

## **ANNUAL REPORT AND ACCOUNTS 2015/16**

## **AITHISG BHLIADHNAIL AGUS CUNNTASAN 2015/16**

**...AN OUTSTANDING NATIONAL  
PARK, ENJOYED AND VALUED BY  
EVERYONE, WHERE NATURE AND  
PEOPLE THRIVE TOGETHER**

**.... SÀR PHÀIRC NÀISEANTA, A THA  
A' CÒRDADH RIS A H-UILE DUINE  
AGUS AIR A BHEIL IAD UILE A'  
CUR LUACH, AGUS FAR A BHEIL  
NÀDAR AGUS DAOINE A'  
SOIRBHEACHADH**

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## **BOARD MEMBERS**

Peter Argyle – Convener  
Brian Wood – Deputy Convener

Rebecca Badger  
Duncan Bryden (to 7 September 2015)  
Angela Douglas  
Paul Easto  
Dave Fallows  
Katrina Farquhar  
Jeanette Gaul  
Kate Howie  
Janet Hunter (from 8 September 2015)  
Gregor Hutcheon  
Eleanor Mackintosh  
John Latham  
Bill Lobban  
Willie McKenna  
Fiona Murdoch  
Gordon Riddler  
Gregor Rimell  
Judith Webb

## **CHIEF EXECUTIVE AND ACCOUNTABLE OFFICER**

Grant Moir

## **DIRECTORS**

David Cameron – Director of Corporate Services  
Murray Ferguson – Director of Planning & Rural Development  
Hamish Trench – Director of Conservation & Visitor Experience

## **SPONSORING BODY**

Scottish Government, the Natural Resources Division, Directorate of Environment & Forestry.

# PART I THE PERFORMANCE REPORT

## OVERVIEW

### I CHIEF EXECUTIVE'S STATEMENT ON PERFORMANCE

I have pleasure in presenting the Cairngorms National Park Authority (the Authority) annual report and accounts covering its thirteenth year of operation, from 1 April 2015 to 31 March 2016.

The Authority has worked during a year of public sector funding restrictions to achieve our priority objectives set out in our Corporate Plan covering 2015 to 2018 and also to make the contribution expected of us by our partners in our collective delivery of the objectives of the Cairngorms National Park Partnership Plan for 2012 to 2017. Some of the highlights of our work will be covered in this Annual Report and Accounts document, with more detail available separately in our Annual Review of 2015/16.

Crucially, the Authority has also made its expected contribution to the Scottish Government's wider national objectives set out in the National Performance Framework. In particular, in the context of this document, we have contributed to the outcome that "our public services are high quality, continually improving, efficient and responsive to local people's needs" through delivering high standards of service within our planned and agreed budget outcome of a £182,000 revenue surplus.

### Summary of Financial Results

The Authority's financial target for the year, agreed with the Scottish Government, was to achieve a revenue surplus of £182,000.

The main sources of the Authority's funding for the year were the resource budgets and grant-in-aid funding from the sponsoring body the Natural Resources Division, Environment & Forestry Directorate, of the Scottish Government.

The Authority's total expenditure for the year was £4,849,745 (2015: £5,239,543). Grant-in-aid of £4,436,000 (2015: £4,403,000) was received against operational activities from its sponsoring body within the Scottish Government, together with capital grants of £215,000 (2015: £207,000). Third party contributions to the Operational Plan and other income were £735,992 (2015: £542,147).

The accounts show net income of £537,247 (2015: net expenditure of £87,396): see Statement of Changes in Taxpayers' Equity. After reflecting capital investment creating £343,240 in new fixed assets from this net income, our revenue surplus for 2015/16 is £194,007 as compared with our financial target for the year of £182,000.

Our income and expenditure levels have been relatively static over 2015/16 as compared with the previous year, 2014/15. We are pleased to report that, in the face of inflationary cost increase pressures on the Authority's running costs, we have been able to maintain our levels of investment in Operational Plan activity at around £1.5 million, only slightly below the 2014/15 figure. This investment which comes through our Operational Plan, together with the investment of time and energy by our staff, contributes to delivering the project activity within the Cairngorms National Park which in turn delivers our and our partners' priorities for Conservation, Visitor Experience and Rural Development agreed within our collective Cairngorms National Park Partnership Plan.

The Authority's expenditure is broken down over key areas of operational activity in note 2 to these accounts. A summary of operational activities for the year is set out in a separate Annual Review, including progress against targets and key performance indicators.

The accounts for the year to 31 March 2016, set out in this Annual Report and Accounts document are prepared on a going concern basis. The accounts are set out on pages 29 to 32 together with the notes on pages 33 to 44.

The accounts are prepared in a format directed by Scottish Ministers in accordance with the National Parks (Scotland) Act 2000. A copy of the Accounts Direction is reproduced on page 45.

## Financial Performance

The Authority's financial target for the year is a revenue surplus of £182,000. The table below summarises our performance against that target.

	£,000	£,000	£,000
<b>Revenue / operating income and expenditure</b>			
Income			
Grant in aid allocation	Note 3	4,436	
Other operating income	Note 7	<u>736</u>	
<b>Total income receipts</b>		<b>5,172</b>	
Expenditure			
Total expenditure on operations	Page 29	4,771	
Revenue contribution to asset creation		<u>128</u>	
<b>Total expenditure</b>		<b><u>4,899</u></b>	
Net income (expenditure) on operating activities		273	
Depreciation provision		53	
Gain on disposals		(1)	
Depreciation charges on use of assets	Note 8	80	
Net charges against provision		<u>79</u>	
<b>Net over (under) provision of depreciation cover</b>		<b>(26)</b>	
<b>Total position on revenue/operating income and expenditure</b>		<b>247</b>	
Target for year		182	
<b>Increase (decrease) in net income from target</b>		<b><u>65</u></b>	

The position with financing capital expenditure in the year is summarised as:

		£,000	£,000	£,000
<b>Capital Resourcing and Investment</b>				
Capital grants available in year	Note 3	215		
Revenue contribution to asset creation		128		
<b>Total capital resourcing and investment</b>		<u>343</u>		
<b>Total asset additions in year at cost</b>	Note 8		<u>343</u>	
<b>Net capital resource (expenditure) on assets</b>			<u>0</u>	

Our net income generated in the year in excess of target is £65,000. This equates to 1.21% of total income for the year, and falls well within our agreed performance range of an outturn result within net expenditure of 1% to net income of 2% as a proportion of total income.

## Review of Financial Performance

### Net Incoming Resources

The net incoming resources for the year to 31 March 2016 relates primarily to the income received from partners reimbursing the Authority for costs incurred in 2014/15 on the Speyside Way extension project - £131,440. Also, to allow resources to be allocated to other Scottish Government priority areas the Authority agreed not to make expenditure commitments against £50,000 of its Scottish Government grant allocation.

### Changes in Non-Current Assets

Movements in non-current assets are shown in note 8, Property, Plant and Equipment, and Intangible Assets. Key additions in the year related to £17,825 of Information Technology equipment and £25,054 of Software, £103,028 Operational Plant and Equipment which includes the completed work on the Corgarff view point ("The Watchers"), the first enhanced viewpoint on the 'Snow Road', £99,863. Assets in the course of construction include the costs incurred on Phase 2 of the Scenic Routes project at Tomintoul ("Connecting Contours") and the Devil's Elbow by Glenshee ("Language of Stone"), £229,373.

### Post Balance Sheet Events

Note 19, on page 44, refers to the outcome of the Referendum on membership of the European Union.

### Charitable Donations

There were no charitable donations made by the Authority in the year.

## **Relationship with suppliers and partners**

The Authority's payment policy complies with the terms of the Better Payment Practice Code. During the year to 31 March 2016, the time taken to pay creditors achieved an average of 7.8 days (2015: 7.9 days) against a target of 10 days (2015: 10 days), with 82.8% (2015: 76%) of payments being made by the target date.

## **Pensions**

The Authority's pension liabilities are detailed in the Remuneration and Staff Report and notes 1, 4 and 13 to these Accounts.

## **Financial instruments**

Due to the non-trading nature of the Authority's activities, and the way in which finance is provided by Scottish Government, the Authority is not exposed to the degree of financial risk faced by commercial entities. Note 18 to the accounts summarises the financial risks associated with the Authority's operations.

## **2 STATEMENT OF THE PURPOSES AND ACTIVITIES OF THE NATIONAL PARK AUTHORITY**

### **The Cairngorms National Park Authority**

The Designation Order for the National Park, approved on 7 January 2003, defined the boundaries of the National Park, confirmed the constitution of the Authority and its functions, and identified the establishment date as 25 March 2003, and operational date of 1 September 2003.

The boundaries of the Cairngorms National Park were further extended on 4 October 2010 to include areas of the North Perthshire glens.

The Authority is a Non-Departmental Public Body working to the provisions of a Management Statement and Financial Memorandum agreed with its sponsoring body within the Scottish Government, the Natural Resources Division, Directorate of Environment & Forestry.

## **Purpose**

The purpose of the Authority is to promote partnership working and give leadership to all the bodies and agencies involved in the sustainable growth and development of the Cairngorms National Park. Through co-ordinating development and collective agreement of the Cairngorms National Park Partnership Plan, the Park Authority aims to ensure the 'collective and co-ordinated delivery' of the four aims of the National Park.

Section 1 of the National Parks (Scotland) Act 2000 [NP(S)A] sets out the four aims of the Park:

1. To conserve and enhance the natural and cultural heritage of the area;
2. To promote sustainable use of the natural resources of the area;
3. To promote understanding and enjoyment (including enjoyment in the form of recreation) of the special qualities of the area by the public; and
4. To promote sustainable economic and social development of the area's communities.

## **Strategy and Business Model**

The Authority leads in coordinating development and delivery of a five year National Park Partnership Plan (NPPP) – a strategic planning document prioritising and co-ordinating activity of all public, private, community and voluntary organisations active in delivering services and activities within the Cairngorms National Park. The current NPPP runs from 2012 to 2017.

Our own priorities in making direct contributions toward the National Park Partnership Plan outcomes are set out in the Authority's Corporate Plan. The Authority's Board adopted a new Corporate Plan to span the period April 2015 to March 2018. This new corporate plan will cover the period to completion of the existing NPPP and also the leadership and co-ordination of the third five-year NPPP for the Cairngorms which will span 2017 to 2022.

During the year, and following engagement with its full staff group, the Authority adopted a set of values, and vision and mission statements, as part of its corporate planning processes, which are central to its purpose:

### **Values**

“The CNPA is an **open, inclusive, innovative** and **professional** organisation that behaves with **integrity**.”

### **Vision**

An outstanding National Park, enjoyed and valued by everyone, where nature and people thrive together.

### **Mission**

“To lead the way in delivering for the Cairngorms National Park by:

- bringing people together towards a common purpose
- enhancing the Park for everyone
- inspiring new generations to be Park Champions”

To achieve its mission the work of the Authority is set around three themes, each of which are further divided into 4 priorities for the Park:

- **Conservation** – to be a special place for people and nature with natural and cultural heritage enhanced:
  1. Support habitat restoration and expansion of native and montane woodland on a connected landscape scale;
  2. Delivery priority species conservation, particularly securing for the long term Scotland's remaining stronghold for Capercaillie;
  3. Address issues of sustainable moorland management to deliver greater habitat diversity, landscape enhancement and peatland restoration;
  4. Support catchment management collaboration to reduce flooding, improve water quality and improve wetland and river habitats.
- **Visitor Experience** – to enable people to enjoy the Park through outstanding visitor and learning experiences:

1. Develop and help implement the long term strategy for Cairngorm and Glenmore;
  2. Deliver key access infrastructure, including completion of Speyside Way extension, delivery of upland paths project, core paths and start the Deeside Way extension;
  3. Increase participation and use of the Park through development and implementation of the Active Cairngorms strategy;
  4. Development the National Park as a tourism destination through investment in the quality of the core product and visitor experience.
- **Rural Development** – to develop a sustainable economy supporting thriving businesses and communities:
    1. Develop comprehensive approach to conservation and development as part of the preparation for the Cairngorms National Park Partnership Plan 2017 and Local Development Plan 2019;
    2. Co-ordinate delivery of the Cairngorms Economic Strategy and work with partners on delivery of key actions with specific focus on tourism;
    3. Support the regeneration and enhancement of Tomintoul and Glenlivet;
    4. Support communities through capacity building specifically focussing on the most fragile communities to deliver transformational change.

The delivery of the themes and priorities is supported by Communications and Corporate Services teams who respectively communicate with visitors, communities and stakeholders to raise the profile of the Park and create a connection and commitment to care for it, and ensure the delivery of effective, efficient and sustainable services in addition to promoting the highest standards of governance.

### **3 KEY ISSUES AND RISKS**

Risk management and consideration of issues arising that may impact on the delivery of our strategic corporate priorities are central to our management activities within the Authority. The Management Team reviews strategic risks at least quarterly, and we have developed and embedded risk and project management processes to take full cognisance of these core aspects of management.

The Authority has developed a Strategic risk register and corporate performance and monitoring system which details the key issues and risks around delivery of our Corporate Plan and the strategic objectives set out in that plan. The Board receives detailed reports and comments on key issues and risks twice annually, with the Board's Audit and Risk Committee reviewing strategic risk management between these Board meetings. The first such review of key issues and risks by the Board can be accessed at:

[http://cairngorms.co.uk/resource/docs/boardpapers/11122015/151211CNPABdPaper4CorporatePerformanceV0.3\\_MT151201.pdf](http://cairngorms.co.uk/resource/docs/boardpapers/11122015/151211CNPABdPaper4CorporatePerformanceV0.3_MT151201.pdf)

The next report will be available along with papers to the June 2016 Board meeting at:  
<http://cairngorms.co.uk/meeting/board-2016-06-24/>

Significant projects will also have their own embedded risk registers and risk mitigation plans. More information on risk and internal controls can be found in the Governance Statement presented in this document.

# PERFORMANCE ANALYSIS

## Our 2015/16 Activity Highlights

Against the backdrop of the revised strategic context of the Authority's new Corporate Plan for 2015 to 2018 and our Vision and Mission, our achievements over the course of the first of the three years of the Corporate Plan have included the following:

### Conservation

- Cairngorms Nature: we have worked on a range of projects with the aim of protecting and enhancing the key and iconic species of the Cairngorms National Park, under the umbrella programme "Cairngorms Nature". We have progressed a Capercaillie Framework to draw together action amongst a range of partners and are seeking financial support for the continuation and development of this work. This work was shortlisted for a Nature of Scotland Award for "Species Champion" in 2015. We have continued to work with land managers and other partners toward protecting raptors, while developing collaborative approaches to deer management;
- Habitat protection and enhancement: our work with partners on peatland restoration won a Nature of Scotland Award for Innovation in 2015. We have also continued to work with a wide range of partners on catchments for the Spey and Dee rivers;
- Tomintoul and Glenlivet Landscape Partnership Project: the Authority has successfully led a process to secure investment from the Heritage Lottery Fund and a range of other partners to act collectively to secure change on a landscape scale around the Tomintoul and Glenlivet communities within the National Park. The first development phase of this project has been successfully led and implemented over the course of 2015/16.

### Visitor Experience

- Active Cairngorms: the Authority has developed and led the Active Cairngorms initiative, encouraging people to become more active, make more use of the fantastic outdoor experiences the Cairngorms has to offer, and improve their health;
- Storm damage: areas of the Cairngorms were very badly damaged by Storm Frank in the winter of 2015/16. The Authority has been coordinating assessment of the damage, particularly to infrastructure such as footpaths and bridges and trying to secure investment to address the damage caused;
- Volunteering and Health Walks: the Authority has taken on leadership of the Health Walks programme, previously led by the Cairngorms Outdoor Access Trust (COAT), while seeking to expand the excellent and valuable volunteering initiatives within this programme into other aspects of service delivery within the Cairngorms, such as the developing a proposal for volunteer rangers. There are now three doctors' practices willing to use the walking to health programme as a referral route for their patients, beginning the early stages of integrating our Active Cairngorms health agenda with more traditional approaches to health and well-being;
- The Mountains and The People (TMTP): this project went live in 2015/16, having secured over £3 million in lottery funding and a total funding package of over £6 million. Led by

COAT, the project will invest over £2 million within the Cairngorms, with some work already completed on upland path restoration by the end of March 2016;

- Cairngorm and Glenmore: we have co-ordinated a public consultation on the future development of this sensitive and heavily visited area of the Cairngorms. The development of and engagement in the consultation process was completed in 2015/16, with consideration of future action to come forward in the coming year.

## Rural Development

- Cairngorms Community Broadband: the Authority is coordinating a working group of Community Broadband Scotland and a range of community based partners to develop a sustainable approach for delivery of super-fast broadband services to rural communities who will not benefit from the national roll-out of these services;
- LEADER and Community Development: we have supported the establishment of the Cairngorms Local Action Group to take forward delivery of an anticipated £6 million investment of European LEADER funding supporting Community Led Local Development Activity. We have also set out a three year strategy for working with communities and local community development organisations on community development activity;
- Dualling of the A9: the dualling of this major transport artery through the National Park, led by Transport Scotland, represents a key issue for the Authority. We have been heavily engaged in consultation work, seeking to make sure that the proposals take full account of the various landscape and ecological sensitivities, the concerns now and in the future for our local communities, and also our tourism needs.

## Corporate and Communications Activities

- We completed development of and launched our new website in 2015/16;
- Our first Cairngorms Nature Festival in May 2015 was received very positively;
- We completed delivery of our two year organisational change programme stemming from our agreed Organisational Development Strategy;
- Our staff survey in autumn 2015 showed a very positive improvement from the previous survey position in 2013. We use the Sunday Times “Best Companies” survey as an independent means of accessing staff views of the organisation across a wide range of factors. We were delighted to see a scale of progress in staff satisfaction which resulted in our being placed 67<sup>th</sup> in the national list of participating organisations across the UK;
- We voluntarily engaged in the new Carbon Management reporting process sponsored by Scottish Government. We are committed to work to reduce our greenhouse gas emissions arising from our business activities and our involvement in this process helped refresh and update our approach to climate change and carbon management;
- We have continued to provide effective corporate support to the Cairngorms Local Action Group and the Cairngorms Outdoor Access Trust, while taking on lead responsibility for delivery of the Tomintoul and Glenlivet Landscape Partnership Project.

## **Sustainability and climate change**

The Park Authority voluntarily participated in the Scottish Government's revised climate change modelling and measuring exercise in 2015/16, detailing emissions and carbon management performance for 14/15. We have revised and updated our internal monitoring methodology to fit with this new reporting process. The 2015/16 carbon management performance will be reported to Scottish Government in October 2016.

## **Future Activities**

As the first year of a three year Corporate Plan, many of our activities over the course of 2015/16 have initiated programmes of work that will continue through the full three year corporate plan period, and in some cases beyond this. Many of our activities for 2016/17 will therefore comprise continuation of the excellent work we have started in the last year.

The main project priorities for 2016/17 are as follows:

- Ongoing delivery of phase two of the Capercaillie Framework;
- Delivery of Sustainable Moorland Management and of Catchment Management Projects;
- Cairngorms Nature programme delivery, including project and communications support;
- Ongoing oversight of An Camas Mòr proposal;
- Follow up of Cairngorm and Glenmore strategy consultation and delivery of actions arising from consultative process;
- Delivery of LEADER programme, which remains at the time of writing highly dependent on timetables adopted by Scottish Government staff centrally in finalising any required guidance for applicants and Local Action Groups (LAGs);
- Supporting the Tomintoul and Glenlivet Landscape Partnership through the completion of the development phase and, subject to grant award from Heritage Lottery Fund, into the delivery phase;
- Active Cairngorms and supporting access infrastructure improvements, including participating in delivery of COAT “The Mountains and The People Project”;
- Continuation of work to ensure smooth progress of A9 enhancements within the National Park taking into account the Park’s special qualities;
- Work to develop and seek funding supporting implementation and improvement of Long Distance Routes within Cairngorms National Park;
- Continued support for implementation of the Cairngorms Economic Strategy, specifically on Tourism.

The main internal priorities for 2016/17 are as follows:

- Supporting the Cairngorms LAG in its process of incorporation as a charitable entity, and in its wider delivery of the LEADER programme as the Accountable Body for LEADER in the Cairngorms;
- Supporting the LAG and the Authority in its work on Community Broadband initiatives and implementing appropriate organisational structures to deliver this key rural development priority;
- Review the achievements of the Organisational Development Strategy (ODS) which has run now from 2014 until 2016, consider the need to revise the ODS in light of the generally very positive staff survey results received at the end of 2015, develop and implement an agreed forward organisational change programme;
- Delivery of the Grantown office extension project in collaboration with the landlord;
- Focusing communication activities on the agreed campaigns established in the communications strategy;
- Building on Planning Service Improvement actions and delivering best value planning services;
- Supporting COAT in delivery of its programme of access works and in particular the second year of The Mountains and The People project.

More information on our budget and operational plan for the 2016/17 year can be found at:  
<http://cairngorms.co.uk/resource/docs/boardpapers/11032016/160311CNPABdPaper2BudgetOpPlan1617v0.5.pdf>

**Signed on behalf of the Cairngorms National Park Authority**



**Grant Moir**  
Chief Executive and Accountable Officer  
1 July, 2016

## PART 2 THE ACCOUNTABILITY REPORT

### CORPORATE GOVERNANCE REPORT

#### I DIRECTORS' REPORT

The Directors' Report sets out the key aspects of the internal organisational change and development within the Authority over the course of the year to 31 March 2016.

##### **The Senior Management Team and Board**

The Chief Executive, who is also the Accountable Officer, is Grant Moir who has been in post since 2013. The names of the Directors who served throughout the year are listed on page 2.

Board members who served in the year are listed on page 2. Profiles of the Board members are included as Appendix II, with a summary of attendance at board meetings included as Appendix III.

##### **Employment Policies, Consultation**

The Authority has a Staff Consultative Forum (SCF) in place, through which it ensures effective two-way communications with staff and Prospect Trade Union representatives in resolving any issues arising and consulting on new initiatives. During 2015/16 key matters on which staff were consulted through the Staff Consultative Forum were:

- pay awards for the year commencing 1 April 2016;
- internal communication and consultative mechanisms;
- implementation of the staff survey and evaluation of the results;
- review and update of a range of employment policies;
- refreshing the process of staff consultation and terms of reference of the SCF.

To complement the standard consultative processes in place through the SCF, the Authority has also established a series of staff working groups to help implement the Organisational Development Strategy.

##### **Equalities**

The Authority is an equal opportunities employer with policies against discrimination and to ensure no unfair or illegal discriminatory treatment or barriers to employment or advancement. We are committed to meeting our duties under the Equality Act 2010. The Authority is accredited as a Positive about Disability employer.

Our policies ensure that all staff should be treated equally irrespective of their sex, marital/civil partnership status, age, race, ethnic origin, sexual orientation, disability, religion or belief, work pattern, employment status, gender identity (transgender), caring responsibility or trade union membership. Employment and promotion are on merit on the basis of fair and open competition.

We have adopted a range of policies and procedures, together with a process of equalities impact assessment on our main policy developments, to ensure that we deliver against our equalities objectives and aspirations.

At the end of the financial and operational year our gender split of staff, including project staff was:

	Male		Female	
	2016	2015	2016	2015
Chief executive and directors	4	4	-	-
Senior managers	3	4	3	3
Employees	24	20	35	40
	31	28	38	43

The Authority continues to embed its approach to ensuring equality. We published a set of five Equalities Outcomes to provide a framework promoting equality within the work of the Authority and in the work we undertake to deliver the Cairngorms National Park Partnership Plan. These five Equalities Outcomes are:

- eliminating discrimination, harassment, victimisation or any other prohibited conduct;

Advancing equality of opportunity by having due regard to:

- removing or minimising disadvantage;
- meeting the needs of particular groups that are different from the needs of others;
- encouraging participation in public life; and
- fostering good relations – tackling prejudice and promoting understanding.

We published a second mainstreaming report on 30 April 2015, which sets out how we have sought to embed our work on equalities into our day to day operations. The report can be accessed at <http://cairngorms.co.uk/resource/docs/publications/30042015/CNPA.Paper.1964.CNPA%20Equality%20Action%20Plan%202013-15%20Update.pdf>

The Authority's on-going work on equalities and creating 'A Park for All' is overseen by an internal working group comprising staff drawn from across the organisation and is chaired by a senior manager. The Authority is accredited within the 'Positive about Disabled People' scheme.

## Staff Development and Management

The Authority continues to recognise the importance of training and development to ensure that all staff and Board members have the skills required to deliver their role in the context of the organisation's enabling and partnership ethos. Conversations on staff development are held regularly as part of the appraisal review process and a reasonable training and development budget has been retained to support delivery of identified training requirements.

The Authority maintains oversight of its management of sickness absence through regular review of performance at Board and Management team level. Sickness absence is included as a key performance indicator in the Authority's balanced scorecard performance measurement tool. In 2015/16 the average number of days lost through sickness absence was 5.5 days per person (2015: 5.1 days).

## Sustainability Reporting and Environmental Matters

A key purpose of the Authority is to promote partnership working and give leadership to all the bodies and agencies involved in the sustainable development of the Cairngorms National Park. Through coordinating development and collective agreement of the Cairngorms National Park Partnership Plan, the Authority aims to ensure the collective and co-ordinated delivery of the four

aims of the National Park. Thus the Authority leads others in ensuring that we are all living in, or working and caring for, the Cairngorms National Park in such a way that it remains, and wherever possible is enhanced, to be enjoyed by future generations.

Sustainability and environmental considerations are therefore at the heart of everything this organisation does. Illustrations of our priority to deliver sustainability are presented throughout this document.

### **Social, Community and Human Rights Issues**

Our work on sustainability and the environment is also central to our activities around social and community development. Conserving and enhancing the special qualities of the Cairngorms National Park is essential if the Park is to build and maintain a diverse and vibrant economy.

The Authority's work in this area spans support for sustainable business development within the National Park, to promoting development of affordable housing, to establishing partnerships with individual communities in developing and delivering these communities' action plans, and more widely to engage with community planning partnerships.

Our "Make It Yours" campaigns seek to engage people and communities in the work required to protect and enhance the special qualities of the National Park, seeking to make residents and businesses own their role in and for the National Park.

Our various community development activities, support for community action planning and community led local development through LEADER all seek to engage communities in identifying both needs and solutions to ensure their long term sustainability.

### **Information and Data Security**

The Authority has continued with implementation of its updated Records Management Scheme and associated records management policies over the course of 2015/16 to modernise and improve our records management and retrieval systems.

The Authority has had no instances of loss of data or personal information over the course of the year. The Governance Statement included in this Annual Statement and Accounts sets out more information on the Authority's range of internal controls and review mechanism to ensure data security amongst other things.

## **2 STATEMENT OF THE NATIONAL PARK AUTHORITY'S RESPONSIBILITIES**

Under section 25(1) of the National Parks (Scotland) Act 2000, the Cairngorms National Park Authority is required to keep proper accounts and accounting records, prepare an account of its expenditure and receipts for each financial year in accordance with directions issued by the Scottish Ministers, and send the account to the Scottish Ministers by such time as they may direct.

The financial statements are to be prepared on the accruals basis and must give a true and fair view of its expenditure and cash flow for the financial year, and of the state of affairs as at the end of the financial year.

## **Auditors**

The accounts of the Authority are audited by an auditor appointed by the Auditor General for Scotland in accordance with paragraph 25(2) of the National Parks (Scotland) Act 2000. The independent auditor's report is on pages 27 and 28. Details of the auditor's remuneration are given in note 6, "Other Operating Expenditure".

## **3 STATEMENT OF THE BOARD AND ACCOUNTABLE OFFICER'S RESPONSIBILITIES**

### **The Board**

The Board has a corporate responsibility for ensuring that the Authority fulfils the aims and objectives set by the Scottish Ministers and for promoting the economic, efficient and effective use of staff and other resources in accordance with the principles of Best Value.

### **The Convener of the Board**

The Convener is responsible to Scottish Ministers. The Convener is responsible for ensuring that the Authority's policies and actions support the wider strategic policies of the Scottish Ministers; and that the Authority's affairs are conducted with probity.

The Convener has a particular leadership responsibility on:

- formulating the Board's strategy;
- ensuring that the Board, in making decisions, takes proper account of guidance provided by the Scottish Ministers/Department;
- promoting the efficient and effective use of staff and other resources;
- encouraging high standard of propriety;
- representing the view of the Board to the general public.

The Convener also ensures that all Board Members, when taking up office, are fully briefed on the terms of their duties, rights and responsibilities, and receive appropriate training. The Convener also advises the Scottish Ministers when Board vacancies arise, with a view to ensuring an appropriate spread of balance of professional and financial expertise. The Convener also assesses the performance of individual Board Members on an annual basis.

### **Accountable officer**

The Chief Executive of the Authority is designated as the Accountable Officer by the Principal Accountable Officer of the Scottish Administration in accordance with sections 14 and 15 of the Public Finance and Accountability (Scotland) Act 2000. The Accountable Officer is personally responsible for safeguarding the public funds for which he has charge; for ensuring the propriety and regularity in the handling of those funds; and for the day-to-day operations and management of the Authority. He should act in accordance with the Management Statement/Financial Memorandum for the Authority and within the terms of the relevant guidance in the Scottish Public Finance Manual (SPFM) and other instructions and guidance issued by Scottish Minister, in particular the Memorandum to Accountable Offices of Other Public Bodies, and in particular

- observe the financial statements direction issued by Scottish Ministers, including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;

- make judgements and estimates on a reasonable basis;
- state whether the applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Authority will continue in operation.

### **Disclosure of information to auditors by the Accountable Officer**

As Accountable Officer as far as I am aware, there is no relevant audit information of which the Authority's auditors are unaware. I have taken all reasonable steps that ought to have been taken to make myself aware of any relevant audit information and to establish that the Authority's auditors are aware of the information.

### **Accountable Officer's statement on the Annual Report and Accounts**

I take personal responsibility for the annual report and accounts and the judgements required for determining that the annual report and accounts are fair, balanced and understandable. I confirm that I believe the annual report and accounts as a whole are fair, balanced and understandable.

## **4 GOVERNANCE STATEMENT**

### **Governance Framework**

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Cairngorms National Park Authority's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible. These responsibilities are in accordance with the Management Statement agreed between the Authority and Scottish Government. In discharging this responsibility I am held accountable by the Authority's Board, and by Scottish Ministers.

The Scottish Public Finance Manual (SPFM) is issued by the Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling of public funds. It sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for economy, efficiency and effectiveness, and promotes good practice and high standards of propriety. An element of my responsibility as Accountable Officer is to ensure the Authority's internal control systems comply with the requirements of the SPFM.

The Management Statement sets out the central role of the Authority's Board in the leadership and governance of the organisation. The governance responsibilities of the Board are supported by Standing Orders last revised and adopted in 2014; a Code of Conduct revised and adopted in 2014; a group of professional senior staff advisors and appropriate Board training and development processes.

Other than the resource allocation letters issued to me over the course of the year, there are no other written authorities provided to me as Accountable Officer in 2015/16 beyond those documents referred to above.

### **The Operation of the Board and Sub Committees**

The full Board meets regularly to consider items of business in pursuance of its strategic objectives, set out in the approved Corporate Plan. Meetings are scheduled quarterly, with

additional meetings convened as required. Agendas and papers are published and placed in the public domain and meetings open to public attendance wherever possible.

In addition to these full formal meetings, Board members have also given their time to participate in a number of informal discussion sessions in which emerging policy issues and proposals can be discussed and a preferred strategic direction identified prior to fuller, open consideration at formal meetings.

## **Corporate Governance**

Since the Authority's inception, the Board has put Committees in place and delegated responsibility to oversee and scrutinise the Authority's deployment and management of resources, with both a Finance and Delivery Committee and a Staffing and Recruitment Committee in place. The Board has also put a Planning Committee in place to deal with all aspects of the Cairngorms National Park Authority's statutory planning responsibilities.

The Authority's Audit and Risk Committee leads on the oversight of all aspects of the organisation's operations and internal management control systems, in addition to taking a lead on strategic risk management. The Committee takes responsibility for ensuring that risk potentially impacting on the organisation's strategic objectives are identified and acted upon and that risk management approaches are embedded throughout the organisation's operations.

The Audit and Risk Committee is supported by the Authority's internal and external auditors, who also have rights of independent access to the Committee Convener. The Audit and Risk Committee is tasked with monitoring the operation of the internal control function and bringing any material matters to the attention of the full Board. Detailed findings of all audit reviews are made available to both management and the Audit and Risk Committee. The Audit and Risk Committee meets quarterly and reports annually to the Board on the adequacy and effectiveness of the Authority's internal controls, and more widely on the work of the Audit and Risk Committee during the preceding year.

The Board and its Committees have continued to have oversight of delivery of the Authority's Organisational Development Strategy in the year, and has built further on the work done in the previous year when the Board has undertaken a self-evaluation of its own effectiveness, participated in "on Board" training, approved a revised Code of Conduct and reviewed and revised Standing Orders over the course of 2014/15. In 2015/16, the Board undertook a further self-evaluation of its own effectiveness, and members participated in follow up "On Board" training in order to reinforce the implementation of the Code of Conduct. The Board has also considered and adopted revised Corporate Performance Indicators through which to improve its oversight of delivery against key strategic objectives and monitor achievement of the Authority's Corporate Plan.

Periodic reports from independent internal and external auditors forms a key and essential element in informing my review of the effectiveness of the systems of internal control within the Authority. The Board's Audit and Risk Committee also plays a vital role in this regard, through its consideration of audit recommendations arising from reviews of internal control systems and its scrutiny of proposed management action to address any improvements required.

The internal audit function is an integral element of scrutiny of the Authority's internal control systems. KPMG LLP was appointed as the Authority's internal auditors in 2011 as a culmination of a joint procurement of internal audit service delivery by Cairngorms and Loch Lomond and the Trossachs National Park Authorities. As internal auditors, KPMG have undertaken a comprehensive review of key internal control systems since their appointment. Over the course

of the year to 31 March 2016, the internal auditors have reported to the Audit and Risk Committee on their independent reviews of governance, income generation, planning processes, records management and project management, both post-implementation of new systems, complaints handling, workforce management and staff appraisals, financial and internal controls, and LEADER grant administration.

In addition, the external auditors have reviewed key systems, to form a view on the effectiveness of control arrangements and support their audit opinion on the financial statements. Recommendations made as part of this process have been taken on board and actions taken where appropriate.

## **Best Value**

The Audit and Risk Committee continues to monitor the Authority's adherence to Scottish Government Best Value guidelines. We will undertake a self-evaluation of our services against Best Value guidelines in the early part of 2016/17, in conjunction with our review of the Authority's Organisational Development Strategy and potential development and adoption of a revised Organisational Development Strategy for 2016 to 2018.

We have continued to monitor implementation of the recommendations from our internal Best Value review of our planning services in 2014/15 and reported the results of that exercise, including considerations for improvement, to the Committee. The Planning Committee itself has undertaken a self-evaluation of its operations and effectiveness as part of the culmination of this Best Value process.

## **Risk Management**

All bodies to which the SPF M is directly applicable must operate a risk management strategy in accordance with the relevant guidance issued by Scottish Ministers. The general principles for a successful risk management strategy are set out in the SPF M.

The Board recognises the importance of risk management in the activities of the organisation. The Management Team led on the development of a revised Strategic Risk Register for the Authority during the year in the context of the new 2015 to 2018 Corporate Plan adopted by the Board and Scottish Ministers in 2015. The resultant strategic risk register was adopted by the Board in December 2015. The strategic risk register records planned action taken to mitigate those risks identified and senior management responsibility for leading on mitigation of each risk area. The strategic risk register will continue to be reviewed and updated by both Audit and Risk Committee and Senior Management Team 2 to 3 times each year.

The Board's Audit and Risk Committee and Senior Management Team are involved in leading on embedding risk management processes throughout the organisation. Both these groups consider the management of strategic risk in line with the Risk Strategy and seek to ensure that the required actions to manage risk at a strategic level are appropriately reflected and incorporated in operational delivery plans.

Through adoption of risk based monitoring reports for delivery of Corporate and Operational Plan objectives, National Park Partnership Plan delivery, and for wider assessment of organisational performance, the Board has provided leadership on the importance of risk management at the highest level within the organisation. Any increased risk to achievement of targets is assessed, reported to the Operational Management Group and Senior Management Team, and, where required, remedial action determined and implemented.

## Data Security

Procedures are in place to ensure that information is being managed in accordance with legislation and that data is held accurately and securely. The Authority has had no reported or recorded instances of data loss over the course of the year.

Shared services arrangements with Loch Lomond and the Trossachs National Park Authority have been implemented to enhance the Authority's data back-up arrangements and improve overall data security.

The Authority's Corporate Services team have reviewed and revised our Disaster Recovery Planning in light of various improvements made over the last years to ensure these plans are up to date and also to take account of changing risk profiles around data losses amongst other significant organisational risks.

## Conclusion

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by:

- a) The executive managers within the organisation who have responsibility for the development and maintenance of the internal control framework and who provide assurance on systems within regular Management Team meetings;
- b) Internal monitoring of control systems by staff against SPFM requirements;
- c) The work of the internal auditors, who submit to the organisation's Audit and Risk Committee regular reports which include the Head of Internal Audit's independent and objective opinion on the adequacy and effectiveness of the organisation's systems of internal control together with recommendations for improvement;
- d) Comments made by the external auditors in their management letter and other reports.

The Authority has a professional Corporate Services Director in place, who provides senior management leadership on the financial management, internal controls and governance arrangements. My assurances over the effectiveness of internal control systems, financial management and planning processes and risk management are particularly informed by the assurances received from our Corporate Services Director.

I have also been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and its Audit and Risk Committee. Appropriate action is in place to address any weaknesses identified and to ensure continuous improvement of the system, although the internal auditors have concluded that the controls tested were found to be strong with suggestions for only minor improvements being made.

The internal auditor's annual report for 2015/16 states that, based on the work undertaken over the course of the year, the Authority's systems provide a reasonable basis for maintaining control and that the control framework provides reasonable assurance regarding the effective and efficient achievement of strategic objectives.

## **REMUNERATION AND STAFF REPORT**

### **Introduction**

The Authority has in place a Staffing and Recruitment Committee, which consists of five Board members. The Committee meets as required, its membership and remit being agreed annually by the full board. The Committee's remit includes the following:

- To oversee and monitor the human resources systems put in place for the Authority, including in particular the pay and grading system, performance appraisal system and the associated performance related pay systems;
- To advise the Board on annual pay awards;
- To provide an interface between staff representative group(s) and the board, and play a role in arbitrating on staffing issues as set out in the Authority's procedures, and as otherwise required; and
- To oversee the recruitment of senior staff (Directors and Chief Executive) including agreeing the job descriptions, adverts and salary, to take responsibility for interviewing and selecting the successful candidates and seeking the endorsement of the whole Board, (and of Scottish Ministers in the case of the Chief Executive).

For the purposes of this report, persons in senior positions having authority or responsibility for directing or controlling the major activities of the Authority are taken to comprise the Board members, Chief Executive and Directors. Further information on Board and staff costs are included in Note 4 to the accounts.

### **Service Contracts**

Staff salary levels, including the Chief Executive, are reviewed by the Staffing and Recruitment Committee and the overall pay remit is subject to agreement by the Authority's sponsoring directorate at the Scottish Government.

In reaching its recommendations, the Committee has regard to the following considerations:

- The need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- Regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- The funds available to departments as set out in the Government's departmental expenditure limits;
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services; and
- The Scottish Government's public sector pay policies.

### **Chief Executive**

The Chief Executive, Grant Moir, took up the post on 4 March 2013. His contract of employment, signed on 4 January 2013, contains a three months' notice period.

### **Board Members**

Board members' fees are approved annually each April by the Scottish Government. Fees and expenses are disclosed on page 25. Board member expenses do not form part of the Remuneration and Staff Report subject to audit and are disclosed for information purposes only.

## Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined **alpha**. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (**classic**, **premium** or **classic plus**) with a normal pension age of 60; and one providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus**, **nuvos** and **alpha** are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into **alpha** sometime between 1 June 2015 and 1 February 2022. All members who switch to **alpha** have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are salary-related and range between 3% and 8.05% of pensionable earnings for members of **classic** (and members of **alpha** who were members of **classic** immediately before joining **alpha**) and between 4.6% and 8.05% for members of **premium**, **classic plus**, **nuvos** and all other members of **alpha**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in **alpha** build up in a similar way to **nuvos**, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% up to 30 September 2015 and 8% and 14.75% from 1 October 2015 (depending on the age of the member) into a stakeholder pension product chosen

by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary up to 30 September 2015 and 0.5% of pensionable salary from 1 October 2015 to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)

## Salary and pension entitlements

The following sections provide details of the remuneration and pensions interests of the Chief Executive and directors, and are subject to audit. Fees and expenses received by the board are disclosed on page 25.

No board member has any pension entitlement and no benefits in kind subject to UK taxation were received by any senior managers during the periods covered by these accounts.

## Senior Staff Remuneration

Salary includes gross salary, performance pay or bonuses and any other allowance to the extent subject to UK taxation.

	Single total figure of remuneration*					
	Salary £'000	2015/16 Pension benefits £'000	Total £'000	Salary £'000	2014/15 Pension Benefits £'000	Total £'000
Grant Moir <i>Chief Executive</i>	75-80	29	100-105	70-75	28	100-105
David Cameron <i>Director of Corporate Services</i>	60-65	30	90-95	60-65	18	75-80
Hamish Trench <i>Director of Conservation &amp; Visitor Experience</i>	55-60	28	85-90	55-60	18	70-75
Murray Ferguson <i>Director of Planning &amp; Rural Development</i>	55-60	17	75-80	55-60	12	70-75

No senior staff received either benefits in kind or bonus payments in the year (2015: £nil).

The Authority is required to disclose the relationship between the remuneration of the highest paid director and the median remuneration of the workforce. Total remuneration includes salary, non-consolidated performance-related pay, benefits in kind as well as severance payments. It does not include employer pension contributions and the cash equivalent value of pensions.

	2015/16 Total Remuneration £'000	2014/15 Total Remuneration £'000
Band of highest paid Director's total remuneration	75-80	70-75
Median total remuneration	£31,584	£25,919
Ratio	2.4	2.8

## Pension Entitlements

	Accrued pension at age 60 as at 31 03 2016 and related lump sum £'000	Real increase in pension and related lump sum at age 60 £'000	CETV (a) at 31 03 2016 £'000	CETV (a) at 31 03 2015 £'000	Real increase in CETV (b) £'000
Grant Moir <i>Chief Executive</i>	0-5 plus lump sum of 0	0-2.5 plus lump sum of 0	46	29	8
David Cameron <i>Director of Corporate Services</i>	25-30 plus lump sum of 0	0-2.5 plus lump sum of 0	428	374	16
Hamish Trench <i>Director of Conservation &amp; Visitor Experience</i>	10-15 plus lump sum of 0	0-2.5 plus lump sum of 0	125	100	10
Murray Ferguson <i>Director of Planning &amp; Rural Development</i>	15-20 plus lump sum of 55-60	0-2.5 plus lump sum of 0-2.5	364	316	13

## The Cash Equivalent Transfer Value (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any

additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

## The real increase in the value of the CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in the accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

## Compensation for loss of office

There were no voluntary exits terms agreed in the year. (2015: 1 with compensation payment within the cost band of £25,001 to £50,000.)

## Board members' fees and expenses

	Date of most recent appointment	End of term or date stepped down	Fees £	Expense s £	2016 Fees £	2015 Expenses £
<b>Scottish Government appointees</b>						
Duncan Bryden	08 09 2012	07 09 2015	9,310	1,769	21,147	5,142
Angela Douglas	01 10 2014	30 09 2018	7,394	1,618	7,321	1,984
Paul Easto	20 03 2014	28 02 2018	7,394	263	7,321	291
Janet Hunter	08 09 2015	07 09 2018	4,169	1,001	-	-
Gregor Hutcheon	01 10 2014	30 09 2018	7,394	684	7,321	513
Martin Price	24 10 2011	20 09 2014	-	-	3,624	207
Gordon Riddler	01 10 2014	30 09 2018	7,394	1,007	7,321	1,213
Judith Webb	06 03 2015	05 03 2019	7,394	568	610	317
Brian Wood	01 10 2014	30 09 2018	10,680	1,945	10,573	2,295
<b>Local Authority nominees</b>						
Peter Argyle	01 10 2012	30 09 2017	15,125	3,626	7,321	577
Jeanette Gaul	01 10 2012	30 09 2017	7,394	1,958	7,321	1,555
Kate Howie	01 10 2012	30 09 2017	7,394	1,391	7,321	1,542
John Latham	01 10 2012	30 09 2017	7,394	189	7,321	411
Bill Lobban	01 10 2012	30 09 2017	7,394	479	7,321	582
Fiona Murdoch	01 10 2012	30 09 2017	7,394	453	7,321	712
Gregor Rimell	01 10 2012	30 09 2017	7,394	806	7,321	958
<b>Local elected</b>						
Rebecca Badger	20 03 2015	19 03 2019	7,394	260	236	55
Dave Fallows	20 03 2015	19 03 2019	7,394	887	7,321	711
Katrina Farquhar	20 03 2015	19 03 2019	7,394	661	7,321	927
Eleanor Mackintosh	20 03 2015	19 03 2019	10,680	1,776	10,573	3,247
Mary McCafferty	-	19 03 2015	-	-	7,083	-
William McKenna	20 03 2015	19 03 2019	7,394	70	7,321	-
			<b>160,874</b>	<b>21,411</b>	<b>156,340</b>	<b>23,239</b>

Expenses do not form part of the Remuneration Report subject to audit and are disclosed here for information only.

## **PARLIAMENTARY ACCOUNTABILITY REPORT**

### **Fees and Charges**

During the year the Authority received 60% of planning fees for called in planning applications to the 5 local authorities within the National Park boundaries.

### **Losses and special payments**

There were no losses or special payments in the year to 31 March 2016, or the previous year.

### **Significant Remote Contingencies**

The Authority is not aware of any ongoing actions against it at this time that could lead to any form of financial claim against it. The legal challenge on the Authority's procedures which led to the adoption of the Local Plan was dropped by the claimants during the course of 2015/16 and no contingency remains in that regard.

### **Signed on behalf of the Cairngorms National Park Authority**

A handwritten signature in black ink, appearing to read "Grant Moir".

**Grant Moir**

Chief Executive and Accountable Officer

1 July 2016

## **INDEPENDENT AUDITOR'S REPORT**

### **Independent auditor's report to the members of Cairngorms National Park Authority, the Auditor General for Scotland and the Scottish Parliament**

I have audited the financial statements of Cairngorms National Park Authority for the year ended 31 March 2016 under the National Parks (Scotland) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2015/16 Government Financial Reporting Manual (the 2015/16 FReM).

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice approved by the Auditor General for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

#### **Respective responsibilities of Accountable Officer and auditor**

As explained more fully in the Statement of the Board and Accountable Officer's Responsibilities the Accountable Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and is also responsible for ensuring the regularity of expenditure and income. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors. I am also responsible for giving an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accountable Officer; and the overall presentation of the financial statements. It also involves obtaining evidence about the regularity of expenditure and income. In addition, I read all the financial and non-financial information in the annual report and accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements, irregularities, or inconsistencies I consider the implications for my report.

#### **Opinion on financial statements**

In my opinion the financial statements:

- give a true and fair view in accordance with the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2016 and of its net expenditure for the year then ended;

- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2015/16 FReM; and
- have been prepared in accordance with the requirements of the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

### **Opinion on regularity**

In my opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

### **Opinion on other prescribed matters**

In my opinion:

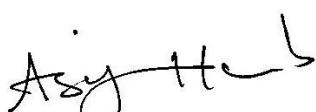
- the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; and
- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which I am required to report by exception**

I am required to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration and Staff Report to be audited are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- the Governance Statement does not comply with guidance from the Scottish Ministers.

I have nothing to report in respect of these matters.



Asif A Haseeb  
Audit Scotland  
8 Nelson Mandela Place  
Glasgow  
G2 1BT  
1 July 2016

**STATEMENT OF COMPREHENSIVE NET EXPENDITURE**  
*for the year ended 31 March 2016*

	notes	£	2016	£	2015
<b>EXPENDITURE</b>					
Board members and staff costs	4	<b>2,699,475</b>		2,724,472	
Operational Plan expenditure	2, 5	<b>1,470,346</b>		1,852,581	
Other operating costs	2, 6	<b>601,194</b>		612,969	
			<b>4,771,015</b>		5,190,022
Depreciation	8		<b>79,730</b>		49,521
Gain on disposal			<b>(1,000)</b>		-
<b>Total expenditure</b>			<b>4,849,745</b>		5,239,543
<b>INCOME</b>					
Operational Plan income	2, 7	<b>709,512</b>		391,007	
Other income	2, 7	<b>26,480</b>		151,140	
			<b>735,992</b>		542,147
<b>Net expenditure for year</b>			<b>4,113,753</b>		4,697,396

No activities were discontinued during the year.

**STATEMENT OF FINANCIAL POSITION**  
*as at 31 March 2016*

	notes	2016 £	2015 £
<b>Non-current assets</b>			
Property, plant and equipment	8	<b>474,999</b>	231,851
Intangible assets	8	<b>31,016</b>	10,654
<b>Total non-current assets</b>		<b>506,015</b>	242,505
<b>Current assets</b>			
Trade and other receivables due within one year	9	<b>275,232</b>	277,316
Cash and cash equivalents	10	<b>467,482</b>	405,076
<b>Total current assets</b>		<b>742,714</b>	682,392
<b>Total assets</b>		<b>1,248,729</b>	924,897
<b>Current liabilities</b>			
Trade and other payables due within one year	11	<b>391,424</b>	588,320
<b>Total current liabilities</b>		<b>391,424</b>	588,320
<b>Total assets less current liabilities</b>		<b>857,305</b>	336,577
<b>Non-current liabilities</b>	12	<b>12,602</b>	29,121
<b>Assets less liabilities</b>		<b>844,703</b>	307,456
<b>Taxpayers' equity</b>		<b>844,703</b>	307,456

The Accountable Officer authorised these financial statements for issue on 1 July, 2016.



**Grant Moir**  
Chief Executive and Accountable Officer

The notes on pages 33 to 44 form part of these accounts.

**STATEMENT OF CASH FLOWS**  
*for the year ended 31 March 2016*

	notes	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net operating cost		(4,849,745)	(5,239,543)
Adjustments for non-cash transactions			
Depreciation	8	79,730	49,526
Profit on disposal of non-current assets		(1,000)	-
Movements in working capital			
Decrease in trade and other receivables		2,084	53,210
Increase in trade and other payables		(196,896)	27,081
(Decrease) in non-current liabilities		(16,519)	(17,842)
<b>Net cash outflow from operating activities</b>		<b>(4,982,346)</b>	<b>(5,127,567)</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible assets	8	(318,186)	(77,049)
Purchase of intangible assets	8	(25,054)	(9,240)
Proceeds from the disposal of non-current assets		1,000	-
<b>Net cash outflow from operating activities</b>		<b>(342,240)</b>	<b>(86,289)</b>
<b>Cash flows from financing activities</b>			
Grant-in-aid received	3	4,651,000	4,610,000
Operational Plan and other income	7	735,922	542,147
<b>Net financing</b>		<b>5,386,992</b>	<b>5,152,147</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>62,406</b>	<b>(61,709)</b>
<b>Cash and cash equivalents at 1 April</b>		<b>405,076</b>	<b>466,785</b>
<b>Cash and cash equivalents at 31 March</b>	10	<b>467,482</b>	<b>405,076</b>

The notes on pages 33 to 44 form part of these accounts.

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY**  
*for the year ended 31 March 2016*

	notes	£	2016	£	2015
<b>Taxpayers' equity at 1 April</b>			<b>307,456</b>		394,852
Grants from sponsoring department	3	<b>4,651,000</b>		4,610,000	
Other income	7	<b>735,992</b>		542,147	
			<b>5,386,992</b>		5,152,147
Expenditure	4,5,6		<b>(4,771,015)</b>		(5,190,022)
Net (expenditure)			<b>615,977</b>		(37,875)
Depreciation	8		<b>(79,730)</b>		(49,521)
Gain on disposal			<b>1,000</b>		-
Movement in Taxpayers' equity			<b>537,247</b>		(87,396)
<b>Taxpayers' equity at 31 March</b>			<b>844,703</b>		307,456

The notes on pages 33 to 44 form part of these accounts

# **STATEMENT OF ACCOUNTING POLICIES**

## **for the year ended 31 March 2016**

In accordance with the accounts direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 these accounts have been prepared in accordance with the 2015-16 Government Financial Reporting Manual (FReM) issued by the Scottish Government. The accounting policies contained in the FReM apply International Finance Reporting Standards as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Cairngorms National Park Authority for the purposes of giving a true and fair view has been selected. The particular policies adopted by the Cairngorms National Park Authority are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

### **1.1 Accounting convention**

These accounts are prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and, where material, current asset investments and inventories to fair value as determined by the relevant accounting standard.

### **1.2 International Financial Reporting Standards**

These financial statements have been prepared under International Financial Reporting Standards (IFRS).

### **1.3 Accounting period**

The accounting period commenced on 1 April 2015 and ended on 31 March 2016.

### **1.4 Non-current assets – property, plant and equipment (PPE)**

#### **Recognition**

All PPE assets are accounted for as non-current assets unless they are deemed to be held for sale.

#### **Capitalisation**

The minimum level for the capitalisation of individual non-current assets, other than information technology, is £500. Information technology systems are capitalised where the pooled value exceeds £500. Substantial improvements to leasehold properties are also capitalised.

#### **Valuation**

From 1 April 2007, plant and equipment assets that have short lives or low values or both are no longer revalued using indices but are reported at depreciated historic cost as a proxy for fair value.

Losses in value reflected in valuations are accounted for in accordance with International Financial Reporting Standard 11: Impairment of assets. The consumption of economic benefits is taken to a revaluation reserve to the extent of any previous gain and any further loss is charged to the Statement of Comprehensive Net Expenditure.

#### **Subsequent cost**

Subsequent costs are included in the asset's carrying amount if recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Comprehensive Net Expenditure during the financial period in which they are incurred.

## **1.5 Non-current assets – intangible assets**

Copyrights and software licenses are disclosed as intangible assets in accordance with FReM guidance and written down on a straight line basis over their estimated useful lives.

## **1.6 Depreciation**

Depreciation is provided on all non-current assets at rates calculated to write down the cost or valuation by equal instalments over their estimated useful lives which are normally in the following ranges:

• park entry markers	25 years
• operational plant and equipment	5 years or periodic impairment reviews
• information technology	3 – 5 years
• leasehold improvements	over the length of the lease
• motor vehicles	5 years
• assets under construction	not depreciated

## **1.7 Financial instruments**

The Authority does not hold any complex financial instruments. The only financial instruments included in the accounts are financial assets in the form of cash, trade receivables and accrued income and financial liabilities in the form of trade payables and accruals.

Financial instruments are recognised in accordance with International Accounting Standards 37, 39 and International Financial Reporting Standard 7 as interpreted and adapted by the FReM, initially at fair value less provision for impairment. A provision for impairment is made when there is evidence that the Authority will be unable to collect an amount due in accordance with agreed terms.

## **1.8 Inventories**

The cost of stationery and publications is charged as an expense within the Statement of Comprehensive Net Expenditure.

## **1.9 Income**

Operating income is income that relates directly to the operational activities of Authority. It includes fees and charges for services provided to external customers.

## **1.10 Grant-in-aid**

The Authority receives grant-in-aid from the Scottish Government to finance its net expenditure. In accordance with financial reporting guidance, grant-in-aid is credited to the General Reserve and net expenditure on activities funded by grant-in-aid is charged to this fund.

## **1.11 Other grants and income**

The Authority receives other grants to finance its net expenditure, which are released to the Statement of Comprehensive Net Expenditure over the period of the related project.

Other income is income related to the operating activities of the Authority and represents fees and charges for services provided to third parties.

## **1.12 Impending application of newly issued accounting standards not yet effective**

The Authority has not applied any new IFRS accounting standards that have been issued but are not yet effective for 2015/16. No disclosure has been made of any known or reasonably estimable information relevant to assessing the possible impact that initial application of any new standards will have on the financial statements.

## **I.13 Pension costs**

Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which is a defined benefit scheme. The Authority recognises the expected cost of providing pensions for their employees on a systematic and rational basis over the period during which they benefit from their services by payment to the PCSPS of amounts calculated on an accruing basis. Relevant disclosures are reported in Note 13. Liability for the payment of future benefits is a charge to the PCSPS.

## **I.14 Leases**

Operating leases rentals are charged to the Statement of Comprehensive Net Expenditure in the month in which the payment relates.

## **I.15 Value Added Tax (VAT)**

Most of the activities of the Authority are outside the scope of VAT, and in general output VAT does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or is included in the capitalised purchase cost of PPE in the period in which it is incurred.

## **I.16 Trade receivables**

All material amounts due at 31 March 2016 have been brought into the Statement of Comprehensive Net Expenditure irrespective of when actual payments were received.

## **I.17 Cash and cash equivalents**

Cash and cash equivalents include cash in hand and deposits held at call with banks.

## **I.18 Trade payables**

All material amounts outstanding at 31 March 2016 have been brought into the Statement of Comprehensive Net Expenditure irrespective of when actual payments were made.

## **I.19 Short-term employee benefits**

A liability, and expense, are recognised for holiday days, holiday pay, bonuses and other short-term benefits when the employee render service that increases their entitlement to these benefits. An accrual has been made for those benefits earned but not taken at the year end.

## **I.20 Segmental reporting**

IFRS 8: Segmental Reporting, requires operating segments to be identified on the basis of internal reports about components of the Authority that are regularly reviewed by the decision makers to allocate resources to the segments and assess their performance. During the year the Authority adopted a new Corporate Plan covering the period 2015 to 2018. The Corporate Plan has 3 main themes, each with 4 priorities, and 2 support themes. The previous Corporate Plan reported over 8 segments: six drawn from Scottish Government's Cairngorms National Park Partnership Plan and 2 from the then Corporate Plan.

## 2 ANALYSIS OF NET EXPENDITURE BY SEGMENT

2016	Board member and staff costs £	Operational plan expenditure £	Other operating costs £	Operational plan income £	Other income £	Net segmental expenditure £
<b>Conservation</b>						
1 Habitat restoration	172,766	50,729	38,476	(19,938)	(1,503)	240,530
2 Priority species	184,644	73,853	41,122	(7,000)	(1,606)	291,013
3 Moorland management	74,505	44,027	16,593	(43,962)	(648)	90,515
4 Catchment management	11,878	25,628	2,645	(5,581)	(103)	34,467
	<b>443,793</b>	<b>194,237</b>	<b>98,836</b>	<b>(76,481)</b>	<b>(3,860)</b>	<b>656,525</b>
<b>Visitor Experience</b>						
1 Glenmore	23,485	10,039	5,230	-	(204)	38,550
2 Infrastructure	78,555	102,188	17,495	-	(683)	197,555
3 Active Cairngorms	74,506	230,912	16,593	(36,671)	(648)	284,692
4 Visitor Experience	133,624	89,847	29,759	(176,198)	(1,162)	75,870
	<b>310,170</b>	<b>432,986</b>	<b>69,077</b>	<b>(212,869)</b>	<b>(2,697)</b>	<b>596,667</b>
<b>Rural Development</b>						
1 Planning	777,449	108,754	173,144	-	(6,762)	1,052,585
2 Economic strategy	231,615	235,743	51,582	(200,108)	(2,016)	316,816
3 Tomintoul & Glenlivet regeneration	31,584	262,620	7,034	(193,896)	(275)	107,067
4 Community support	31,584	102,399	7,034	(25,000)	(275)	115,742
	<b>1,072,232</b>	<b>709,516</b>	<b>238,794</b>	<b>(419,004)</b>	<b>(9,328)</b>	<b>1,592,210</b>
<b>Corporate Services</b>						
1 OD strategy	168,717	5,772	37,575	-	(1,467)	210,597
2 Facilities and accommodation	39,142	6,620	8,717	-	(340)	54,139
3 Service improvement	282,635	53,370	62,945	-	(2,458)	396,492
4 Governance and community	180,595	10,000	40,220	-	(1,571)	229,244
	<b>671,089</b>	<b>75,762</b>	<b>149,457</b>	<b>-</b>	<b>(5,836)</b>	<b>890,472</b>
<b>Communications</b>						
	<b>202,191</b>	<b>57,845</b>	<b>45,030</b>	<b>(1,158)</b>	<b>(4,759)</b>	<b>299,149</b>
	<b>2,699,475</b>	<b>1,470,346</b>	<b>601,194</b>	<b>(709,512)</b>	<b>(26,480)</b>	<b>4,035,023</b>

The segmental reporting in 2016 and for future years is now undertaken in a more structured way for internal reporting purposes. It is not considered practical to restate prior year segmental reporting as the new format relates to the Authority's priorities for the coming 2 years of the current Corporate Plan.

2015	Board member and staff costs	Operational plan expenditure	Other operating costs	Operational plan income	Other income	Net segmental expenditure
	£	£	£	£	£	£
High quality planning	724,582	119,767	163,021	-	(142,528)	864,842
Land management	719,505	213,592	149,986	(61,425)	(2,871)	1,018,787
Brand and visitor experience	327,362	346,185	79,598	(1,804)	(1,523)	749,818
Sustainable business Opportunities	304,882	74,437	68,594	(10,000)	(1,313)	436,600
for recreation	291,056	707,278	71,430	(188,560)	(1,367)	879,837
A special place	186,975	44,117	42,067	-	(805)	272,354
Getting involved	128,803	246,278	28,979	(129,218)	(555)	274,287
Organisation excellence	41,307	100,927	9,294	-	(178)	151,350
	2,724,472	1,852,581	612,969	(391,007)	(151,140)	4,647,875

### 3 GRANT-IN-AID

	2016	2015
	£	£
Grant-in-aid allocated to meet operational expenditure	4,436,000	4,403,000
Grant-in-aid allocated to meet capital expenditure	55,000	83,000
Supplementary Grant-in-Aid	160,000	124,000
	4,651,000	4,610,000

### 4 BOARD AND STAFF COSTS

	2016	2015
	£	£
Board members	163,371	158,905
Staff – Core	2,527,592	2,513,549
Staff – seconded	8,512	52,018
	2,699,475	2,724,472
Board members (see Remuneration Report)		
Fees	160,874	156,340
Social security costs	2,497	2,565
Pensions	-	-
	163,371	158,905
Staff – Core		
Salaries	1,963,273	1,944,049
Social security costs	148,399	150,060
Pensions (see note 13)	415,920	419,440
	2,527,592	2,513,549

<b>Average number of employees during the period</b>	<b>No</b>	<b>No</b>
Board members	20	19
Core staff (full time equivalent – FTE)	55	57

Core staff number includes 1 (2015: 1) staff member seconded to the Authority (1 FTE [2015: 1 FTE]) and excludes 0 (2015: 0) staff members seconded from the Authority (0 FTE [2015: 0.4 FTE]).

<b>Number of staff with salaries above £50,000</b>	<b>2016</b>	<b>2015</b>
£75,001 - £80,000	1	-
£70,001 - £75,000	-	1
£65,001 - £70,000	-	-
£60,001 - £65,000	1	1
£55,001 - £60,000	3	3
£50,001 - £55,000	-	-

### **Reporting of Civil Service and other compensation scheme - exit packages**

<b>Exit package cost band</b>	<b>Number of voluntary departures agreed</b>	
	<b>2016</b>	<b>2015</b>
	<b>No</b>	<b>No</b>
<£10,000	-	-
£10,001 - £25,000	-	-
£25,001 - £50,000	-	1
£50,001 - £100,000	-	-
£100,001 - £150,000	-	-

In previous years departure costs have been paid in accordance with the provision of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the Authority has agreed early retirements, the additional costs are met by the Authority and not by the Civil Service Pensions Scheme. There were no departures from the scheme in the year (2015: 1).

### **Off-payroll arrangements**

The Authority has no off-payroll arrangements which include individuals, either self-employed or acting through a personal service company, who are paid gross.

## 5 OPERATIONAL PLAN EXPENDITURE

	2016 £	2015 £
LEADER programme	-	15,584
Outdoor access projects	<b>232,650</b>	689,800
Visitor information	<b>76,844</b>	72,900
Ranger services	<b>179,242</b>	196,660
Local Plan inquiry and development costs	<b>21,859</b>	43,901
Planning enforcement and monitoring	<b>86,894</b>	115,458
LEADER administration costs	<b>179,994</b>	137,969
Cultural and community heritage	<b>148,001</b>	70,571
Land based business training	<b>59,651</b>	74,360
Cairngorms Nature Festival	<b>56,425</b>	82,650
Species and habitat conservation	<b>78,161</b>	61,053
National Park Authorities' shared services work	<b>53,370</b>	65,635
Website	<b>28,711</b>	72,072
Strengthen business organisations	-	41,906
Community needs	<b>217,018</b>	32,530
Other (not previously greater than £50,000)	<b>47,073</b>	70,622
Expenditure classed as greater than £50,000 in previous year:		
Publications	<b>4,453</b>	8,910
	<b>1,470,346</b>	1,852,581

Operational Plan expenditure includes the following salary costs paid to staff directly employed on projects:

Staff – Project	2016 £	2015 £
Salaries	<b>180,348</b>	131,782
Social security costs	<b>11,581</b>	8,986
Pension costs	<b>37,684</b>	24,212
	<b>229,613</b>	164,980

The average number of full time equivalent Project staff employees in the year was 5 (2015: 4).

## 6 OTHER OPERATING EXPENDITURE

	2016 £	2015 £
Office running costs	<b>173,931</b>	167,423
Board and staff costs (excluding salary costs)	<b>161,990</b>	154,092
Information technology	<b>39,938</b>	42,234
Professional support fees	<b>63,575</b>	75,031
Land and buildings rentals	<b>90,972</b>	97,160
Vehicles and office equipment rentals	<b>60,088</b>	66,329
Independent auditor's fees	<b>10,700</b>	10,700
	<b>601,194</b>	612,969

## 7 OTHER INCOME

	<b>2016</b> £	<b>2015</b> £
Operational Plan income from EU sources	<b>109,994</b>	129,219
Operational Plan income from other sources	<b>509,404</b>	261,788
Planning fees and other income	<b>116,594</b>	151,140
	<b>735,992</b>	<b>542,147</b>

	<b>Leasehold improvements</b>	<b>Assets in the course of construction</b>	<b>Park entry markers</b>	<b>Operational plant and equipment</b>	<b>Motor vehicles</b>	<b>ICT</b>	<b>Total</b>	<b>Intangible assets</b>	<b>Total</b>
	£	£	£	£	£	£	£	£	£
<b>Cost</b>									
At 1 April, 2015	398,000	33,092	56,882	144,614	22,595	267,782	922,965	19,273	942,238
Additions	1,052	296,144	-	3,165	-	17,825	318,186	25,054	343,240
Transfers	20,413	(99,863)	-	79,450	-	-	-	-	-
Disposals	-	-	-	(60,690)	-	(11,219)	(71,909)	-	(71,909)
At 31 March, 2016	<b>419,465</b>	<b>229,373</b>	<b>56,882</b>	<b>166,539</b>	<b>22,595</b>	<b>274,388</b>	<b>1,169,242</b>	<b>44,327</b>	<b>1,213,569</b>
<b>Depreciation</b>									
At 1 April, 2015	(304,924)	-	(18,201)	(132,701)	(22,218)	(213,070)	(691,114)	(8,619)	(699,733)
Charged for year	(11,872)	-	(2,275)	(34,632)	(377)	(25,882)	(75,038)	(4,692)	(79,730)
Transfers	(18,137)	-	-	18,137	-	-	-	-	-
Disposals	-	-	-	60,690	-	11,219	71,909	-	71,909
At 31 March, 2016	<b>(334,933)</b>	<b>-</b>	<b>(20,476)</b>	<b>(88,506)</b>	<b>(22,595)</b>	<b>(227,733)</b>	<b>(694,243)</b>	<b>(13,311)</b>	<b>(707,554)</b>
<b>Net book value</b>									
At 31 March, 2016	<b>84,532</b>	<b>229,373</b>	<b>36,406</b>	<b>78,033</b>	<b>-</b>	<b>46,655</b>	<b>474,999</b>	<b>31,016</b>	<b>506,015</b>
At 31 March, 2015	93,076	33,092	38,681	11,913	377	54,712	231,851	10,654	242,505
<b>Asset financing</b>									
Owned	84,532	229,373	36,406	78,033	-	46,655	474,999	31,016	506,015
Finance leased	-	-	-	-	-	-	-	-	-
At 31 March, 2016	<b>84,532</b>	<b>229,373</b>	<b>36,406</b>	<b>78,033</b>	<b>-</b>	<b>46,655</b>	<b>474,999</b>	<b>31,016</b>	<b>506,015</b>
Owned	93,076	33,092	38,681	11,913	377	54,712	231,851	10,654	242,505
Finance leased	-	-	-	-	-	-	-	-	-
At 31 March, 2015	93,076	33,092	38,681	11,913	377	54,712	231,851	10,654	242,505

## 9 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	2016 £	2015 £
Amounts falling due within one year:		
Project income debtors	161,268	221,144
Prepayments and accrued income	113,964	56,172
Total due within one year	<u>275,232</u>	<u>277,316</u>

## 10 CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Commercial bank accounts		
Commercial bank accounts	467,232	404,776
Cash imprest accounts	250	300
	<u>467,482</u>	<u>405,076</u>

## 11 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	2016 £	2015 £
Amounts payable within one year:		
Trade payables	55,326	173,146
Project income received in advance	71,286	14,043
Accruals and deferred income	264,812	401,131
Total due within one year	<u>391,424</u>	<u>588,320</u>

## 12 NON-CURRENT LIABILITIES

	2016 £	2015 £
Early departure costs arising from the Authority's voluntary severance scheme		
Early departure costs arising from the Authority's voluntary severance scheme	29,121	46,963
Costs arising within one year included in accruals and deferred income	(16,519)	(17,842)
	<u>12,602</u>	<u>29,121</u>

The transfer of £16,519 (2015: £17,842) deferred income to creditors due within one year represents the income that will be released against early departure payments over the next twelve months. The net cost to the Authority of these future payments is therefore nil.

## 13 PENSIONS

The Authority is a member of the Principal Civil Service Pensions Scheme (PCSPS) which is an unfunded multi-employer defined benefit scheme. The Authority is unable to identify its share of the underlying assets and liabilities of the scheme. A full actuarial valuation was carried out as at 31

March 2007, details of which can be found in the Resources Accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk))

For the year ended 31 March 2016 employer's contributions of £448,404 (2015: £395,290) were paid to the PCSPS. The contributions were payable at one of four rates, from 20% to 24.5% of pensionable pay, based on salary bands. All employees have the opportunity to join the scheme. In addition, the Authority paid employer contributions of £nil (2015: £15) to other pension providers and were invoiced for employer contributions of seconded staff working for the Park Authority.

## 14 CAPITAL COMMITMENTS

	2016 £	2015 £
Contracted capital commitments at 31 March 2016 not otherwise included in the financial statements		
Property, plant and equipment	<u>8,900</u>	<u>90,900</u>

## 15 COMMITMENTS UNDER LEASES

	<b>Land and buildings</b>		<b>Motor vehicles and office equipment</b>	
	2016 £	2015 £	2016 £	2015 £
Not later than one year	<b>64,000</b>	59,350	<b>25,800</b>	28,000
Later than one year and less than five years	<b>67,200</b>	127,700	<b>47,200</b>	18,100
Later than five years	-	-	-	-
	<b>131,200</b>	<b>187,050</b>	<b>73,000</b>	<b>46,100</b>

## 16 CONTINGENT LIABILITIES

There were no contingent liabilities at the date of the Statement of Financial Position.

## 17 RELATED PARTY TRANSACTIONS

The Authority is a Non-departmental Public Body of the Scottish Government. The Authority's sponsoring body is the Natural Resources Division, Environment & Forestry Directorate.

The Scottish Government and the Natural Resources Division, Environment & Forestry Directorate are regarded as related parties with whom there have been various material transactions during the year in the normal course of operations.

In addition, the Authority has had a small number of material transactions with other Government departments and other Non-departmental Public Bodies.

No Board member, senior manager or other related parties has undertaken any material transactions with the Authority during the year.

## **18 FINANCIAL INSTRUMENTS AND EXPOSURE TO RISKS**

The Authority's financial resources are met by grant-in-aid from Scottish Government, operational plan income, planning fees and other income. The Authority has no power to borrow or invest surplus funds. Other than financial assets and liabilities generated by normal operational activities no financial instruments are held.

**Liquidity risk:** The Scottish Government makes provision for financial and capital resources. The Authority is not therefore exposed to material liquidity risks.

**Credit Risk:** Credit risk arises from cash, and cash equivalents, deposits with banks, as well as credit exposure with outstanding receivables and committed transactions. The Authority receives the majority of its funds from Scottish Government, Executive Agencies and other Public Bodies as well European Union Departments. The Authority is not therefore exposed to any material credit risk.

**Market risk - foreign currency risk:** transactions denominated in foreign currencies are not material and the Authority is not exposed to foreign currency risk.

## **19 POST BALANCE SHEET EVENT**

On 23 June 2016, the result of the Referendum on membership of the European Union (EU) was a majority vote to leave. The Authority, as the Accountable Body for the Cairngorms Local Action Group (CLAG), administers £3 million of EU LEADER funds as part of the Scottish Rural Development Programme. Funds are paid to approved projects and reclaimed from Scottish Government by the Authority on behalf of the CLAG. As such the Authority is exposed to some liability around funds paid out not being recovered. However, at this point in time there are no "live" projects which have commenced delivery and consequently there is minimal exposure to such risk. The Authority will have to monitor very closely the ongoing development of guidance and regulation of the commitment and claiming of funds made available by the European Union.

## **APPENDIX I**

### **ACCOUNTS DIRECTION**



#### **CAIRNGORMS NATIONAL PARK AUTHORITY**

#### **DIRECTION BY THE SCOTTISH MINISTERS**

1. The Scottish Ministers, in pursuance of The National Parks (Scotland) Act 2000, hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 20 April 2004 is hereby revoked.

  
Signed by the authority of the Scottish Ministers      R. HARPER, Head of Countryside and  
Dated 12 January 2006      Natural Heritage Division

## APPENDIX II BOARD MEMBER PROFILES

### Appointed by Scottish Ministers



**Angela Douglas** is a Chartered Forester with over 22 years professional forestry and environment skills, knowledge and experience. She has benefited from working across each of the private, public and third sectors, often in partnership. Angela is skilled at working constructively with others across operational, policy, relationship development, fundraising, communication and engagement work. She established her own independent forestry and environmental business 'A Douglas Consultancy' in 2010, having previously been Scotland Director for the Woodland Trust for 12 years and managing a very varied 21,000 acre estate.



**Paul Easto** is co-founder and director of Wilderness Scotland – an adventure and tourism business based in the Cairngorms National Park and operating throughout the Highlands and Islands. Prior to starting Wilderness Scotland in 2002, Paul worked as a planning and development consultant in Edinburgh and then South America with a youth development charity. In addition to his background in planning and environmental matters, he has 15 years' experience in developing rural tourism and managing a successful and growing international business.



**Janet Hunter** was appointed to the Board in September 2015. Janet has lived and worked in Strathardle for 16 years and has extensive knowledge of the unique nature of the Cairngorms as a skier and mountaineer. She has a degree in Geography and has an MSc in rural resources planning from Aberdeen University and background in economic development. She is involved in encouraging entrepreneurial growth within small rural communities in areas such as renewables, food and outdoor activities. She has developed communication strategies for a range of organisations and businesses. Janet also has extensive knowledge of the ski industry both in Scotland and abroad and speaks several languages.



**Gregor Hutcheon** is a resident of Strathdon on the eastern fringes of the National Park, brings nearly 20 years of experience of the environmental, heritage and voluntary sectors. A graduate of Aberdeen University, he has recently returned to Aberdeenshire after a varied career championing the countryside and wider environment and its role in underpinning our quality of life. This included stints with the Campaign to Protect Rural England (CPRE) and the National Trust. He brings knowledge of rural business development, planning and land use.



**Gordon Riddler**, is a resident of Ballater, a graduate in Geology and Business Administration and a Chartered Engineer. His international career spans both the private and public sectors. He has served on boards of public listed companies and in senior management posts at the Natural Environment Research Council, engaging in technology research and development and geodiversity projects. He has been active fundraising in the voluntary sector for many years through membership of local organisations. Gordon is Deputy Convener of the CNPA Planning Committee and Convener of the CNPA Audit & Risk Committee.



**Judith Webb** has an environmental management and forestry background and has worked as a farm conservation adviser, and currently lectures part-time at UHI's Scottish School of Forestry. She has worked across the UK, including for the Confederation of Forest Industries (ConFor) and was a partner in a farm based family business providing environmental consultancy and woodland management services. Judith brings a wide range of board experience from previous roles in public, private and third sector bodies, including as a Forestry Commissioner and as Deputy Chair of the Joint Nature Conservation Committee. She has chaired a number of advisory groups including Woodland Biodiversity, Wood-Pasture and Parkland, deer management best practice and the National Tree Safety Group. Judith led some of the first international Conservation Volunteer projects in Iceland's Skaftafell National Park and in 2011 was awarded an MBE for her services to conservation.



**Brian Wood** is Deputy Convener of the Cairngorms National Park Authority board. He retired following a 38-year career in secondary education. Brian initially taught physics at George Heriot's School, Edinburgh and Mackie Academy, Stonehaven. He was then appointed Rector of Mearns Academy, Laurencekirk and for 16 years was Rector of Hazlehead Academy, Aberdeen. For the past 30 years, Brian has been a Justice of the Peace and honorary Sheriff for Grampian, Highland and Islands regularly presiding in the JP courts in Stonehaven and Aberdeen. Brian is heavily involved in two major restoration projects in Braemar, namely Braemar Castle and the A listed St Margaret's Church building. Brian brings expert knowledge in education and business management.

#### **Appointed by Scottish ministers on nomination by the local authorities**



**Councillor Peter Argyle** (Aberdeenshire Council) is Convener of the Cairngorms National Park Authority Board. He has been a Councillor since May 1999 and is Ward Councillor for Aboyne, Upper Deeside and Donside. He was Chair of the Infrastructure Services Committee and the Scrutiny and Audit Committee. He previously served on the CNPA Board from March 2003 until September 2004 and was reappointed in March 2009. He became Convener of the Board in September 2015. He is a Director of Mid Deeside Limited.



**Councillor Jeanette Gaul** (Angus Council) represents the Kirriemuir and Dean Ward. She is a member of the Chartered Institute of Personnel and Development. As well as bringing her skills in personnel management, she has experience in working with community groups, organising community events, tourism and budget monitoring as well as a member of the Councils Scrutiny and Audit Committee. Jeannette heads up the Pride & Place Member Officer Group (MOG) within Angus working with all community groups on environment issues. She also works with the Ranger Service based in Glen Doll.



**Councillor Kate Howie** (Perth & Kinross Council) is a Director of Highland Perthshire Communities Partnership, focusing on the empowerment of communities and to help them develop and flourish. Kate previously had an Army career where she developed strong leadership and communication skills, gained experience in human resources and managing public funds, as well as expertise in transportation and logistics. She has a keen interest in the language and dialects of Scotland and is the Convener of the Scots Language Centre.



**Councillor John Latham** (Aberdeenshire Council) represents the Huntly, Strathbogie and Howe of Alford Ward. He was born in Aberdeen and brought up on Deeside. He served as a countryside ranger for 27 years. Latterly he was the senior ranger with Aberdeenshire Council, covering the Aberdeenshire part of the National Park. He worked closely with the Cairngorms Partnership and subsequently with the Cairngorms National Park Authority. He brings practical and professional experience in visitor management, conservation and ecology to the National Park Authority.



**Councillor Bill Lobban** (Highland Council) is the member for the Badenoch and Strathspey ward as well as Vice-Convenor of Highland Council. He has lived and worked in Aviemore for over 30 years and gained an in-depth knowledge of the area. He cares passionately for the area and has a strong interest in ensuring local communities in the National Park are fully involved in the decision making process.



**Councillor Fiona Murdoch** (Moray Council) is the member for the Speyside-Glenlivet ward which includes the Tomintoul and Glenlivet part of the Park. A keen hillwalker, she is a member of both the Moray and Cairngorms access forums. Fiona is a farmer's daughter from Banffshire and had a career in journalism and small business before joining Moray Council in 2007.



**Councillor Gregor Rimmell** (Highland Council) has been the member for Badenoch and Strathspey since 2003. He lives in Newtonmore. His particular interest is in how the separate communities of the National Park retain their identities, but come together to develop the Park as an internationally recognised destination.

#### Elected by local residents through postal ballot



**David Fallows** (Ward 1) is a Highland Councillor and he sits on the Council's Resources Committee. He chairs the Pensions Committee and is Vice-chair of the South Planning Applications Committee. He also chairs the Council owned Highland Opportunity Limited and the ICT Re-provisioning Members' Board. He is also a director of Highland Housing Alliance. He writes on, and photographs, the sport of shanty for the Strathspey and Badenoch Herald and is Chairman of the Society of Badenoch and Strathspey Artists and Iona Gallery and a professional artist in his own right. His principal interests within the National Park are the delivery of affordable housing, either to rent or purchase, and better paid jobs, for young people who might otherwise have to leave the area.



**William McKenna** (Ward 2) worked locally in the skiing business for over 20 years and was a part-time ranger on the Rothiemurchus Estate. He is currently involved with Aviemore Community Company and CRAGG (Cairngorms Rothiemurchus and Glenmore Group) as a member of the community association.



**Rebecca Badger** (Ward 3) lives in Carrbridge with her family and is passionate about protecting, enhancing and enjoying the natural environment of the National Park. Becky works part-time as an environmental economist for the Scottish Environment Protection Agency (SEPA) and is involved in SEPA's work to take account of the benefits (or ecosystem services) the environment provides to people. Becky has an undergraduate degree in Ecological Science from Edinburgh University, an MSc in Agricultural Economics from Newcastle University and a PhD in Agricultural and Environmental Economics from Aberdeen University. In the past, she has worked as Agriculture Policy Officer for RSPB Scotland and for the Scottish Parliament in the Information Centre (SPICe), where she was responsible for briefing MSPs and Parliament Committees on rural affairs and environment issues.



**Eleanor Mackintosh** (Ward 4) is Convener of the Planning Committee. She lives in Glenlivet and helps at home on the farm having previously been a financial adviser with the Clydesdale Bank. She serves on various community groups.



**Katrina Farquhar** (Ward 5) has lived in or on the edge of the Cairngorms National Park all of her life. Her parents have a sheep farm in the centre of the Park and she is very much involved with the farming community. Having worked at Sheridan Butchers Ballater for 27 years, she has now moved on and is an Aberdeenshire Councillor for Aboyne, Upper Deeside and Donside. Katrina is on the board of the Cairngorms Outdoor Access Trust (COAT) and Ballater Royal Deeside (BRD). She works with local groups, actively fundraising for local charities. Favourite things to do are walking, mountain biking and golfing.

The Register of Members' Interest is available for inspection during office hours at the Authority's office, 14 The Square, Grantown-on-Spey, PH26 3HG or on line at <http://cairngorms.co.uk/wp-content/uploads/2016/04/160419BoardMembersRegisterOfInterests.pdf>

### APPENDIX III

#### BOARD MEMBERS' ATTENDANCE AT MEETINGS 2015/16

<b>Board member</b>	<b>Board: 5 public meetings</b>	<b>Discussion: 11 meetings</b>	<b>Planning : 10 meetings</b>
Peter Argyle (Convener)	5	11	10
Rebecca Badger	5	11	10
Angela Douglas	3	8	8
Paul Easto	4	8	5
Dave Fallows	5	9	8
Katrina Farquhar	5	9	9
Jeanette Gaul	3	7	8
Kate Howie	3	7	7
Gregor Hutcheon	4	9	9
Eleanor Mackintosh	5	11	10
John Latham	5	10	10
Bill Lobban	5	9	10
Willie McKenna	4	9	9
Fiona Murdoch	5	10	10
Gordon Riddler	5	10	10
Gregor Rimell	3	8	7
Judith Webb	5	10	6
Brian Wood (Deputy Convener)	5	11	10
<b>Stepped down in year</b>	<b>1</b>	<b>4</b>	<b>4</b>
Duncan Bryden	1	3	4
<b>Appointed in year</b>	<b>4</b>	<b>7</b>	<b>6</b>
Janet Hunter	4	7	5