

**MG- 746(b) FIRST QUARTER BUDGET MONITORING REPORT AT  
30 JUNE 2005****Implications of the Financial Performance Monitoring Report****Purpose of the Report**

This is the first report with a radically different format which provides the Management Group with summarised financial information. It is based on profiled budgeting which will be an iterate process during this first year of operation. The report was scrutinised individually by each Director and corporately by the Senior Management Team on the 15<sup>th</sup> July before coming to the Management Group in summary form.

**The Management Group is recommended to:**

- a) Note the overall budget summary which is broadly on target but requires some changes to the profiling to outturn on plan;**
- b) Receive a verbal update on the issue of under-performance on the interest earned on cash balances which is being investigated; and**
- c) Note that the issues about project performance are raised and address as part of the previous report MG 746 (a).**

In overall terms the Authority budget is adversely affected by the key performance variations of some key projects. The actual ongoing mainstream budgets are performing more or less in line with expectations. As this is the first year of operating the seasonally profiled budget monitoring system a number of specific teething problems have been identified (see the Senior Management Team's agreed list Key Budget Issues list). The Management Group are advised that this will address virtually all of the issues.

Budget Managers are confident that the existing annual budget allocations are adequate based on the first quarter's performance. There is a specific issue relating to a £6,500 under-performance on interest earned from cash balances. If this were to be an annual trend then it could cause a budget deficit of approximately £25,000. This is being investigated and a verbal update will be provided to the Management Group at their meeting.

The financial implications of the significant variations in projects are being progressed as part of the response to the project management performance report. Project Managers will be encouraged to set realistic spend and income profiles for the full duration of their projects and in some cases this will impact upon future years' budget plans as well as this year's.

Author: Senior Management Team  
Date: 15 July 2005

**2005/06 Quarter 1 Key Budget Issues**

<b>Ref.</b>	<b>Specific Key Issue</b>	<b>Due By</b>	<b>Completed On</b>	<b>Of</b>
1.1	Explanations of Archaeology budget performance are outstanding - request explanations from Team Leader	29/07/2005		
1.2	Explanations of Planning budget performance are outstanding - request explanations from Team Leader	29/07/2005		
1.3	Team Leader to re-profile Recreation budgets especially Repair and Maintenance and Hareshaw Linn emergency works	29/07/2005		
1.4	Team Leader to re-profile Promoting Understanding staffing budgets for Visitor Centres to reflect seasonality.	29/07/2005		
1.5	Team Leader to re-profile Promoting Understanding Sales Operation (costs and income) budget profiles	29/07/2005		
1.6	Team Leader to re-profile Corporate Admin budgets of Jobs Advertising, Insurance and Annual Subscriptions	29/07/2005		
1.7	Team Leader to investigate low level of bank interest income	22/07/2005		

## TOTAL NPA 2005/06 BUDGET SUMMARY

	Annual Budget	Year to Date Budget	Actual		Co
<b>NET Position Q1</b>	<b>£3,561,000</b>	<b>£883,300</b>	<b>£618,196</b>		<b>£6</b>
<b>Non-Project Budgets</b>					
<b>Expenditure</b>					
Park Management	£894,800	£221,600	£222,820		
Access & Communications	£790,900	£195,100	£235,808		
Resources	£1,195,400	£302,300	£312,007		
<b>Total</b>	<b>£2,881,100</b>	<b>£719,000</b>	<b>£770,635</b>		<b>£</b>
<b>Income</b>					
Park Management	-£98,500	-£23,800	-£1,929		
Access & Communications	-£163,800	-£43,000	-£44,907		
Resources	-£86,200	-£21,400	-£14,466		
<b>Total</b>	<b>-£348,500</b>	<b>-£88,200</b>	<b>-£61,301</b>		
<b>NET Total Non-Project</b>	<b>£2,532,600</b>	<b>£630,800</b>	<b>£709,334</b>		<b>£3</b>
<b>Project Budgets</b>					
	Annual Budget	Year to Date Budget	Actual		Co

<b>Expenditure</b>					
Park Management	£1,014,900	£251,600	£61,988		
Access & Communications	£1,212,000	£301,200	£82,681		
Resources	£374,900	£90,500	£28,749		
<b>Total</b>	<b>£2,601,800</b>	<b>£643,300</b>	<b>£173,418</b>		
<b>Income</b>					
Park Management	-£795,500	-£197,900	-£71,440		
Access & Communications	-£569,400	-£141,000	-£177,702		
Resources	-£208,500	-£51,900	-£15,414		
<b>Total</b>	<b>-£1,573,400</b>	<b>-£390,800</b>	<b>-£264,556</b>		
<b>NET Total Project Budgets</b>	<b>£1,028,400</b>	<b>£252,500</b>	<b>-£91,138</b>		<b>£3</b>