

## CAIRNGORMS NATIONAL PARK AUTHORITY

### Minutes of the Finance Committee

**Held at Panmure Arms Hotel, Edzell  
On Friday 9 September 2005, 9:15 am**

#### **Present**

Eleanor Mackintosh (Chair)                      David Selfridge  
Gregor Rimmell                                      Andrew Thin

#### **In Attendance**

David Cameron                                      Denby Pettitt  
Andrew Harper                                      Pete Crane

#### **Apologies**

Jane Hope, Joyce Simpson

#### **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 6 May 2005 were approved without amendment.

#### **Matters Arising**

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

#### **Ratification of Expenditure Proposal: Badaguish Cairngorm Outdoor Centre (Paper 1)**

4. Gregor Rimmell declared an interest in this item as the Highland Council had an interest in the project.
5. Andrew Harper introduced this paper, which proposed that the Authority make a contribution of £40,000 toward expansion of facilities at the Badaguish Cairngorm Outdoor Centre, with a total cost of £2,270,242. The project consisted of multiple partners funding expansion of the Centre, which promoted equal opportunity access to outdoor education and training. The services and facilities on offer at the Centre for disadvantaged and disabled people, including specialist staff and 24 hour care, are unique to Scotland. The centre attracted clients from throughout Scotland.
6. The project had come to a critical stage in finalisation of its funding package. The Authority's officers were recommending a grant of £40,000 which would be

particularly directed at front-loaded elements of the project to assist in getting the process off the ground and also ensure CNPA expenditure in the current financial year. Support for the project was recommended on the basis that it contributed to meeting a number of Park aims.

7. Members questioned the thinking behind the recommended figure of £40,000 for such a substantial project. Andrew Harper responded that the Speyside Trust which was progressing the project had come to the Authority at a relatively late stage in its development after most of the funding package had been assembled. There was an unfounded element of the project costing at present amounting to some £59,000, although the project costs did include a figure for general contingencies of £95,000.
8. **Members agreed the proposed project contribution of £40,000 and that the proposal should be submitted to the Scottish Executive for final approval.**
9. **Members recommended that future proposals of this type should be based on a percentage grant support of a total project cost, up to a maximum cash level. In that form, the effect of any under or over expenditure against project budget would be clear to all partners.**

#### **Ratification of Expenditure Proposal: Angus Glens Ranger Base (Paper 2)**

10. David Selfridge declared that he had no prior dealings with this proposal in any of Angus Council's considerations of the proposal. He had attended a site visit for the project.
11. Pete Crane introduced this proposal, which recommended a grant contribution of £82,000 to a total financial package of £546,000 to build a ranger base in Glen Doll. Glen Doll is a significant visitor destination within the National Park, receiving some 63,000 visitors per annum, which amounted to some 5% of modelled total visitors to the Park. The project would deliver a high quality ranger base demonstrating best practice in sustainability, an improved ranger presence in Glen Doll, improved visitor information and management, improved public access, improved opportunities for visitors to learn about the special qualities of the Park and improved opportunities to work with groups, especially school pupils and youth groups.
12. **Members noted, as with the previous proposal, that grant contribution would be more effectively established as a percentage contribution of actual project costs, up to a specified ceiling contribution level.**
13. **Members agreed the proposed project contribution of £82,000 and that the proposal should be submitted to the Scottish Executive for final approval.**

#### **Draft Accounts for 2004/05 and End Year Flexibility (Paper 3)**

14. David Cameron introduced this paper, indicating that a closure meeting had now been held with Bob Clark, the Senior Auditor Manager with Audit Scotland. No further issues had been raised on the accounts and Audit Scotland were now drafting the final report and audit certificate.

15. It had been agreed at the closure meeting, with reference to paragraph 7 of the paper, that notional costs and bank interest received should also be offset against the Authority's Resource Allocation for the year in determining the level of under or overspend for the year. Accordingly, the level of underspend agreed with the external auditor for 2004/05 was £116,000 from a total resource allocation for the year of £3.55m.
16. Officers reported that negotiations with the Scottish Executive on End Year Flexibility had resulted in an award of an additional £115,000 resource allocation in both 2005/06 and 2006/07. Underspent resources from 2004/05 was therefore being carried forward to 2005/06 in full.
17. On the format of the accounts, officers reported that the Scottish Executive had raised a question on the Authority's treatment of grant for the year, suggesting that this should be accounted for on a cash basis rather than fully incorporating accruals accounting for grant. This had not been raised by the external audit and was being strongly resisted by officers. The result of the change would be to show a deficit on the income and expenditure account, which was considered to be highly inappropriate for an accounting period where the actual position was one of underspending resource allocation.
18. Members agreed that they considered the current presentation of accounts appropriate, representing a fair view of the authority's position for the year.
19. The Chair welcomed the report, which set out a very good financial performance for the Authority in 2004/05, in an environment where, as a public body, the Authority could not over-spend. Expenditure of around 3% below the maximum level was a very acceptable outcome. The Chair also welcomed the carry forward of resources into the current year, therefore ensuring there had been no loss to the Authority.
20. Officers drew members' attention to two minor typing amendments in the accounts document which would be corrected.
21. **The Committee agreed to recommend the accounts to the Board, subject to their being no material amendments required by the external auditors prior to their being signed by the Chief Executive.**
22. **The Committee agreed that the incorporation of the change requested by the Scottish Executive would constitute a material change and would require to be referred back to the Committee if pursued by the Executive.**
23. **The Committee noted that the Scottish Executive had indicated the Authority would receive an additional £115,000 in both 2005/06 and 2006/07 following representations made on End Year Flexibility and the Authority's resource allocation.**

#### **2005/06 Budget Overview (Paper 4)**

24. David Cameron introduced this paper, which brought forward the clarification of budget plans and staffing levels as requested by members at their last meeting.

25. The Corporate Plan agreed by the Board in February provided for an average of 53 core staff within a budget cost of £1.96m. The Chief Executive had indicated the Management Team's intention to remain within an average of 50 full time equivalent (fte) staff, and Board had delegated responsibility to the Chief Executive for recruitment within these parameters.
26. In finalising operational plans for 2005/06, some intended recruitment had been deferred, resulting in an establishment level of just over 45 fte staff at the end of August. Almost £0.25m had been switched from staff budgets to operational plan budgets for the year as a consequence.
27. The balance between staffing levels and ability to deliver intended operational plan activities remained a delicate one, with financial monitoring continuing to show pressure on staff time acting against delivery of budgeted activities in a range of areas.
28. The paper requested the Committee to note the requested update on staffing levels, while requesting the Committee to consider the means of integrating the work it undertook on budget monitoring with the quarterly reviews of the operational plan considered by the Board.
29. In discussion, members raised whether staff had the training, skills and appropriate information to enable management of operational plan budgets. Officers agreed that some specific training on managing the particular demands of year-end expenditure in the public sector would be beneficial for staff. Steps were already being taken to manage the operational plan more proactively, as was highlighted in the following paper on the current year's budget monitoring.
30. The Committee noted the update on the staff position for 2005/06.
31. The Committee agreed that the timing of meetings should allow consideration of financial performance close to the end of each quarter, rather than reviewing results after the end of the quarter. The subsequent report on the delivery of the Operational Plan to the Board would then be able to incorporate the views of the Committee on the financial situation, together with the fuller report on the status of delivery of Corporate Plan goals and Operational Plan activities.

#### **Outturn for the Four Months to July 2005 (Paper 5)**

32. Denby Pettitt introduced this paper, which indicated an under-spend of £146,000 for the 2005/06 year to date.
33. The majority of the under-spend position related to the financial position on the Operational Plan. Steps had been taken to closely monitor the position, with a detailed quarterly review undertaken by the Heads of Corporate Services and Strategic Policy and Programme Management. The result of this process had been the identification of an increase in planned outturn expenditure of £233,000, leaving a potential overspend of £120,000. This position was not considered to be a concern at this stage in the year, given previous agreement to over-programme available resources by a reasonable amount.

34. **Members noted the outturn position for the four months to 31 July 2005, of an underspend of £146,000.**
35. **Members noted that action was being taken to maintain close control over expenditure under the operational plan.**

#### **Ratification of Previously Approved Expenditure Proposals (Paper 6)**

36. **The Committee ratified the expenditure proposals previously approved by correspondence as set out in this paper.**
37. **The Committee recorded their approval to an amended proposal to fund the Cairngorms Chamber of Commerce.**
38. **Members noted that the email approval system used between meetings worked well.**

#### **Any Other Business**

39. The Chair and Gregor Rimmell commented that they had each received feedback on the complexity and delay in grant systems now being used by the Authority.
40. Officers commented that all small grant schemes had been designed to come through a single integrated grants programme, with the intention that the system should be as easy as possible for clients to use. The single grants programme was intended to mask the fact that a number of smaller grant schemes lay behind the operation of the system.
41. Members commented that the feedback they had received was that the system was not simple to use in practice. Andrew This requested that members give specific feedback to officers responsible for the grant programme which would allow a review to be undertaken using detailed examples of problems being encountered. Members agreed that there would always be teething problems in implementing new systems and agreed that a great deal of officer time had gone into trying to make the system as straightforward as possible for clients.

#### **Date of Next Meeting**

42. The next scheduled meeting was on 4 November 2005 at the Duke of Gordon Hotel, Kingussie. David Cameron indicated that he would review the timing of the meetings in order to find the best timing for the meeting to allow members views on financial information considered to be fed into operational plan reports to the Board.

#### **Date of Next Meeting**

43. 2<sup>nd</sup> December 2005, at 9:15am.