

National Park Board Meeting

Agenda Item 12



2015/16 Financial Report: Quarter 3

Paper for information

1. Purpose

To present the management accounts as at the end of the third quarter of the year to 31 December 2015.

2. Recommendations

It is recommended that members note the information contained within this report and **Appendix 1**.

3. Management Accounts Summary

Net income is £189k higher than the revised budget because of delays in receipt of invoicing. There are a number of variances which are being proactively managed by the Executive team to ensure a balanced out-turn for the year. However at this point there are no significant issues to highlight.

4. Detail

4.1 *Grant in Aid*

Grant in Aid has increased by £30k in relation to additional funding for Scenic Routes. The revised budget figures will not be updated for this so they are shown at £6.4m revenue and £1.0m capital for the year.

4.2 *Operating Income*

Operating income is £41k less than revised budget and this is because:

- Planning fees are forecast to be £21k lower than revised budget and this is expected to reduce to a £15k adverse variance for the year.
- There is a £15k adverse variance because of a delay in the timing of income recognition.
- There are a small number of other variances totalling £5k which are also expected to be simply timing issues

4.3 *Salaries*

Salary costs are £25k lower than the revised budget and the majority of this relates to the profiling of monthly costs in the revised budget. There have been further delays in recruitment of a small number of vacant posts so full year costs are likely to be lower than expected.

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This will be reviewed in detail by the Executive team as part of the January management accounts so that any underspend can be reallocated to ensure a balanced budget is delivered for the full year.

4.4 *Other Operating Costs*

Other operating costs are £199k lower than the revised budget mainly because of the timing of costs being incurred. Specific points to note are:

- Travel & Subsistence is £2.4k higher so this category may overspend for the full year
- Property costs variance is £106k of the £199k total positive variance. The majority of this is the timing of invoicing, however further analysis has been prepared on energy and cleaning costs and it seems likely that we can bring the full year cost estimate down. This will be reviewed in detail by the Executive team as part of the January management accounts review and any underspend will be reallocated.
- Telecoms & Data costs are being queried by the ICT Manager which has resulted in a delay in invoice processing.
- Consultancy and Professional Fees positive variances are timing only.
- ANPA £12k contribution was planned for December but not yet processed.

4.5 *Net Project Expenditure*

Net project expenditure is in line with the revised budget. Although there is still £975k to spend by the end of March most of the work is in progress. The key risks to manage are the costs allocated to the Gateway Centre redevelopment and to the Loch Chon site development as part of Your Park.

5. Balance Sheet & Cash Flow

There are no issues to highlight in relation to the balance sheet or cash flow.

6. Summary

As we continue through Quarter 4 the overall position will be monitored on a regular basis so that we can make quick decisions, as needed, on any change to spend priorities. This will ensure we can achieve full year balanced budget.

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