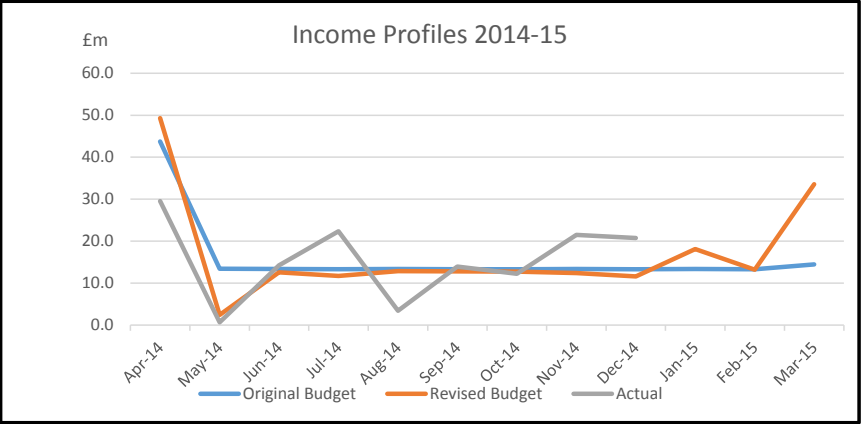


Natural Resources Wales - Financial Performance Report - December 2014



INCOME



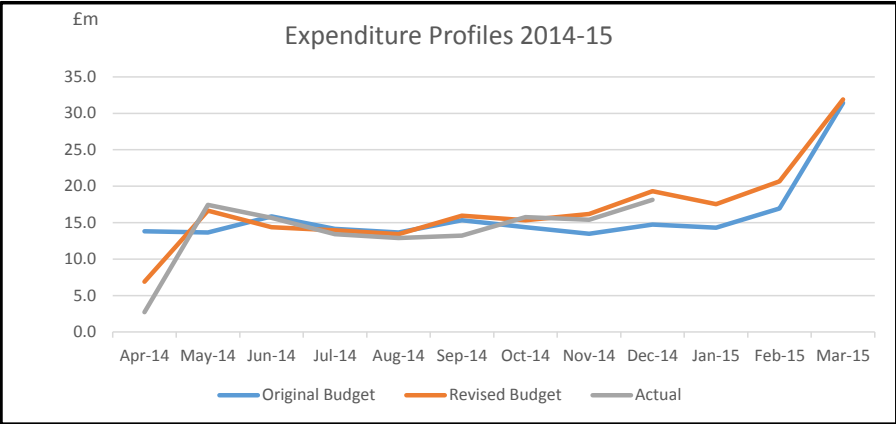
Income	YTD Actual £m	YTD Budget £m	YTD Variance £m	YTD Variance %	Full Year Budget £m
Charge Income	35.80	34.94	0.86	2.46%	36.43
Commercial & Other Income	16.26	15.65	0.61	3.88%	32.52
European & Other External Income	0.72	1.89	-1.18	-62.11%	3.87
Grant in Aid	85.88	85.88	0.00	0.00%	130.43
Total Income	138.65	138.37	0.29	0.21%	203.25

- Charge income is ahead of budget, which if it continues to the end of the financial year will be ring-fenced to the specific schemes it relates to.

- Commercial income is in line with the revised budget to date but there is still £15m remaining to be received when compared to the full year budget. The main items are timber (£5m), Wind Energy Programme (£3m), Wood Energy Business Scheme and Better Woodlands for Wales (£3m). We are confident about receiving the majority of the income this financial year. There is a possibility that some of the income from sale of land and buildings will be delayed to next financial year. It is also likely that income from the Wood Energy Business Scheme and Better Woodland for Wales will be under budget but will be offset by a corresponding decrease in expenditure. We have increased our budget by over £2.5m this year for timber income because of positive market conditions.

- Overall we have received more income to date than what we have spent. This is due to charge income being mainly received at the beginning of the year but expenditure is spread throughout the year.

EXPENDITURE



Expenditure	YTD Actual £m	YTD Budget £m	YTD Variance £m	YTD Variance %	Full Year Budget £m
Staff	61.11	60.76	-0.35	-0.58%	85.50
Non Staff	40.26	41.54	1.28	3.08%	71.05
Revenue Projects	5.02	7.72	2.70	34.94%	13.20
Capital Projects	18.29	22.01	3.73	16.93%	32.40
Total Expenditure	124.68	132.03	7.35	5.57%	202.15

- Actual expenditure is very close to budget for staff and non staff costs following our Quarter 3 Budget Review.

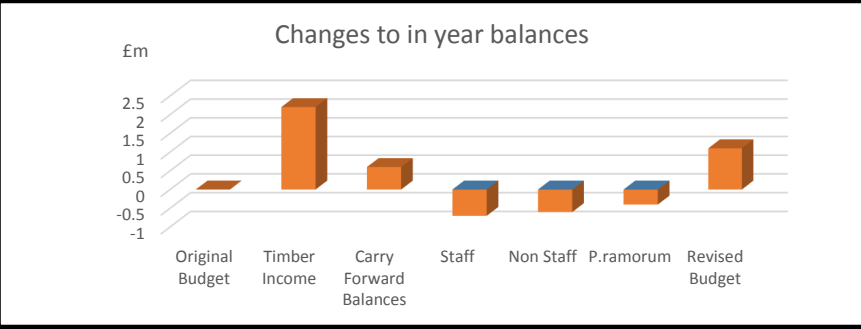
- Revenue and capital projects are currently behind profile.

- For Revenue projects, the reasons are spread across a number of Directorates and mainly relates to projects for which we have received additional external funding to undertake such as 'Come Outside' and 'Nature Zones'.

- For Capital projects, the underspend mainly relates to the Flood and Coastal Risk Management Asset Replacement programme, Coastal Access and Rights of Way Improvement Plans. The latter two are mainly grants that are paid out to Local Authorities, which we expect to pay in the last quarter. The Flood and Coastal Risk Over-Programming is 10% and we are confident of meeting our budget allocation.

- There is a sharp rise in expenditure profiled for March - this is due to Voluntary Exit Schemes payments scheduled for the end of the year, grant payments, the payment to Welsh Government for the balance of Windfarm income and the remaining spend on the revenue and capital projects.

BUDGET CHANGES



- The above chart shows the changes to our Original balanced Budget at the beginning of the year to the current Revised Budget position (£1.1m surplus).

- The main reason we have a positive balance is the additional timber and forest income estimated for this year due to positive market conditions.

- We aim to retain a positive balance to carry forward into next year to help achieve a balanced budget in 2015-16. Our current Forecast Outturn is in-line with this £1.1m surplus.

COMPLIANCE

	Actual %	Target %
Payroll Accuracy	100%	100%
Payments Performance	97.50%	95.00%
Invoices paid within 30 days. This is a positive outcome given we have just gone live on our new Finance and HR System		
Charge Income Debt	3.50%	3.50%
We expect to achieve our outstanding debt as a percentage of charge income invoiced target at year end.		
Grant payments from claims received	100.00%	100.00%
All claims received have been paid following the proper due diligence of the claims.		