the year direct to the Authority from Scottish Government. Due to a combination of covid restrictions and weather conditions in the run up to the year end the project team were unable to commission work to fully utilise the capital funding and this accounts for the significant underspend. Out of £97,000 awarded only £53,000 could be spent.
11. The draft outturn figures are subject to audit by Grant Thornton who were appointed by Audit Scotland for a 5 year period. Due to covid their term of office has been extended by one year and will end with the audit of 2021/22. The initial “interim” audit was completed remotely by 30<sup>th</sup> April, with the final audit due to commence on June again remotely due to covid restrictions. The audited accounts will be presented to the Audit and Risk committee for approval and signature on 6<sup>th</sup> September.

**Daniel Ralph**  
**David Cameron**  
**30 April 2021**

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