

CAIRNGORMS NATIONAL PARK AUTHORITY

FOR DECISION

Title: CAIRNGORMS BUSINESS PARTNERSHIP

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Purpose

To update the Board on progress towards a pan-Park model for collaborative business working and to seek approval of associated funding, tied to specified deliverables.

Recommendations

It is recommended that the Board:

- a) Note the significant progress that has been made in developing a pan-Park model for collaborative business working.
- b) As per the attached Expenditure Justification Form, approve grant funding of £70,000 for 2009/10 subject to the following conditions –
 - i. Payments will not be made in advance of need and will require partner contributions for the specified actions to have been secured;
 - ii. A performance review meeting to be held in January involving an appropriate Board member(s).

Executive Summary

Substantial progress has been made in developing a new business organisation for the Park which will be formed by the merger of several existing organisations. This will deliver a more financially sustainable, efficient and effective model than currently exists. It will also strengthen the business 'voice' in the Park and ensure that the private sector is better placed to capitalise on the economic potential of the National Park.

As was agreed at a meeting between the Cairngorms Business Partnership (CBP) and the CNPA on 27 May, I have been dedicating up to two days a week to assist them in working up the detail of the new organisation and in developing a funding package for a set of actions that they themselves have prioritised.

CAIRNGORMS BUSINESS PARTNERSHIP – FOR DECISION

Background

1. As the Board are aware from papers in July 2008 and January 2009, the Cairngorms Chamber of Commerce has been working with several Destination Management Organisations across the Park, along with other business interests to establish a new pan-Park model for collaborative business working. The benefits of such a model will be to:
 - a) Maximise the potential business value offered by 'National Park' status (for example by developing Park-wide marketing opportunities);
 - b) Best harness the collective effort and resources of the public and private sector in delivering the Park Plan;
 - c) Achieve greater value for money by enabling appropriate activities to be undertaken on a Park-wide basis;
 - d) Simplify channels of engagement between the public sector and the private sector across the Park.
2. By ensuring that the profile of the Cairngorms National Park and the quality of the visitor experience are both improved relative to other visitor destinations, there will be benefits for both businesses and visitors alike. More detail on the rationale for this collaborative approach and how it will help deliver key elements of both the Park Plan and Corporate Plan is set out in section 4 of the attached Expenditure Justification.
3. Following public meetings in February, the business organisations that comprise the emerging Cairngorms Business Partnership (CBP) now feel that they have a mandate from both their respective member businesses and from the broader business community to progress on pan-Park work. They are consequently pursuing a more radical approach in which they would move beyond partnership working and formally merge into one pan-Park Business Organisation.
4. At their request the CBP members met with several CNPA Board members and staff on 27 May 2009. They set out a programme of priority actions for the CBP and discussed the need for support in progressing both the new organisation and funding for the priority actions. Given the tremendous potential for the CBP to help deliver key elements of the Park Plan, it was agreed that I would support them for up to two days a week to achieve these time limited tasks.

Development of the New Business Model

5. Initially my support has focused on developing the funding package for the CBP's 2009/10 programme of action. Subsequently, at a meeting of the CBP on 6 August a project plan was agreed to progress the new single business organisation. By the time of the September Board meeting I should be in a position to give a verbal update on the preferred structure for the organisation and on the potential membership fee structure and business benefits packages that it will offer.

Recommendation

6. **That the Board note the significant progress that has been made in developing a pan-Park model for collaborative business working.**

Grant Support for 2009/10

7. In January the Board agreed to delegate to the Finance Committee consideration of CNPA funding to the CBP, once further detailed work had been carried out. At that stage it was suggested that a sum of £60,000 funding support might be appropriate. Now that the detail has been worked through, it is recommended that £70,000 grant funding be provided to the CBP. Given the increase in proposed funding, approval is being sought from the full Board rather than from the Finance Committee.
8. It is worth stressing, though, that the increased budget can be readily accommodated through revisions to required budgets in other parts of the Operational Plan. Where appropriate, responsibility for the delivery of particular actions is also shifting from the Park Authority to the CBP – for example, organising the annual Park tourism conference. As is explained in the Expenditure Justification, whilst a relatively large element of the proposed grant relates to staffing costs, this represents the estimated time input required to progress all of prioritised actions (see section 9 of Expenditure Justification).
9. The full case for providing grant support is set out in the attached Expenditure Justification Form (Annex 1). This reflects a programme of action for Park wide activity and does not therefore reflect additional work that is already being delivered across the respective DMO geographical areas and the private sector funding that is levered in towards this – such as work on their respective websites and marketing activities and the delivery of projects such as the ‘Deeside Sessions’. In the future, under a single organisation, the totality of this effort will be reflected within a single consolidated business plan.
10. Pending establishment of the new organisation, funding for staffing costs will be paid to the Aviemore and Deeside DMOs to reflect the respective staff inputs in progressing the action programme. Funding towards the specific actions will be routed via a new Cairngorms Business Partnership account that has been set up by the Cairngorms Chamber of Commerce and for which the different partner organisations are signatories.
11. Funding conditions to ensure our funding is being used effectively are also proposed below.

Recommendation

12. **That the Board, as per the attached Expenditure Justification Form, approve grant funding of £70,000 in 2009/10 with the following conditions**
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 - a) **Payments will not be made in advance of need and will require partner contributions for the specified actions to have been secured;**
 - b) **A performance review meeting to be held in January involving an appropriate Board member(s).**

Consultation

13. This paper has been considered and agreed by the CNPA's Management Team. The CBP have taken soundings from the wider business community before deciding to work towards establishing a single business organisation and the project plan for progressing the new organisation includes a stakeholder analysis and engagement plan. Key public sector partners have been consulted in developing the proposed funding package and are being fully engaged in progressing the new business organisation.

Policy Context

Delivering Sustainability

14. The planned programme of work has been informed by the Park Plan and the Cairngorms Strategy and Business Plan for Sustainable Tourism in Protected Areas. They particularly contribute to the Making Tourism and Business Sustainable Priority for Action. Given the economies of scale and sharing of resources offered by the proposed new organisation, it should also be more financially self sufficient in the long run – as core public funding diminishes.

Delivering A Park For All

15. Opportunities for marketing to Park for All target groups or related product development will continually be explored.

Delivering Economy, Effectiveness and Efficiency

16. The pooling of resources that is proposed will deliver increased economy, efficiency and effectiveness. The clearer linking and co-ordination between Park wide and more local activities will also greatly help in this respect.

Implications

Financial Implications

17. Provision for this level of financial support has been identified within our Corporate Plan and 2009/10 Operational Plan. The new model offers better value for money in respect of the overall public funding contribution. There are likely to be funding implications for future years which will be considered in the course of our forward budgetary planning.
18. Consideration is also being given to whether additional CNPA staff support can be made available or whether external support needs to be bought in to continue helping the CBP with the transition to the new organisation after I leave the Park Authority in October. If support is bought in, this will be funded via the temporary savings in staff costs until a new Head of Group is appointed.

Presentational Implications

19. There are no obvious presentational issues. The respective private sector organisations will need to demonstrate the added value of the new organisational model both to their business members and to their other funders who are concerned about their respective geographical areas of interest. The model that has been proposed demonstrates such clear added value.

Implications for Stakeholders

20. Ultimately the new organisational model should deliver additional benefits for both businesses within the Park and for visitors to the area. There is still further work to do on areas of operational detail but this is now being firmed up. There will be point at which each of the existing business organisations will need to take the formal decision to merge into the new organisation. Should any of the current business partners opt not to be subsumed into the new organisation, this will not prevent it from going ahead. It would be for public sector partners and for individual businesses to decide which organisation delivered greatest value for their respective investments.

Next Steps

21. If the Board approve the recommended funding with the conditions as set out, offer letters will be issued and progress in implementation will be monitored. We will continue to actively support the CBP in progressing their plans and Board members will be updated on progress via information papers. As per the proposed funding condition a formal performance review meeting will be held in January with Board representation to be determined by the Convenor.

Andrew Harper

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