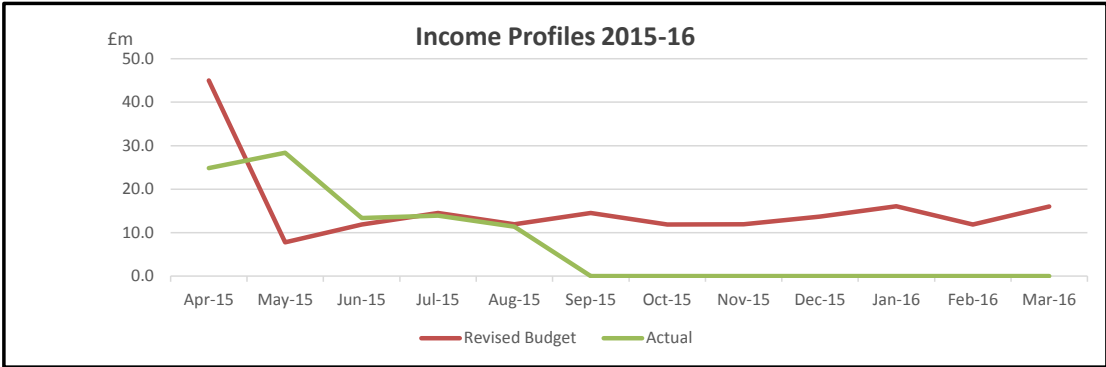


Natural Resources Wales - Financial Performance Report - as at August 2015

INCOME



Income by Account	YTD Actual	YTD Budget	YTD Variance	YTD Variance	Full Year Budget
	£m	£m	£m	%	£m
Charge Income	32.8	32.2	0.5	1.7%	36.6
Commercial & Other Income	9.0	8.9	0.1	1.5%	25.9
European & Other External Income	0.4	0.3	0.1	36.8%	2.9
Grant in Aid	28.4	28.4	0.0	0.0%	100.3
Brought Forward Income	21.2	21.2	0.0	0.0%	21.2
Total	91.8	91.0	0.8	0.9%	187.0

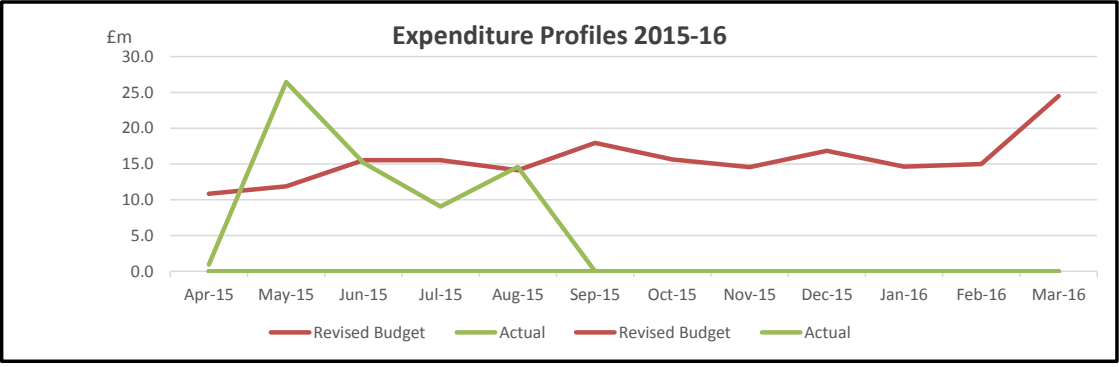
Charge Income:
Environmental Permitting Regulation Installations Income is ahead of profile by £0.4m due to the introduction of the Industrial Emissions Directive. This will increase our income for the year but will be offset by additional contractor costs together with bad debt write offs.

Commercial & Other Income:
Asset sales income is ahead of profile by £0.2m but we expect this to be on target by the end of the year. There is a risk due to market forces, that we may not meet our timber income target this year.

Mid Year Budget Review will be undertaken across all Directorates from mid - September/October. Directorates have been asked to review their expenditure plans for the second half year. Any savings identified will be used to help offset the impact of financial pressures in 2015-16 and 2016-17.

Success with Less efficiency target of £3m was allocated across Directorates as part of the Opening budget for 2015-16. Currently £2m of savings have been identified and we anticipate that Directorates will find the remaining target for the year.

EXPENDITURE



Expenditure by Account	YTD Actual	YTD Budget	YTD Variance	YTD Variance	Full Year Budget
	£m	£m	£m	%	£m
Staff	32.6	32.1	-0.5	-1.7%	80.0
Non staff	22.8	22.0	-0.7	-3.4%	65.9
Revenue projects	4.0	3.4	-0.5	-14.8%	12.9
Capital projects	6.8	10.4	3.5	34.0%	28.2
Total	66.2	67.9	1.7	2.5%	187.0

Staff Costs:
Directorates have been asked to review their staff budget which are ahead of plan and to take action to ensure they meet their full year target.

Non Staff Costs:
Service Level Agreements with legacy bodies are currently overspent by £0.7m. This is due to charges for Forestry Commission Great Britain residual costs and an increase in costs due to the delays in exiting legacy systems. We will find the additional budget required by reducing spend in other areas.

Revenue Projects:
Revenue projects are currently showing as overspent, but this is due the categorisation of cost between revenue and capital on Transformation projects of £0.9m. This is offset by an equivalent overspend on capital.

Capital Projects:
Flood Coastal Risk Management Programme is underspent by £2.8m. We are in discussions with Welsh Government about carrying forward budget into 2016-17, where our budget is likely to see a significant reduction.

COMPLIANCE

	Actual	Target
	%	%
Payroll Accuracy	99.45%	100%
We remain on track to reducing the error rate and achieving the target performance		
Payments Performance	88.00%	95.00%
Whilst this represents a dip in performance from the 90.1% achieved in July this is largely attributed to the impact of annual leave across the business leading to delays in invoice approval workflow. We remain confident in meeting the target performance. Latest performance (September) shows an increase to over 93%.		

	Actual	Target
	%	%
Charge Income Debt (Year End)	9.37%	<1.5%
The cyclical nature of our billing sees the actual debt level higher during this part of the Financial year. We remain confident in meeting the year end target performance.		

