

CAIRNGORMS NATIONAL PARK AUTHORITY

Minutes of the Finance Committee

Held at Albert Hall, Ballater
On Friday 2 December 2005, 9:00 am

Present

Eleanor Mackintosh (Chair)	David Selfridge
Gregor Rimell	Bruce Luffman
Joyce Simpson	

In Attendance

Andrew Thin	Jane Hope
David Cameron	Denby Pettitt

Apologies

None

Election of Chair

Eleanor Mackintosh was nominated by Gregor Rimell and seconded by Bruce Luffman. There being no other nominations, Eleanor Mackintosh was appointed Chair.

Welcome and Apologies

1. The Chair welcomed everyone to the meeting. There were no apologies.

Minutes of Previous Meeting: 9 September 2005

2. On point 4, it was noted that Gregor Rimell's interest declared on the item regarding the Badaguish Cairngorm Outdoor Centre was not simply that he was the elected councillor for the area, but had an interest in the project itself.
3. On point 13, David Cameron corrected that the agreed project contribution to the Angus Glens Ranger Base was £82,000 and not £40,000 as stated.
4. These corrections were agreed and the minute approved.

Minutes of Previous Meeting: 4 November 2005

5. Minutes of the meeting of 4 November were approved, with no amendments.

Matters Arising

6. There were no matters arising not covered elsewhere on the agenda.

Outturn for 7 Months to October 2005, Forecast Outturn for the full Financial Year and 2005/06 Operational Plan Delivery (Paper 1)

[David Selfridge arrived at this point.]

7. Denby Pettitt introduced this paper, highlighting that the finance monitoring for the first 7 months of 2005/06 indicated an underspend of £608,000 against the initial budget approved by the Committee in May. The majority of this underspend, £563,000, related to expenditure on activities set out in the operational Plan for 2005/06.
8. Denby identified that a number of elements of the operational plan were only now beginning to enter into "spending" phases of the project following lead time in project development and discussion with partners. Particular examples of this were the cycleway project at Aviemore, the Integrated Grants Programme, at the Point of Entry Marker project. In large part, therefore, the variation between expenditure and budget was the result of inaccurate initial budget and expenditure phasing on the operational plan activities rather than a signal that expenditure would not proceed.
9. The forecast outturn for the full year continued to indicate final expenditure coming very close to budget targets.
10. In discussion, it was highlighted that the very high level of expenditure that remained to be committed prior to the end of the year did remain a cause for concern. The phasing of such a large element of the Authority's Operational Plan budget toward the end of the year did inevitably increase the risk of slippage beyond 31 March and budget targets not being met.
11. Members noted that expenditure over the course of 2004/05 had followed a very similar pattern and had resulted in what was seen as a satisfactory result in expenditure of around 97% of the maximum for the year.
12. Members commented that there was a need to build contingencies of some form into Operational Plan budgets as delivery plans will tend to err on the optimistic side and budget requirement be over-estimated. The delivery of the Authority's Operational Plan was analogous to a local authority's capital programme in these respects. Some sophistication was therefore required in the Authority's future consideration of initially over-programming its budget allocations for the Operational Plan.

13. Members noted that the Committee should recognise the success of last year, and that the management of the operational plan for 2005/06 involved something in the order of 110 separate budget lines, creating a complex management task, and a heavy workload for staff.
14. The Chair summarised the feeling that the financial results last year were good and that the Committee should again seek to achieve the best possible results for this year. While members felt the situation was being controlled as well as possible, there remained clear causes for concern and close ongoing monitoring of the situation was essential.
15. **Members agreed that officers should keep the Chair informed of progress on a monthly basis, while reporting back to the full Committee by February.**
16. **The Committee noted the outturn for the seven months to 31 October 2005.**
17. **The Committee noted the forecast outturn for the full financial year.**
18. **The Committee agreed proposed comment on the financial monitoring position for inclusion in the next Operational Plan update report to the Board.**

Ratification of Expenditure Proposals (Paper 2)

19. Denby Pettitt indicated that this was the standing item to inform members of expenditure approvals made by correspondence since the last meeting and to seek formal ratification of those decisions.
20. After brief discussion on the scale of the National Park Plan consultation process and consequent print runs required, members ratified expenditure previously approved by email.

2006/07 and 2007/08 Budget Forecasts (Paper 3)

21. David Cameron introduced this paper, indicating that it set out an early overview of the budget forecasts for the next two years, allowing the Committee to take a strategic overview of the Authority's financial situation well in advance of commencement of the period to which the budget forecasts relate.
22. Also, in determining budget allocations well in advance of the start of the year, the Management Team's intention was to build in additional planning time for operational plan activities. This is an important step toward reducing the risk of underspends in future years and possibly facilitating a more even profile of expenditure through the financial year.

23. Budget forecasts included provision for recruitment of an additional 5 staff over the course of 2006/07. the combined effect of increasing staff numbers and salary increases against a fairly static funding position for the year was to increase the proportion of expenditure on staff from 40% to around 45% in 2006/07 and 46% in 2007/08.
24. The level of budget allocation made to operational plan activities would be 31% of total resources in each of the next two years and would exceed the estimates originally built into the Corporate Plan for both years.
25. In discussion, members noted that a procedure had been put in place to critically review staffing requests put forward prior to their inclusion in budget forecasts. Members recognised that recruitment policies and procedures had been put in place which would support the need to maintain staff structures appropriate to the Authority's development, and enabling an appropriate mix of permanent, fixed term and seconded staff.
26. Members noted the requirement to maintain a balance between numbers of staff employed by the Authority, its consequent ability to deliver agreed operational plans, and the limits that additional staff numbers also placed on availability of financial resources to allocate to fund operational activities. In this regard, members noted that operational plan expenditure would remain at close to one-third of total expenditure in each of the next two years.
27. **The Committee approved the budget forecasts for 2006/07 and 2007/08 set out in the paper.**
28. **The Committee approved the financial consequences of proposed additional staffing, which remains within overall budget forecasts established as part of the Corporate Plan agreed by the Board in February 2005.**
29. **The Committee approved other core expenditure levels and operational plan budget levels, which noted operational plan budgets meet or exceed provision agreed by the Board in February 2005 in the Corporate Plan.**

Any Other Business

30. The Committee briefly discussed the Authority's VAT position and **asked that a briefing note be issued on this to members.**
31. **The Committee requested that the paper previously circulated on grants approved to communities and other groups be circulated again to members.**
32. The Committee noted that, following a CIPFA training course attended by members, it had been suggested that correspondence between external auditors and the Authority should also be circulated to Committee members. **David Cameron agreed**

that he would include Finance Committee members in the circulation of future correspondence with the external auditor.

33. The Committee asked that in future budget discussions, the potential for video conferencing facilities should be retained for consideration. Officers agreed to keep this in mind.

Date of Next Meeting

34. 10 February 2006, Grantown

Commercial – In Confidence Discussion Accommodation Provision 2005 to 2008 (Paper 4)

35. Andy Rinning introduced the paper which set out a review of current accommodation provision, proposals for increasing office accommodation to support current organisational plans and set out the financial implications of proposals. Andy highlighted that accommodation in both Grantown and Ballater offices had reached maximum occupancy capacity and did not allow for proposed growth in staff numbers. Nor would it support the Authority enabling project delivery through provision of accommodation and corporate support, as it had successfully done to date on a number of projects.
36. **The Committee agreed the proposals and noted that the costs would be contained within the budget estimates for 2006/07 and 2007/08 approved by members under a previous item.**