

CAIRNGORMS NATIONAL PARK AUTHORITY FINANCE AND DELIVERY COMMITTEE

FOR DECISION

Title: Cairngorms Business Partnership Funding 2014/15

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Purpose

To provide an overview of the detailed funding offer to the CBP for 2014/15 and seek approval for the details of the grant offer and associated conditions.

Recommendations

The Finance and Delivery Committee is requested to:

- note the changed approach to funding of the Cairngorms Business Partnership (CBP) and the reasons for this; and
- approve the detailed CNPA grant support to the Cairngorms Business Partnership for 2014/15.

Executive Summary

The CNPA Board have approved in principle a grant offer of £60k to the Cairngorms Business Partnership (CBP) for 2014/15 for delivery of a range of activity. As a result of advice in relation to State Aid, the grant funding approach taken in previous years has changed. Funding cannot be given to support any economic activity of the CBP particularly in relation to marketing and websites. CBP are currently restructuring their organisation in light of this advice, changes to personnel, and reduced public sector funding. The CNPA propose to offer CBP a grant of up to £60k for 2014/15 with explicit conditions that it is to support delivery of non-economic activities only. Key delivery activity will include support and delivery of the Economic Development and Diversification Strategy. The funding will be for one year only and it will be made clear to the CBP that there is no guarantee of future funding support. This will provide stability of funding to CBP for the current year and gives them time to bring in a new Director and to look fundamentally at their business model and remit. It also gives CNPA time to discuss what we need in the Park to drive tourism and other sectors forward and our future approach to marketing activity.

Background

1. In July 2012 CNPA Board gave in-principle approval for a 3 year funding package of £60k per annum to the Cairngorms Business Partnership (CBP) for 2012/13, 2013/14, and 2014/15. This funding was approved for CBP's 4 core activities;
 - PR & Marketing;
 - Destination Development;
 - Advocacy; and,
 - Organisational Development.
2. In early 2013 a number of issues relating to public funding for marketing activities came to light in relation to State Aid. In light of this the CNPA offer of grant to CBP for 2013/14 was revised to fund only non-economic (non-marketing) activities. This was confirmed to be State Aid compliant and CBP delivered and claimed the full grant providing proof of expenditure and staff time logs with their claims. The CBP have been working over the past year to review their structure and funding arrangements to identify options for the future. These options have not yet been finalised as further advice and guidance is pending from Scottish Government with regard to public funding for bodies such as the CBP. CNPA are also reviewing our approach to tourism and marketing delivery and funding.
3. In April 2014, the CNPA Board confirmed £60k funding for CBP for 2014/15 with details of funding activity to be clarified. Options for directing part of this funding to marketing activity have been explored but dismissed in light of current State Aid advice. CBP have identified alternative funding to support marketing activity in the coming year with a budget of approximately £50k. £26k of this is from the VisitScotland Growth Fund and the remainder from the CBP's own private income streams. CBP Members continue to identify marketing as the most important membership benefit of the CBP.
4. CBP are currently restructuring in light of changes to personnel and reduced public sector funding. Offering the full £60k grant to CBP for 2014/15 will provide stability of funding to CBP for the current year and gives them time to bring in a new Director and to look fundamentally at their business model and remit. It also gives CNPA time to consider what we need in the Park to drive tourism and other sectors forward and our future approach to marketing activity and business engagement.

CBP Grant Offer 2014/15 - Activities to be funded

5. The funding offered to CBP for 2014/15 will be for a range of activity that delivers National Park Partnership Plan outcomes and the CBP Business Plan. Specific activities covered by the grant offer are as follows:
 - i. **Business Barometer** – delivery and review of barometer to include information gathering based on requirements identified in the emerging Economic strategy
 - ii. **Make It Yours** – deliver an agreed programme of events and activities including staff induction, company networking, and training events (Programme to be agreed with CNPA)

- iii. **Cairngorms Economic Forum** – Lead and administer the Cairngorms Economic Forum and associated meetings
 - iv. **Economic Strategy Delivery Groups** – Lead working group on delivery of Tourism priority and contribute to other working groups and delivery as appropriate
 - v. **Economic Strategy Delivery of Tourism Priority** - Lead on/contribute to delivery of Tourism priorities in the Economic Strategy
 - vi. **World Host** – develop CNP as a ‘World Host’ destination
 - vii. **Business Training & Networking Events** – including Annual Business Conference, Networking lunches, training events, sector development groups and support for other events as agreed
 - viii. **Provide Business contact link** – disseminate information as appropriate and provide interface with businesses including business newsletter, key groups, forums, and projects (including LEADER Local Action Group)
6. In addition to the above activities the grant offer will state that CBP are expected to undertake a full organisational review and long term business planning exercise. This should identify future options for the organisation to ensure it is sustainable over the long term. The above funding will be for one year only and CBP will be asked to note that any future funding is likely to be significantly different and is not guaranteed.

CBP Grant Offer 2014/15 - Grant Conditions

7. A grant of up to £60k for one year only will be offered to CBP based on CNPA standard conditions of grant and the following specific conditions:
- delivery must be Park-wide;
 - delivery must contribute to National Park Partnership Plan outcomes;
 - no elements of funding should be used to support economic activities of the CBP in any way;
 - quarterly grant claims must provide proof of delivery, expenditure, and staff time on key activities;
 - quarterly progress checks will be undertaken in conjunction with grant claims to monitor delivery of activities in relation to funding; and,
 - funding is for the current financial year only with no guarantee of future funding.

Next Steps

8. CNPA will liaise with CBP on the grant offer, delivery, and reporting. CNPA will undertake a review of our approach to tourism development and delivery and how we wish to support and deliver this in the future. We will continue to work with CBP to develop options to ensure their business is sustainable over the longer term.

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