
CAIRNGORMS NATIONAL PARK AUTHORITY

FOR DISCUSSION

Title: 2013/14 CAPITAL ALLOCATIONS

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Purpose

This paper presents an update to the Board on the Authority's capital funding allocations made available by Scottish Government for the 2013/14 financial year.

Recommendations

That the Board:

- a) Note the allocations of capital funding and their allocation to project activities secured from Scottish Government for 2013/14;
- b) Note future plans for developing the Authority's investment strategy alongside complementary work underway on the Economic Development Strategy and Local Development Strategy (for LEADER purposes);
- c) Consider processes for development and submission of capital bids in order that the Management Team and Board members may be clear in future occasions on the preferred processes to be followed.
- d) Agree the establishment of a Task and Finish Group to work on the Park Authority's investment strategy and contributions to the LEADER Local Development Strategy and agree which members will work on that group alongside appropriate senior officers.

Executive Summary

This Authority has been successful in seizing opportunities to bid for capital finances from Scottish Government to support delivery of its agreed strategies and policies. Around £2 million has been secured over the previous two financial years, with some £1.5 million secured for 2013/14.

The paper sets out the investment projects against which this funding has been secured.

The paper recognises that variations to usual governance arrangements have been made in order to respond within required timetables and hence secure the funding. In recognition of this, the senior managers have sought to tie bids submitted into delivery of existing policy and strategy previously agreed by the Board.

The paper highlights the next steps in development of an investment strategy for the Authority, which is being undertaken in parallel with work on the Economic Development Strategy for the Park and also the drafting of a Local Development Strategy by the Cairngorms LEADER Local Action Group to support a future bid for a LEADER funding allocation within the 2014 to 2020 programme.

Within this overall context, the paper invites any comments and discussion on development and submission of capital bids in order that the Management Team and Board members may be clear in future occasions on the preferred processes to be followed.

The paper proposes a Task and Finish Group to work on development of a forward Investment Strategy for the National Park in the context of wider work in this area, and asks for nomination of Board Members to work on that Group alongside appropriate senior officers.

2013/14 CAPITAL ALLOCATIONS - FOR DISCUSSION

Background

1. The Board and its Finance Committee has been informed on various previous occasions on the Authority's bids for capital allocations from Scottish Government. These bids have typically been made within relatively short deadlines in which to respond to opportunities. The Authority has been relatively successful in securing additional capital investment into the National Park to deliver against agreed National Park Partnership Plan (NPPP) and Corporate Plan priorities. Some £0.4 million was secured in the latter stages of 2011/12 with some £1.5 million secured in 2012/13.
2. A further sum of £1.46 million in capital funding has been allocated to the Authority in 2013/14.
3. This paper sets out an update to the Board on the purposes of the capital allocations made available by Scottish Government.
4. The paper also recognises that, given timing constraints around bid development and submission, it has not been possible to present proposals to the Board for consideration prior to the bid submission. The paper therefore seeks to support some discussion around future steps needed to ensure appropriate strategic policies are agreed and in place to support any future bidding processes, together with a consideration of appropriate governance arrangements to support the Authority's future investment activities.

2013/14 Capital Allocations

5. The capital allocations made available for 2013/14 along with associated activities are set out in Table One.

Table One: 2013/14 Capital Allocations

Project/Activity	Allocation (£000)
Tomintoul and Glenlivet Regeneration Strategy and Action Plan <ul style="list-style-type: none">• Gateways and signage	30
Sustainable Tourism Strategy and Action Plan <ul style="list-style-type: none">• Nethy Bridge Ranger Base and Community Hall	150

Project/Activity	Allocation (£000)
Restoration/Improvements to visitor attractions and built heritage <ul style="list-style-type: none"> • Laggan Forest Visitor Centre • Kindrochit Castle • Braemar Castle 	500
Core Path Plan, Access Infrastructure and Speyside Way developments and improvements <ul style="list-style-type: none"> • Speyside Way capital maintenance • Speyside Way extension • Aviemore Country Park pathworks • Path works and associated infrastructure 	680
Affordable Housing	100

6. These allocations have been made available to the National Park Authority by Scottish Government under the overall remit of improving the rural economy within the National Park. The capital allocation from Scottish Government recognises that the project bids put forward aim to deliver against strategic plans such as the NPPP and the Authority's Corporate Plan already approved by Ministers.
7. Programme Managers remain engaged with delivery partners in finalising project budgets under each of these areas of activity.
8. The opportunity to move funding between allocations made by Scottish Government is limited without seeking prior approval from Scottish Government to do so. It is understood that it is possible to transfer funds between projects within the same allocation. Therefore, it is possible to switch funding between specific path projects within the overall allocation for pathworks and Speyside Way developments and improvement. However, it is not possible to switch funding from one purpose to another without first seeking Scottish Government approval. Therefore, for example, it not possible to switch funding from within the allocation for path and access projects to other purposes. Such negotiations are likely to take some time to complete and add risk into timetables for project delivery, while putting the financial allocations themselves at some risk should approval to make the switch in use not be secured.
9. We will continue to provide updates on the delivery of this programme of capital investment to the Finance Committee over the course of the year, together with seeking required approvals to proceed with specific capital grants to partners.

Bidding and Governance Considerations

10. In submitting bids to Scottish Government to secure additional funding for the National Park, the Management Team has been aware that it has not been possible to hold Board or Finance Committee meetings prior to project proposals being submitted. Accordingly, the Management Team and Operational Management Group has sought wherever possible to tie proposals back to previously agreed Board policy. Hence our bids for this current year support delivery of the Core Path Plan, Speyside Way development and extension plans, Tomintoul and Glenlivet regeneration strategy and also to delivery of the Sustainable Tourism Strategy and Action plan. In structuring bids for additional resources to deliver the Authority's existing strategic plans, senior managers have sought to bridge any gaps in consideration of proposals at Board level as effectively as possible while meeting submission timetables.
11. The Convener and Chair of Finance Committee have been kept informed of capital bids during their development. Finance Committee has also been updated on bids submitted and advice sought on any required changes in prioritisation of proposals prior to commissioning projects. However, it is recognised by Management Team that a renegotiation of funding allocation is required with Scottish Government once funds are allocated against specific purposes, and that Finance Committee's flexibility in reallocating resources is therefore constrained by this requirement for renegotiation with central government once bids have been submitted. Again, therefore, the main mitigation in taking opportunities to bid for funding in the absence of taking advice from a Board or Committee meeting is around basing proposals around pre-approved Board strategy and policy as far as possible.

Implications

Financial Implications

12. Taking the opportunities available to bid for funds has enabled the Authority to increase its total resources available for investment in the National Park by around one third in both 2012/13 and 2013/14. In a period of significant restrictions in public sector funding, this is a very significant level of additional investment available to progress NPPP and Corporate Plan priorities.

Presentational and Stakeholder Implications

13. There has been some perception amongst communities and a few partners that the "shovel ready" capital funding allocations provides opportunities for those communities and partners to make bids to the Authority to have their projects financed.

14. The capital funding made available is not an extension to LEADER funding to finance community led local development. Rather the funding is made available by Scottish Government to its agencies and Non-Departmental Public Bodies to progress agreed strategic plans. The funding is made available under the overall remit of developing the rural economy within the National Park.
15. There also appears to have been an expectation with some groups that funding identified within a bid proposal to a specific geographic area is earmarked to that area. As set out above, funding is allocated for specific purposes rather than to specific geographic areas.

Next Steps

16. We will continue to provide updates on the delivery of this programme of capital investment to the Finance Committee over the course of the year, together with seeking required approvals to proceed with specific capital grants to partners.
17. More generally, the development of an investment strategy for the National Park Authority has been discussed at informal Board discussions and also at Finance Committee meetings. This investment strategy is being developed in tandem with the Economic Development Strategy for the National Park and also the Local Development Strategy for LEADER.
18. The Cairngorms LEADER Local Action Group (LAG) has commenced work on the development of a Local Development Strategy to support a Cairngorms based bid for the next LEADER programme between 2014 and 2020. To date, two workshops have been held to initiate this process, involving LAG members and LAG support staff, community representatives, Community Development Officers and CNPA Programme Managers. It is planned that the Local Development Strategy will take a direct lead from the NPPP.
19. Emerging guidance on the future LEADER programme suggests that a more holistic approach to planning investment needs will be required, setting out requirements for LEADER funding alongside complementary investment that may be required for infrastructure and other capital development from European Regional Development Funds (ERDF) and also socially oriented development for activities such as training and skills development from the European Social Fund (ESF).
20. Support to the LAG in development of its Local Development Strategy dovetails well with the wider development of an investment strategy for the National Park. I expect this development work with the LAG to progress over the next 2 to 3 months, with the potential to present the current draft of the LAG strategy

alongside a draft of an investment strategy for the National Park at the September Board meeting. The Board will then be able to give feedback to the LAG on the current draft of the Local Development Strategy while considering the Authority's own investment strategy for the National Park.

21. The Strategic Delivery Group also agreed at its meeting in February to collaborate on an investment strategy for the National Park in order to coordinate public sector investment in the NP directed toward agreed priorities and to maintain a consistent rationale for investment in the Park. This work again ties in with the development of an investment strategy for the Authority in the context of wider, collective investment strategies for the National Park.
22. The Board is asked to agree the establishment of a Task and Finish Group to take forward this work on development of the Investment Strategy for the Authority. As part of its remit, the Group will cover wider linkages of work on the Authority's identified investment priorities with the collaboration through the Strategy Group, our contribution to the LEADER Local Development Strategy, and wider linkages to strategies such as the Economic Development Strategy. Draft terms of reference will be drawn up for agreement at the first meeting of the Group. The Board is requested to nominate Board members to work on this Group alongside appropriate senior officers.

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