
CAIRNGORMS NATIONAL PARK AUTHORITY FINANCE & DELIVERY COMMITTEE

FOR DISCUSSION

Title: POSITION PAPER 2021/22 BUDGETS

Prepared by: DANIEL RALPH, FINANCE MANAGER
DAVID CAMERON, DIRECTOR OF CORPORATE SERVICES

Purpose

To present an update on the 2021/22 budget approved in March 2021

Recommendations

The Finance & Delivery Committee is requested to:

- a) note the 2021/22 budget update.

Executive Summary

1. This paper updates the Finance committee on the impact on the current year, 2021/22 budget, at this early stage in the year of year-end financial management actions. The paper also sets out payroll costs for April, month 1 in the new financial year, to provide assurance on the robustness of that significant element of budget. Finally, the paper provides a brief update on Peatland Recovery funding.

21/22 Budget

2. Year-end financial management, seeking to maximise use of available resources in 2020/21, supported payments originally planned for 2021/22 to be advanced into 2020/21 with a total value of £78,000. These enhancements to resource available in 2021/22 are offset by additional one off software costs to be shared by the Communications and Strategic Planning services of £18,000 to support NPPP and other consultation processes, plus the additional £26,000 implication of the late amendment to Scottish Government Public Sector Pay Policy reported to the Board at its March budget setting meeting. Overall changes in budget position at this early point of 2021/22 are summarised below:

Accelerated Payments	£
Conservation	18,000
Visitor services	5,000
Rural Development	55,000
	78,000
 Added Cost Pressures	
Communications / strategic planning consultation software	(18,000)
Added cost of pay award	(26,000)
Potential budget surplus	£34,000

3. Consequently additional budget available in 2021/22 to support the delivery of our strategic objectives is £34,000. These budget variations arise at a very early stage of the financial year, and while they present a positive overall outlook of the potential for additional resource availability to be invested, we do not propose that redistribution decisions should be taken at this stage. It is also a relatively small sum of overall variation.

4. The Authority has commenced work on our “new normal” programme to establish means by which we will reconfigure our working arrangements as we move out of Business Continuity Planning around COVID19 controls. There are likely to be additional cost pressures arising from this programme of work once work streams have had an opportunity to identify and agree actions required and any investment to support delivery of this programme and a resumption of office use under a range of remodelled working procedures. As such, we propose that these additional resources be held at this stage as contingency cover for our priority organisational development work.

Staff Costs

5. The staff budget approved for the 2020/21 financial year is £4,102,000. Although only one month into the new financial year the month 1 salary costs were £314,600, (before any recovery from projects) compared to an average budgeted monthly staff costs of £341,800. Costs currently are therefore well within budget expectations.

6. The April staff costs exclude the voluntary Exit payments which were accounted for in 2020/21 and the 4 staff members who took the voluntary exist have now left the Authority.

7. April costs also exclude a range of recruitment activity underway on Ranger Services and Peatlands, plus other services. The staff pay award to be implemented with effect from 1 April is also still to be processed. Monthly staffing costs will therefore rise in future months. Information from the first month of the year does confirm that there are no unexpected budget pressures from staff levels, with the potential that there may be some surplus budget to consider reallocation once the position normalises following key recruitment.

8. It has also now been confirmed that there will be no increase in Employer's pension contribution before 2024. Therefore, this budgeting assumption for 2021/22 is now confirmed.

Peatland Restoration

9. Confirmation of the 2021/22 settlement for Peatland Recovery is still to be received and will be added to the annual Grant-in-Aid allocation in the autumn Budget Revisions (approximately £2,163,000.) This confirmation will cover both Capital and Resource allocations for 2021/22 and will allow planning of the current year's Peatland restoration work.
10. Additionally, we expect that a multi-year capital settlement will be confirmed which will make future planning much easier. It is unlikely that a multi-year resource settlement will be agreed over the course of the current year, and this is in line with current Scottish Government practice of single year resource settlements. There is likely, therefore, to be some mismatch between the duration of staff contracts with the confirmed resource funding settlements covering those contracts. Management are aware that the Scottish Government officials leading this programme nationally are fully understanding of the need for staffing, funded by resource allocations, to underpin delivery of the capital works. National resource level funding accounts for only 15% of the full costs of Peatland Restoration. As such, management believe the likelihood of resource allocations not being made to underpin the commitment to capital investment in Peatland Restoration is very low. Evidence also suggests that a recruitment targeted at one-year fixed term contracts will in this area of work will not be successful. As such, the intent is to explore recruitment for staff on a three year contract on this risk-managed basis.

Daniel Ralph
David Cameron
3 May 2021

danielralph@cairngorms.co.uk
davidcameron@cairngorms.co.uk