

CAIRNGORMS NATIONAL PARK AUTHORITY FINANCE COMMITTEE

FOR INFORMATION

Title: REVIEW OF 4 MONTHS TO 31 JULY 2011

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Purpose

To confirm the results of the final audited accounts for the financial year ending 31st March 2011.

To present a summary review of income and expenditure for the 4 months to 31st July 2011 and a projection of the financial outcome for the year to 31st March 2012. Further, to report on Operational Plan net expenditure for the 4 months to 31st July 2011.

Recommendations

The Finance Committee is requested to:

- a) Note the audited results for the 2010-11 financial year.
- b) Note the results for the 4 month period to the end of July 2011 and the projected outcome for the 12 months to 31st March 2012.
- c) Note the further analysis of Operational Plan net expenditure by programme for the 4 months to 31st July 2011 and the projected outcome, by programme, for the year to 31st March 2012.

Executive Summary

- a) CNPA's annual accounts for 2010-11 received an unqualified audit report and showed an increase in Tax Payers' Equity of £189k. This figure represented £180k of grant applied to capital expenditure and £9k of net income from operating activities.
- b) Table 1 shows the financial results for the CNPA over the 4 months to the end of July 2011. The 4 months to 31st July resulted in net income of £361k against planned net income of £301k (the £60k variance representing 3% of income).
- c) The £60k variance reflects the net under spend of £66k in Operational Plan Expenditure against budget to the end of July 2011 (see Table 2).
- d) The projected outcome for the year to 31st March 2012 is currently breakeven as per budget.
- e) CNPA is currently projected to achieve targeted efficiency savings of 3% (£144k) for the 2011-12 financial year.
- f) CNPA had been set a target of 2% year on year efficiencies over the 3 years to 31st March 2011 (£275k). Efficiencies actually achieved by the Park Authority over this period were £426k. The savings achieved have been used to cover inflationary increases in staff and core operating costs whilst allowing as much growth in the Operational Plan as possible (Operational Plan expenditure 2010-11 £2,104k, 2007-8 £1,648K).

2011/12 4 MONTH REVIEW - FOR INFORMATION

Table 1 - Results for the 4 months to 31st July 2011:

| CNPA | 4 | | | 12 | | |
|---|-----------------|--------------|------------|--------------|--------------|----------|
| 2011/12 | Jly-11 | Jly-11 | Jly-11 | Mar-12 | Mar-12 | Mar-12 |
| Net Expenditure Account | Actual | Budget | Variance | Projected | Budget | Variance |
| £000's | Ytd | Ytd | Ytd | 12 mths | 12 mths | 12 mths |
| Income | | | | | | |
| Grant in Aid and other income | 1,633 | 1,635 | -2 | 4,796 | 4,796 | 0 |
| Operational Plan income | c) 129 | 167 | -38 | 552 | 552 | 0 |
| Total Income | a) 1,762 | 1,802 | -40 | 5,348 | 5,348 | 0 |
| Expenditure | | | | | | |
| Board and Staff salary costs | 732 | 748 | 16 | 2,243 | 2,243 | 0 |
| Other Board and Staff costs | 78 | 65 | -13 | 169 | 169 | 0 |
| Office running costs | 83 | 83 | 0 | 233 | 233 | 0 |
| IT and Professional Support | 53 | 46 | -7 | 137 | 137 | 0 |
| Core Operating Costs | b) 946 | 942 | -4 | 2,782 | 2,782 | 0 |
| Operational Plan Expenditure | c) 436 | 540 | 104 | 2,490 | 2,490 | 0 |
| Depreciation | 19 | 19 | 0 | 76 | 76 | 0 |
| Total Expenditure | 1,401 | 1,501 | 100 | 5,348 | 5,348 | 0 |
| Net Income | d) 361 | 301 | 60 | 0 | 0 | 0 |
| Notes | | | | | | |
| <p>a) Total income was £40k less than target for the period due mainly to Operational Plan activity (see c) below).</p> <p>b) Core Operating Costs were £4k higher than target. Training costs of £23k (within Other Board and Staff costs -£13k variance) were £9k higher than budget. IT costs of £21k (£4k above budget) contributed to the -£7k variance in IT and Professional Support costs. Staff salary cost savings of £16k compensated for these areas of higher than originally budgeted activity.</p> <p>c) See Table 2 for details.</p> <p>d) Net Income for the year is currently £60k higher than target due to lower than budgeted Operational Plan activity. The budget income target of £301k represents approx. 3 weeks of cover for CNPA activities (there is no cost of capital charge levied for this reserve position). The projected outcome for the 2011-12 financial year is unchanged at break even.</p> | | | | | | |

Table 2 - Net Operational Plan expenditure for the 4 months to 31st July 2011:

| CNPA Operational Plan | 4 | | | 12 | | | |
|---|-----------|------------|------------|-----------|--------------|--------------|----------|
| 2011/12 | Jly-11 | Jly-11 | Jly-11 | Mar-12 | Mar-12 | Mar-12 | |
| Expenditure Summary | Actual | Budget | Variance | Projected | Budget | Variance | |
| £000's | Ytd | Ytd | Ytd | 12 mths | 12 mths | 12 mths | |
| Operating Cost Statement | | | | | | | |
| Operational Plan Income | c) | 129 | 167 | -38 | 552 | 552 | 0 |
| Operational Plan Expenditure | c) | 436 | 540 | 104 | 2,490 | 2,490 | 0 |
| | h) | 307 | 373 | 66 | 1,938 | 1,938 | 0 |
| Operational Plan Programmes | | | | | | | |
| 1. Biodiversity and Landscapes | | 28 | 36 | 8 | 206 | 206 | 0 |
| 2. Integrated Land Management | e) | 12 | 24 | 12 | 100 | 100 | 0 |
| 3. Sustainable Deer Management | | 3 | 4 | 1 | 12 | 12 | 0 |
| 4. Outdoor Access | | 51 | 52 | 1 | 313 | 313 | 0 |
| 5. Sustainable Tourism & Business | | 27 | 27 | 0 | 154 | 154 | 0 |
| 6. Affordable, Sustainable Housing | | 0 | 0 | 0 | 20 | 20 | 0 |
| 7. Awareness and Understanding | | 20 | 28 | 8 | 397 | 397 | 0 |
| 8. Communication & Engagement | f) | 49 | 75 | 26 | 284 | 284 | 0 |
| 9. Planning & Development Mgmt | g) | 45 | 61 | 16 | 254 | 254 | 0 |
| 10. Organisation & Community | | 72 | 66 | -6 | 198 | 198 | 0 |
| | h) | 307 | 373 | 66 | 1,938 | 1,938 | 0 |
| Net Operational Plan Cost | | | | | | | |
| | h) | 307 | 373 | 66 | 1,938 | 1,938 | 0 |
| Notes | | | | | | | |
| <p>e) £12k under spend represents 12% of programme budget (approx. 6 weeks of activity if budget is related to available time for illustrative purposes).</p> <p>f) £26k under spend represents 9% of programme budget (c. 5 weeks activity).</p> <p>g) £16k under spend represents 6% of programme budget (c. 3 weeks activity).</p> <p>h) Net Operational Plan budget of £373k to the end of July 2011 is in line with the same period last year (£369k budget to 31/07/10). The £66k total under spend on Operation Plan represents 3.4% of budget (less than 2 weeks time equivalence). Overall, as at 31st July 2011, Operational Plan budgets are expected to be fully spent by the end of the 2011-12 financial year. Operational Plan budgets will be reviewed and re-profiled as part of the mid-year budget review in September 2011.</p> | | | | | | | |

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