

# National Park Authority Board Meeting



Agenda Item 10

## 2017/18 Financial Report: Quarter 3

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### *Paper for information*

#### 1. Purpose

1.1 To present the Management Accounts for the quarter ended 31st December 2017.

#### 2. Recommendation

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

#### 3. Management Accounts Summary

3.1 The mid-year budget revision was completed in October 2017 and the report in Appendix 1 shows the actual spend for the 9 months to 31 December 2017 compared to the revised budget figures.

3.2 The revised budget was balanced and the position at the end of December shows operating costs broadly in line with the revised YTD budget (£47k under budget). Approximately one third of the project budget was spent (£303k) at 31 December 2017.

3.3 There remained over £1m of spend uncommitted at the end of December, the majority of which related to tenders for large contracts, such as the piers and pontoons upgrades, Loch Achray and Tarbet car park resurfacing, the contracts for which were awarded in January/early February 2018.

3.4 The focus in the last quarter of the financial year is outturn management and the delivery of the 2017/18 budget, alongside the finalisation of the 2018/19 budget.

#### 4. Management Account Analysis

4.1 The main points to note from the December results are:

- Although staff costs were in line with budget at the end of December, there is likely to be a full year underspend as a result of the gap in filling vacant posts.
- A number of capital underspends are anticipated, including the car park re-surfacing at Tarbet, which is less than budgeted, and the campsite at Loch Achray, which is scheduled to be completed in May 2018. Where possible, capital expenditure from 2018/19 will be accelerated to allow the delivery of the projects and budgets across the financial years.

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- Scottish Government requested the identification of revenue savings based on uncommitted expenditure in October 2018. £50k of savings was identified and SG has confirmed in January 2018 that these savings are required this financial year.
- Although planning income is only £4k below the YTD budget, £85k of planning fee income was budgeted for the last quarter of the year in relation to large applications. There is a risk that not all of this income will be received this financial year if there is slippage by the applicants, although this will have a positive impact on 2018/19 income.
- There is inherent financial risk with the ongoing legal disputes at Drumlean and Luss Visitor Centre.
- There are a number of timing variances in the December management accounts, notably within the Callander Landscape Partnership, where the HLF claim for the work to the end of September was not able to be processed through the HLF system until January ; energy costs, where the utility bills have not yet been received; rates where tenants have to be charged and rebates are anticipated; and other property costs, IT software and GIS costs and consultant costs where invoices have still to be received.
- The Balance Sheet is broadly in line with the half year position. The following points should be noted:
  - The Fixed asset balances and reserves adjustments will be processed before year end and the 2017/18 capitalisation and depreciation processes.
  - Stock balances are updated on an annual basis and therefore the balance remains unchanged.
  - Cash balance is £723k, which includes £175k reverse lease premium and £185k contribution from Scottish Enterprise in relation to the Gateway Centre, £84k 'ring-fenced' for the West Highland Way and £17k of Sustrans funding to be paid out.
  - Corporation tax return for 2016/17 is due at the end of March, although no corporation tax is likely to be due.

### 5. Summary

- 5.1 With the awarding of significant tenders in December and January 2018, the level of uncommitted spend has decreased in January 2018. This will be monitored closely in the last quarter as part of the usual outturn management process.

**Appendix 1** – Management accounts for the quarter ended 31st December 2017.

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