

CAIRNGORMS NATIONAL PARK AUTHORITY

Minutes of the Finance Committee

Held at Airlie Arms Hotel, Kirriemuir,
On Friday 6 May 2005, 9:00 am

Present

Eleanor Mackintosh (Chair) David Selfridge
Joyce Simpson Andrew Thin

In Attendance

David Cameron Denby Pettitt

Apologies

Jane Hope Gregor Rimell

Welcome and Apologies

1. The Chair welcomed everyone to the meeting and noted apologies as above.

Minutes of Previous Meeting

2. The minutes of the meeting held on 11 February 2005 were approved without amendment.

Matters Arising

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

Full Year Outturn Forecast [Year to 31 March 2005] (Paper 1)

4. David Cameron introduced this paper, which set out figures on the expected financial outturn for the year ended 31 March 2005. The paper highlighted an expected underspend against available resources for the year of £238,000, although it was hoped that this could be reduced to nearer £200,000 once the final process of accruing expenditure for work completed in 2004/05 had been completed. This position included some £72,000 included in the budget to cover depreciation charges, which may be met from deferred income rather than 2004/05 grant.
5. David Cameron also highlighted that a bid for End Year Flexibility, to allow carry forward of a proportion of these underspent resources into 2005/06, was being progressed with the Scottish Executive. Initial indication from the sponsor department was that the Authority may be able to reclaim 50% of unspent 2004/05 resources, but that this would not be confirmed until the Autumn.

6. In discussion, the Chair commented that while it was disappointing that a fairly large sum of money had not been committed in the year, it had to be remembered that in the public sector the expectation was that an organisation would spend at its level of resources or below it. There was generally no room for manoeuvre to spend above budget, and the only room with which to manage finances was to be slightly below. Andrew Thin noted that he believed the position was very good in light of other public sector organisations, particularly when the relatively early stage of the organisation's development was considered.
7. Members noted the somewhat uncertain position around the treatment of depreciation charges, which appeared to require different treatment in the Authority's financial accounts from that in reporting use of annual resource allocations to the Scottish Executive. This would continue to cause some uncertainty in budgeting until resolved.
8. **The Committee noted the forecast outturn for 2004/05, of expenditure of £3.259m against grant available of £3.497: an underspend of £0.238m, which after adjusting for depreciation cover reduced to £0.166m.**
9. **The Committee noted that a claim had been made for End Year Flexibility in April 2005 and that initial indication was that 50% of unused 2004/05 resource would be available for use in 2005/06. The Scottish Executive's final decision would be known in the Autumn.**

2005/06 Proposed Budget [Year to 31 March 2006] (Paper 2)

10. This paper set out the budget for 2005/06 together with initial forecasts for the two following years.
11. Members discussed the figures set out in the report, in particular noting concern that the proportion of resources being allocated to the operational plan element of the budget was forecast to fall below one-third of the total in the final year, 2007/08. It was accepted that an element of the decline in the proportion of resources allocated to the operational plan related to increasing levels of employer's salary on-costs and provision for pay awards, rather than increasing staff numbers. These increases also arose within relatively fixed total funding levels. However, the overall levels of resources available to fund operational plans remained a concern.
12. Members questioned the budget provision established for additional office accommodation. Officers indicated that existing premises in both Grantown and Ballater were coming ever closer to capacity and there was an expectation that additional space would be needed to accommodate planned staffing levels.
13. Members noted the additional staffing set out in the paper and questioned the rationale for their recruitment. The Head of Corporate Services indicated that these staffing proposals had been built into forward budget plans from an early stage and remained within the total staff budget and establishment numbers agreed by the Board as part of the consideration of the Corporate Plan for 2005 to 2008. Members requested that further information be brought to the Committee on the Management

Team's proposed staffing plans, and the overall fit between these plans and the budget estimates.

14. **Members noted the proposed budget for 2005/06, subject to clarification of the plans for staffing levels in the year.**

Ratification of New Expenditure Proposals (Paper 3)

15. Denby Pettitt introduced a paper seeking approval to two proposals for expenditure.
16. The first was a grant of £25,000 proposed to ABSC Marketing Ltd.
17. **The Committee agreed the proposal for funding in 2005/06. Members further agreed that any subsequent funding should be conditional upon the group being able to show some progress in the potential to deliver on a park-wide basis.**
18. The second proposal was a grant contribution for core funding of the Cairngorms Chamber of Commerce.
19. Members noted that two Board members, Bruce Luffman and Sally Dowden were involved with this group, but had played no part in the consideration of the Authority's potential funding.
20. Members considered the merits of the proposal but were particularly concerned over the relatively high level of investment sought from the Authority compared with other third party funders. Members considered that the Chamber of Commerce ought to attract much more widespread funding and that the relative investment by the Authority in enabling its operations should, consequently, be significantly smaller.
21. **The Committee refused the proposal and requested that officers should further pursue potential third party funders in order to reduce the required Authority contribution. The Committee agreed that they would give this proposal further consideration once officers had looked into this.**

Ratification of Previously Approved Expenditure Proposals (Paper 4)

22. **The Committee ratified the expenditure proposals previously approved by correspondence as set out in this paper.**

Any Other Business

23. Andrew Thin commented that the financial controls in place within the Authority were now clearly operating effectively and that comments and questions on the budget setting process for 2005/06 should in no way be seen as a negative reflection on those.

Date of Next Meeting

24. 12 August 2005, at 9:15am.