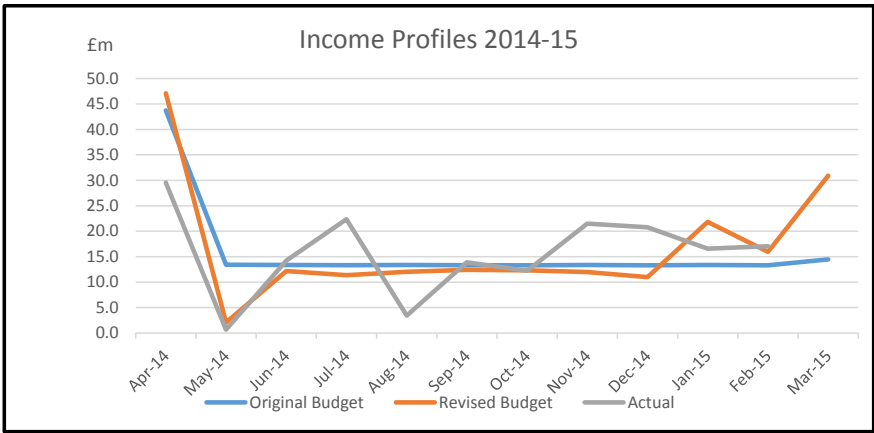


Natural Resources Wales - Financial Performance Report - at February 2014



INCOME



Income	YTD Actual	YTD Budget	YTD Variance	YTD Variance	Full Year Budget
	£m	£m	£m	%	£m
Charge Income	37.00	37.10	-0.10	-0.27%	36.43
Commercial & Other Income	27.11	24.25	2.86	11.78%	32.52
European & Other External Income	0.73	1.40	-0.68	-48.31%	3.87
Grant in Aid	107.44	107.44	0.00	0.00%	130.43
Total Income	172.28	170.20	2.08	1.22%	203.25

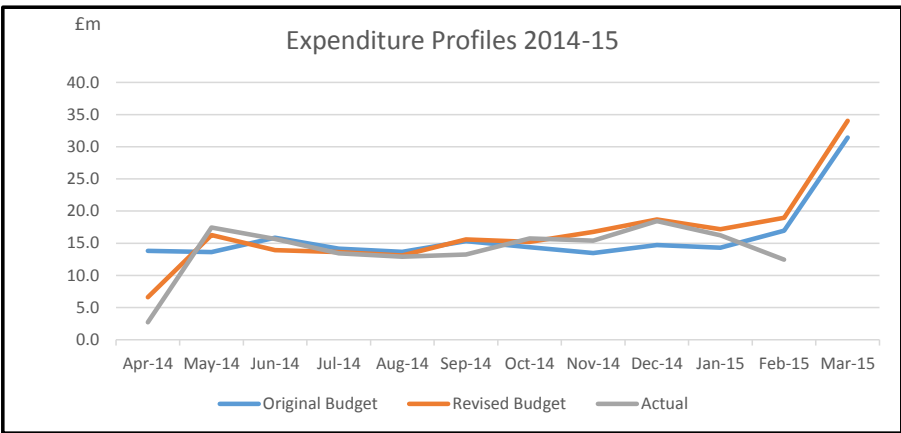
Charge Income: is on target

Commercial & Other Income: is ahead of target and expect to receive at least another £5m before the end of the financial year, mainly relating to timber income and receipts from Windfarm developers. We are also forecasting £1.5m less (in both income and expenditure) for the Wood Energy Business Scheme due to an applicant not being able to meet the requirements this financial year. The uptake on the Better Woodlands for Wales grant schemes is not as high as expected, and we are forecasting a reduction in both income and expenditure. We also anticipate timber income sales to be above budget.

European & Other External Income: it is possible that we will under achieve our target on European Income due to our ongoing discussions with Wales European Funding Office regarding the amount of the final claim on the Communities and Nature fund.

Grant in Aid: is on target.

EXPENDITURE



Expenditure	YTD Actual	YTD Budget	YTD Variance	YTD Variance	Full Year Budget
	£m	£m	£m	%	£m
Staff	75.27	74.62	-0.65	-0.87%	85.50
Non staff	49.71	53.21	3.50	6.57%	71.05
Revenue Projects	5.88	10.75	4.87	45.28%	13.20
Capital Projects	22.80	27.41	4.61	16.81%	32.40
Total Expenditure	153.66	165.99	12.32	7.43%	202.15

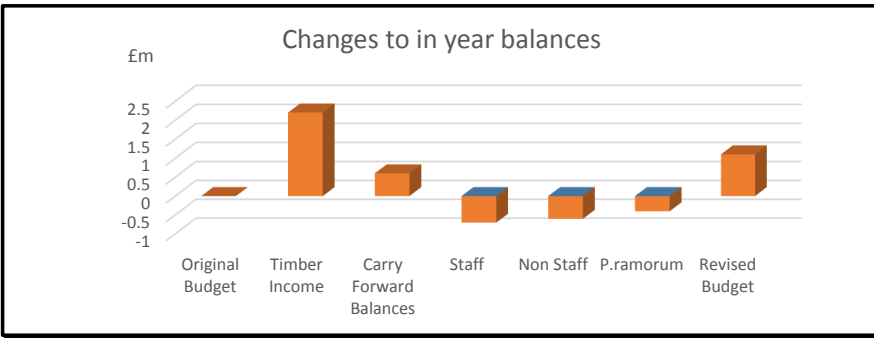
Staff: is greater than the revised budget by <1%, this position is likely to continue to end of the financial year and will be funded from either projects or offset by savings in non staff costs.

Non Staff Costs: the main areas of underspend currently are in Harvesting and Marketing, Silviculture, Forestry Civils, Forestry Operations, Service Level Agreements with Legacy Bodies and Grants & Partnerships. The underspend to date is in part in caused by delays in the processing of invoices but indications are that the majority of the remaining budget will be spent. There are some critical areas of spend where funding will be carried forward into 2015-16.

Revenue Projects: there are underspends across the Revenue Project programme within Directorates including some where we have received additional external funding. These include Nature Fund, LIFE, Ecosystems Resilience Fund, Come outside etc. We anticipate that the programme will catch up during March but there are projects where funding will be carried forward into 2015-16.

Capital Projects: the main areas of underspend are on the Flood Coastal and Risk Management Programme ,Transition and on projects for which we have received additional funding such as Wales Coastal Path and Rights of Way Improvement Programme. We anticipate that the programme will catch up during March but there are projects where funding will be carried forward into 2015-16.

BUDGET CHANGES



There are no further changes to the budgeted position. We anticipate the current year's surplus available to offset budgetary pressures next year to have increased from £1.1m to £1.3m

COMPLIANCE

	Actual %	Target %
Payroll Accuracy	99.70%	100%
Payments Performance	92.40%	95.00%
Based on MyNRW statistics since December 2014.		
Charge Income Debt	3.50%	3.50%
Outstanding debt as a percentage of charge income invoiced.		
Commercial Income Debt	1.07%	1.50%
Outstanding debt as a percentage of charge income invoiced.		