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**1 INTRODUCTION**

The following report provides information on the situation for the 2004/05 out-turn in relation to finances, staffing and performance against targets. Detailed information about each can be found in the relevant section:

- 3) Financial report
- 4) Staffing Report
- 5) Performance against targets

**2 SUMMARY****FINANCE****Expenditure**

Having analysed the final year figures for 2004/05, when comparing the actual net expenditure/income to the revised budget the result is an overspend against budget of £29k.

Total actual expenditure minus actual receipts		<b>6,228,235</b>
Budgeted expenditure	<b>7,013,013</b>	
Less budgeted income	<b>-814,249</b>	
		<b>6,198,764</b>
Overspend		<b>29,471</b>

**Commentary**

The overall net expenditure of £6,228k represents an overspend of less than 0.5% against the revised budget. The reasons for this overspend are shown in Table 3. Almost all the overspend has been caused by the decision to bring forward some planned IT spend from 2005/06. This decision was taken when it appeared that there was a likelihood of an underspend in 2004/05.

**STAFFING**

Number of leavers appears high but this includes 2 retirements, 2 casuals/short-term FTAs, 1 end of project, 1 promotion to post with EN and 1 redundancy.

Sickness was high compared to previous year but includes one long-term certificated absence;

Training days are low and the target of 3 days training per person per year was not met.

**PERFORMANCE AGAINST TARGETS**

*All Targets* - 112 of the 132 targets were fully completed.

*Key Targets* - 15 of the 20 key targets were fully completed; another 4 were substantially (ca 90%) completed.

## 3. JNCC Financial Report

2004/2005

Report By : Finance &amp; Procurement Manager - David Burton

Table 1. Summary of Expenditure and Income against Budget

Expenditure	Original Budget	Changes already Agreed	Revised Budget	Expenditure to Date	Variance Over/(Under)
	(a)		(b)	(d)	(d)-(c)
Staff Costs	3,474,717	(11,000)	3,463,717	3,504,058	40,341
Other Operating Costs	1,249,360	10,051	1,259,411	1,276,417	17,006
Information and Publicity	109,000	85,244	194,244	188,983	(5,261)
Conservation Support	1,986,671	59,316	2,045,987	1,887,465	(158,522)
Capital	35,500	14,156	49,656	67,318	17,662
<b>Total Expenditure</b>	<b>6,855,248</b>	<b>157,767</b>	<b>7,013,013</b>	<b>6,924,241</b>	<b>(88,774)</b>

Income	Original Budget	Changes already Agreed	Revised Budget	Income to Date	Variance (Over)/Under
	(a)		(b)	(d)	(d)-(c)
Sales of Publications	50,000	16,500	66,500	91,146	24,646
Contributions to Projects	384,311	353,438	737,749	586,503	(151,246)
Other	8,000	2,000	10,000	18,357	8,357
<b>Total Income</b>	<b>442,311</b>	<b>371,938</b>	<b>814,249</b>	<b>696,006</b>	<b>(118,243)</b>

<b>Net Expenditure</b>	<b>6,412,937</b>	<b>-214,171</b>	<b>6,198,764</b>	<b>6,228,235</b>	<b>29,471</b>
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**Table 2: JNCC income & expenditure account 2004/05**

	Notes	04/05 £000	04/05 £000	03/04 £000
<b>Gross Income</b>				
Grant in aid		5,895		5,664
EU funds	**	727		
Income from activities	**	787		909
			<b>7,409</b>	<b>6,573</b>
<b>Expenditure</b>				
Conservation support	**	2,504		1,978
Publicity and information		189		218
Staff costs		3,504		3,209
Other operating costs		1,276		1,175
Depreciation		84		98
Impairment of asset values		16		0
Assets written off		0		0
Notional costs		18		18
			<b>7,591</b>	<b>6,696</b>
<b>Surplus/(deficit) on operating activities</b>			<b>(182)</b>	<b>(123)</b>
Profit/(loss) on sale of fixed assets			(11)	0
Interest receivable	**		14	12
Add back notional costs			18	18
Appropriations				0
Transfer from government grant reserve			112	98
<b>Retained (deficit)/surplus for the financial year</b>	*		<b>(49)</b>	<b>5</b>
<b>I&amp;E account reserve</b>			<b>04/05 £000</b>	<b>03/04 £000</b>
I&E account brought forward			95	90
(Deficit)/surplus for the year			(49)	5
<b>I&amp;E account carried forward</b>			<b>46</b>	<b>95</b>

**Notes****\* Deficit for 2004/05**

The above shows the Income & Expenditure Account that will appear in JNCC's published accounts. The result is a deficit for the year of £49k. This differs from the budget variance of £29k because the net budget was finally set at £6,198k, whereas our GIA for the year was £6,178k (including EHS contribution and capital expenditure). So although we only overspent by £29k against budget, the budget we set was already £20k above GIA and the overall deficit against GIA is £49k.

(continued)

**\*\* MESH partner income and EHS income**

The above also shows a discrepancy when comparing income and expenditure against the out-turn report (Table 1). The difference relates to partner income from the MESH project and income received from EHS. Explanations and reconciliations are shown below.

**MESH partner income - Conservation support and EU funds.** The JNCC is lead partner for the MESH project and receives all the income from the EU for all partners. Under Government Accounting rules, the JNCC, as lead partner, must show all the income received as its own, with the payment of these grants to the other partners as conservation support expenditure.

<b>Conservation support (as per I&amp;E account)</b>	<b>2,504</b>
less MESH partner income to be paid onwards	(617)
<b>Conservation support (as per out-turn report - Table 1)</b>	<b><u>1,887</u></b>

**EHS income** - this income was included within the GIA for budgeting purposes, but was received outside of the GIA drawdown. This meant that in the out-turn figures this showed as additional income and was therefore stripped out of the income figures to allow a true comparison with budget.

EU funds	727	
Income from activities	787	
Interest receivable	14	
<b>Total income (as per I&amp;E account)</b>	<b><u>1,529</u></b>	
less MESH partner income to be paid onwards	(617)	
less EHS income budgeted as GIA	(216)	
<b>Total income (as per out-turn report - Table 1)</b>	<b><u>696</u></b>	

Table 3: Expenditure and Income against Budget by Cost Centre

2004/2005

Alloc'n Holder	CC	Cost Centre	Expenditure				Income				Net Variance Over/ (Under)	Comments
			Original Budget	Revised Budget	Spend to Date	Variance Over/ (Under)	Original Budget	Revised Budget	Income to Date	Variance Over/ (Under)		
			£	£	£	£	£	£	£	£	£	
			(a)	(b)	(c)	(c)-(b)	(e)	(f)	(g)	(g)-(f)		
AG	ZF	Communications	45,000	69,000	103,954	34,954	30,000	56,500	77,992	21,492	13,462	
BL	ZK	FMPR	80,000	61,700	61,058	(642)					(642)	
BL	ZN	Salaries	3,474,717	3,463,717	3,504,058	40,341	163,966	174,966	145,127	(29,839)	70,180	2% variance on salaries over year
BL	ZP	Personnel and Training	96,000	132,000	99,603	(32,397)					(32,397)	Training budget underspend to offset salaries
BL	ZQ	Finance and Office Services	401,500	437,200	424,091	(13,109)	8,000	10,000	18,357	8,357	(21,466)	£20k credit - prior years reclaimed VAT
BL	ZV	Business Management	112,000	63,450	52,531	(10,919)					(10,919)	
IM	ZX	Species	1,092,471	1,127,671	1,130,287	2,616	30,000	30,000	40,280	10,280	(7,664)	
LW	ZB	Data Services	133,500	115,559	144,550	28,991					28,991	IT hardware purchases March 2005
LW	ZD	NBN and Recorder	120,000	178,394	173,629	(4,765)	2,000	75,694	81,330	5,636	(10,401)	
NE	ZA	GCR	76,000	66,000	61,666	(4,334)	20,000	10,000	13,154	3,154	(7,488)	
PR	ZH	BIS	108,000	78,422	80,817	2,395	15,000	13,100	26,531	13,431	(11,036)	
TW	ZL	Earth Heritage	41,000	53,000	73,152	20,152		13,444	13,285	(159)	20,311	Conference costs re. International Earth Heritage
VF	ZC	Brussels	37,500	45,000	41,434	(3,566)		7,500	7,500		(3,566)	
VF	ZR	International	151,160	150,101	165,891	15,790	9,845	9,845	32,175	22,330	(6,540)	
WJ	ZU	Habitats	234,600	198,600	223,299	24,699	15,000	54,500	70,471	15,971	8,728	
ZC	ZE	Marine	564,300	409,700	307,537	(102,163)	148,500	181,700	90,707	(90,993)	(11,170)	
ZC	ZM	Aberdeen Office	87,500	83,500	85,024	1,524					1,524	
ZC	ZS	MESH		280,000	224,459	(55,541)		177,000	110,459	(66,541)	11,000	
	ZZ	Accounting adjustments			-32,799	(32,799)			-31,362	(31,362)	(1,437)	Adjustments for prior year accruals
<b>JNCC Total</b>			<b>6,855,248</b>	<b>7,013,014</b>	<b>6,924,242</b>	<b>(88,772)</b>	<b>442,311</b>	<b>814,249</b>	<b>696,006</b>	<b>(118,243)</b>	<b>29,471</b>	

#### 4. STAFFING REPORT By Trish Williams

##### 4.1 Comments

Number of leavers appears high but this includes 2 retirements, 2 casuals/short-term FTAs, 1 end of project, 1 promotion to post with EN and 1 redundancy. Sickness was high compared to previous year but includes one long term certificated absence. Training days are low and the target of 3 days training per person per year was not met. Note number of posts does not include 3 maternity cover posts but these are counted as vacancies.

##### 4.2 Strength/turnover data

	Cumulative for year	Total for quarter	Full-time	Part-time	Permanent	FTA	Casual
Strength at 31 March 05		116	103	13	107	9	0
Posts at 31 March 05		121	106	15	110	11	0
No of vacancies at 31 March 05		5	4	1	3	2	0
No of active recruitment schemes at 31 March 05		5	4	1	3	2	0
New starters during the quarter	21	4	3	1	2	2	0
Leavers during the quarter	18	2	2	0	2	0	0

##### 4.3 Analysis of non-working days

	Cumulative for year	Total for quarter	2003/04
Self Certified Sick Absence	194	99.5	205.5
Doctors Certificate Sick Absence	429.5	94	189
Maternity Leave	207	71	279
Paternity Leave	0	0	33
Special Paid Leave	39.5	4	32
Special Unpaid Leave	0	0	0
<b>Total</b>	<b>870</b>	<b>268.5</b>	<b>567.5</b>

##### 4.4 Training Days

			2003/04
Training Days	276	125	302