

CAIRNGORMS NATIONAL PARK AUTHORITY RESOURCES COMMITTEE

FOR DISCUSSION

Title: 2022/23 BUDGET MONITORING

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Purpose

This paper presents an overview of the Cairngorms NPA's budget management position at the end of the first quarter of the 2022/23 financial year, as at 30 June 2022.

Recommendations

The Resources Committee is asked to:

- a) Consider the budget management position for 2022/23;**

Overview

1. Scottish Government has announced an in-year budget review exercise and flagged to all public bodies an expectation that a 2% reduction in original grant in aid allocations may be required. The Cairngorms NPA, in common with all other public bodies funded by government, have also been asked to review their level of financial commitment and identify areas of expenditure not yet contractually committed. Officers have supplied this information and at the time of writing this report await any feedback from that exercise. The budget monitoring figures presented in and with this paper reflect the expectation of a 2% reduction in grant in aid funding from the National Parks budget line - £129,000 reduction for the Authority.
2. Despite this reduction in grant, the first quarter financial position continues to support projection of a break-even outturn position as targeted in the Authority's approved budget for 2022/23.
3. The detail of the financial monitoring position is set out in Annex One to this paper.

Staff and Board

4. After implementation and back-dating of 2022/23 pay award, our actual expenditure against salaries budget remains in a favourable position with an underspend of £77,554 at the end of Q1: equivalent to 7.1% of the £1.091m budget. While there is expectation that this level of underspend will reduce as more planned recruitment is completed over the course of the year, there is a reasonable expectation that up to

£200,000 of this budget may be available for reallocation to support operational plan investment.

Programme Management

5. All expected programme management costs have been recovered from external funds as expected. There are no budget exceptions to report.

Running Costs

6. All running costs are broadly in line with budget expectations.
7. There is a small excess of expenditure against phased budget for other staff costs in Q1, as a consequence of early commitment to a number of training courses. There are no identified pressures which may lead to an overspend at the end of the year at this stage.
8. Other areas of running costs are currently slightly below phased budget position, offsetting the other staff costs position and bringing overall running costs at the end of Q1 to £5,000 in excess of budget, equivalent to 2.3%. Outturn projections remain in line with full year budget.

Operational Plan

9. The operational plan budgeted investment for Q1 is relatively low, with most financial activity profiled from Q2 and heavily into Q3 and Q4 of the financial year. Most operational plan areas have actual expenditure slightly ahead of the profiled budget position for Q1, leading to an overall position of £86,600 expenditure ahead of budget profile.
10. However, actual expenditure is only 2.8% of total budget for the year and therefore any variation between actual expenditure and budget at this stage of the year is negligible in terms of potential impact on outturn position.
11. As is typical in our management of the operational plan, the emphasis remains on converting committed plans into actual expenditure in line with expectations.
12. While the position against the peatland programme is particularly low in comparison with full year budget, a number of grant contracts have now been issued and agreed for the year, with capital commitments now at around £1m.

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