

**CAIRNGORMS NATIONAL PARK AUTHORITY  
FINANCE COMMITTEE**

---

**Title: DRAFT BUDGET FOR 3 YEARS 2004-2007**

**Prepared by: JANE HOPE, INTERIM CHIEF EXECUTIVE**

**Purpose**

To provide Members with an early sight of the draft 3 year budget to accompany the corporate plan.

**Recommendation**

- That the Committee note the approach taken in preparing the draft budget, in particular the difficulty of bidding for sufficient funds to fulfil our remit before the CNPA has had enough time to work with partners to properly define its priorities, or for the National Park Plan to be prepared to define the priorities for the Park and all the agencies who operate within the Park and help to deliver its aims.
- That the Committee support the approach taken, and the total budget figured for each of the 3 years as being reasonable and comparable with other NPAs and the original recommendation by SNH.

**Executive Summary**

As a Non Departmental Public Body funded by and accountable to Scottish Ministers, the CNPA is expected to submit a 3 year corporate plan to Ministers, setting out the organisation's budgetary needs for the coming 3 years and an explanation of how this will be deployed to fulfil the CNPA's remit

---

## DRAFT BUDGET FOR 3 YEARS 2004-2007

### Discussion

1. The CNPA is required to submit a 3 year corporate plan to Scottish Ministers by early December, setting out its funding requirements and how it intends to deploy its funds to deliver its key objectives. This paper presents a draft 3 year budget which will form part of the corporate plan. The supporting text, will be discussed informally by the Board on 7 November, and then formally at its meeting on 5 December.
2. Annex 1 shows a draft 3 year budget for 2004/05 to 2006/07. Annex 2 shows the makeup of the budget line “programme expenditure”.
3. In Annex 1 Column B shows the original budget of £2.01 million agreed by the Board on 27 May 2003. Column C shows a revised version of this budget to take account of some changes in pattern of expenditure that have occurred during the year. These are explained more fully in paper 1 to the Finance Committee (7 November). The total spend remains unchanged, but the major changes in pattern of spend are:
  - Higher costs of staff recruitment than expected (higher advertising costs);
  - Higher costs of office refurbishment
  - Lower costs of corporate ID work
  - Delays in programme spend and hence reductions in this year’s spend because of shortage of staff resources to take work forward.
4. Columns F, G and H show the projected expenditure for the next three complete financial years (years 2,3, and 4 of the CNPA’s existence). Year 1 (2003/04) includes a number of significant one-off items of expenditure associated with getting the organisation set up, namely: recruitment, office refurbishment, corporate id (including website), IT and other equipment, costs of a pay and grading review.
5. Against this, a significant growth in staff will have taken place during the first year of the CNPA, with staff numbers growing from 16 on 1 April 2003, to around 40 by April 2004. Continued steady growth in staff numbers is planned over the following two years, with a staffing complement of 60 planned by the end of 2006/07. This is a relatively small number compared with Loch Lomond & The Trossachs (just over 100 permanent staff), or the Lake District (206 staff). Although to be treated with caution, comparisons are shown for interest with the Lake District (second largest NP after Cairngorms) and Yorkshire Dales (similar in size to Loch Lomond & The Trossachs):

	Lake District	Yorkshire Dales	Cairngorms
Area (sq miles)	885	680	1467
Population	42,239	19,654	16,973
Staff	206	110	60 (year3)
Budget	£8.086m	£5.301m	£6m (year3)

(Note: Budget for English NPAs excludes EU funds, grants and sponsorship, but includes central government grant in aid, levy from local authorities, income from sales, fees and charges.)

6. Staffing costs remain at a constant 40% of the total budget for the CNPA – at LL&TT NPA the proportion is somewhat higher at 50% or more. The lower staff numbers in the Cairngorms reflects the different approach taken in the Cairngorms NPA which aims to be an enabling authority, rather than a front line deliverer – hence the CNPA aims to have a smaller number of highly skilled staff who are able to work with and through other partners. The CNPA does not plan to employ and manage its own ranger service or visitor centres – it nevertheless will require funds to ensure that the functions of a Park-wide ranger service are delivered through existing services. (Note that the Lake District NPA allocates £980,000 to the ranger service, and Yorkshire Dales allocates £450,000, while the CNPA budget allocates £500,000.). Another major difference is that the planning function is smaller in the CNPA than in all other UK NPAs.
7. Other than staffing, other running costs in the 3 year budget remain relatively stable and predictable, given that the one-off start-up costs have largely fallen into the previous year 2003/04. The most significant expenditure in the budget over the corporate plan period is the programme expenditure – the expenditure required to “make things happen” through projects, grants, research. This is difficult to predict at this stage because:
  - The CNPA is still only 6 months old, and policy and priorities are still being developed. A number of working groups have been set up, involving partners, to help take this work forward;
  - The development of the National Park Plan will be of fundamental importance in setting priorities and direction for the whole Park, and therefore for the CNPA. Preparing the NP Plan will be a consultative and lengthy process, and it will be the middle of the corporate plan period before it is sufficiently firm to determine spending priorities.
  - The amount of funding which the CNPA can lever in from outside sources and from partners to support projects is difficult to predict in advance.
8. Some policy aims can be identified at this stage, and these are indicated in Annex 2. However, the precise way in which these aims will be taken forward, and the amount of expenditure required in total, as well as the balance between the amount from partners and the amount from the CNPA, has still to be worked out. It will be important to maximise funding from “outside” sources, as well as to avoid loss of additionality – in other words, avoiding the CNPA contributing money to an initiative simply to substitute for the withdrawal of funding from another public sector body.
9. But in addition there are likely to be other policy aims and initiatives which emerge from the processes of the working groups and the drafting of the NP Plan. The draft 3 year budget therefore simply makes estimates of amounts of expenditure under the heading “other” to account for these needs.

10. The total expenditure figures grow from £3.8m in 2004/05, to £4.9m the following year to £5.8m in 2006/07 (year 4 of the CNPA's existence). The total budget for LL&TT NPA in year 1 was £4.8m, rising to £5.5m in year 2 – but this was effectively year 5 given that the Interim Committee had existed for 3 years previously to pave the way for the NPA. The CNPA has had to grow more quickly. The CNPA year 4 figure of £5.8m therefore bears comparison with the year 5 figure for LL&TT NPA of £5.5m. It is also worth noting that in its 2002 advice to Ministers on the establishment of a Cairngorms National Park, SNH suggested that by year 3 the CNPA should required core funding of £4.1-£5.5m. The midpoint of £4.8m compares well with our proposed year 3 figure (for 2005/06) of £4.9m.

**Jane Hope**  
**28<sup>th</sup> October 2003**

**[janehope@cairngorms.co.uk](mailto:janehope@cairngorms.co.uk)**