APPROVED MINUTES OF THE FINANCE COMMITTEE MEETING of THE CAIRNGORMS NATIONAL PARK AUTHORITY

held at Beaton Craigie Room, Albert Halls, Ballater on 7th February 2014 at 9.00am

PRESENT

Kate Howie (Convenor) Eleanor Mackintosh
Angela Douglas Duncan Bryden

Gregor Rimell

In Attendance:

Grant Moir, Chief Executive
David Cameron, Corporate Services Director
Danie Ralph, Finance Manager
Alix Harkness, Clerk to the Board

Apologies: None

Welcome and Introduction

1. The Convenor welcomed everyone to the meeting and the apologies were noted.

Minutes of Last Meeting - approval

2. The Minutes of the last meeting on 8 November 2014 were approved with no amendments.

Matters Arising

3. David Cameron provided the Committee with an update on the LEADER situation. David reminded the Committee that at the last Finance Committee meeting there had been an increase in net expenditure against the budget for the year as at 30 September 2013 due to a shortfall in Operational Plan income contributions against budgets expectations which was wholly attributed to the situation with LEADER Grant Claims to Scottish Government. David reported that all funding granted to date by the Cairngorms LAG had now been reimbursed by Scottish Government bringing estimates back into line for 2013/14 and redressing the outstanding debtor balances from 2012/13.

4. David Cameron added that it is the aspiration to completely close the current LEADER Programme by I January 2015 however extending this to April 2015 would be equally as satisfactory.

Budget Monitoring 2013/14 (Paper 1)

- 5. Danie Ralph introduced the paper which presents a summary review of income and expenditure for the 9 months to 31 December 2013, and a projection for the remaining 3 months to 31 March 2014 to give a forecast outturn position for the year.
- **6.** In discussion the following points were debated:
 - The Shovel Ready projects are all on track with feedback on the Laggan Forest Trust Visitor Centre project development as positive as it can be at this stage with project out to tender.
 - Typically the Shovel Ready projects would spend in the final quarter of the financial year
 - The current position of the Operational Plan is slightly ahead that of previous years as a result of working more closely with staff to monitor spend
 - Hope to have a better financial profile in place by 2015-16
 - Financial provision has been allocated for the Local Development Plan for the Reporters costs as it is highly likely that the reporters will commence this financial year. This is reflected in Programme 4 – A Special Place and leads to this programme still having 61% of its budget remaining

7. Members agreed to note the following:

- i. The analysis of the Operational Plan net expenditure by programme for the 9 months to 31 December 2013
- ii. The forecast for the remaining 3 months compared to the Plan
- iii. The Shovel Ready payments to 31 December and the revised payment schedule to 31 Match 2014.
- 8. Action: None.

2014/15 Budget and Operational Plan (Paper 2)

9. David Cameron introduced the paper which presents the current position on budget development proposals for 2014/15 and seeks any views or comments on those proposals from Members prior to finalisation of proposals for presentation to the Board at their March 2014 meeting.

10. In discussion the following points were made:

Management Team are working together to finalise the required budget allocations

- The total revenue projections are fairly static for 2014/15 compared with current year total. However, there are no additional capital allocations
- Scottish Government have just confirmed £70,000 to support the admin (staff costs) for the LEADER team, with a further £30,000 has earmarked to develop the Local Development Strategy, including hiring consultants and open days
- The income from commercial and merchandising activity was questioned and suggested that the word 'commercial' should be changed to 'corporate'
- Grant Aid levels and the CNPA's reliance on Government funding more than that of other National Parks
- A discussion session with the Board is required to discuss how the Authority can
 diversify its income sources by bringing in other sources of funding. In discussion it
 was highlighted that COAT, LEADER and to a lesser extent CBP levered significant
 sums of funding into the National Park which was not reflected in these Park
 Authority focused budget estimates.
- Intention to chat to finance colleagues at other National Park Authorities who are more delivery orientated to develop a clearer understanding of how different funding streams could be tapped into
- In reference to Appendix I of the Paper, members asked if there are other avenues that could be explored regarding Board Elections for example contacting the electoral roll people. David Cameron agreed to look into this.
- II. In reference to Table I on page 3 of the Paper, the proposed increase in staff costs was picked up on by a Member. It was explained that:
 - Additional staff investment in the planning service had been deemed essential in order to improve services and deliver the objectives of the agreed Planning Service Improvement Plan.
 - Additional staff requirements in the Corporate Services department had also been identified to deliver a variety of corporate systems improvements such as Stakeholder Engagement database, Accommodation, IT, GIS, filing system, Organisational Development Strategy. Staff resource available to deliver against these increasing priorities has been extremely limited.
 - The work on An Camus Mor was also highlighted as being a huge commitment on staff resources
 - The dualling of the A9, the future of the Local Development Plan and developing Housing, and the Caper framework are all large projects which require staff resource
 - It is hoped that these pieces of work will be well underway in time for when the next Corporate Plan commences
 - Staff costs are likely to reduce over the forthcoming years as staff leaves the organisation their posts will not be refilled and many of the newly created posts are fixed term contracts

- The recent Staff Survey highlighted workload issues amongst staff having more staff resources in place will aid in easing this
- 12. A Member questioned how in practise the Operational Plan allocations would be improved to measure productivity focussing on outcomes. The Chief Executive agreed to draft a Board Paper to demonstrate this.
- 13. A discussion took place into the likelihood of applying for additional funding to support the projects of major significance such as the A9 dualling. The following points were made:
 - David Cameron advised that there was no pot to bid into for this
 - Agreement that it may be helpful if Board Members would write to Ministers and receive a response from them in writing this would help staff to secure further funding
 - Management were aware of the need to make savings, for example in areas of legal
 and professional advice by accepting more risk and taking independent advice only in
 highest risk aspects of delivery.
- **14.** A Member suggested that the proportions of staff costs are allocated against each programme in the Appendix of the Board Paper. Danie Ralph informed Members that he had created a mechanism to capture this and Heads of Service had begun to capture this information.
- 15. The Finance Committee considered the budget proposals for 2014/15 presented in the paper and provided comments, views and suggested amendments to feed into ongoing work on budget development prior to presentation of proposals to the Board at the meeting on 21 March 2014.
- I 6. Actions: That the word 'commercial' at paragraph 4 bullet point c be changed to 'corporate'.

That the Chief Executive drafts a Board Paper as detailed in paragraph 12.

David Cameron to look into other avenues for Board Elections as detailed in paragraph 10 bullet point 9.

Danie Ralph agreed to look at the timescales which would enable discussions at Board level to take place in the December for forthcoming year's budget proposals

Capital Investment 2013 / 2014 (Oral Update)

- 17. David Cameron presented an update on the main shovel ready projects.
- **18.** In discussion the following points were raised:
 - Projects were generally progressing as expected and progress of the projects was noted by members;
 - There are risks around the tenders coming in on time and within budget for the Laggan Community Trust Visitor Centre however these are being managed as much as possible
 - The lessons learnt from getting shovel ready projects to spend and in future more to be done to check the due diligence of the organisations leading the projects
 - A note of thanks to Peter Crane, Head of Visitor Services for all his hard work in getting to the current position
 - Onward monitoring of the shovel ready projects will take place annually with the updates being emailed to Finance Committee to keep it out with the public domain
- 19. David Cameron advised that a small piece of work had been commissioned which would provide an economic analysis of the impact of the shovel ready projects to include the number of jobs created etc which to date totals £3.5 million. He went on to advise that this would be brought before Finance Committee when completed.
- 20. The oral update was noted by Members.
- 21. Action: David Cameron to bring commissioned report on impact of capital investment to the Committee Meeting when available, as detailed in paragraph 19

Income Generation (Oral Update)

- 22. The Chief Executive presented an oral update on the need of the Cairngorms National Park Authority to generate an income.
- **23.** The following formed part of the discussion:
 - The need to find out what other National Park Authorities are doing to generate an income for example the Lake District have been investing in property
 - Whether there was evidence to suggest that if an income was being generated could this result in a reduction in grant aid from the Scottish Government
- 24. This oral update was noted by Members.

AOCB

25. There were no other items of business considered.

Date of Next Meeting

- 26. The next Finance Committee meeting will take place on Friday 9th May 2014 in Boat of Garten Community Hall.
- 27. The meeting concluded at 10.50am.