

CAIRNGORMS NATIONAL PARK AUTHORITY

FOR DECISION

Title: OPERATIONAL PLAN 2006/07

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Purpose

To set out progress with the coming year's operational plan; and agree next steps.

Recommendations

That the Board:

- approve the allocation of resources to the 7 Priority Goals;
- endorse the outputs to be delivered during 2006/07; and
- receive a further paper about allocation of resources to remaining goals.

Executive Summary

This is the second year of the three year Corporate Plan approved in February 2005. The focus continues to be the delivery of the 7 priority goals. The major outputs on these priorities during the year will be the submission of the completed National Park Plan to Scottish Ministers; and a finalised draft Local Plan on deposit. Proposals are made for the allocation of resources needed to complete these. A further paper will be needed to establish allocation of resources to other goals.

OPERATIONAL PLAN 2006/07

Background

1. The Operational Plan for 2006/07 sets out the second annual plan of activity to flow from the Authority's Corporate Plan for 2005 to 2008.
2. The Board approved the Corporate Plan for 2005-2008 in February 2005, setting the strategic direction for the CNPA for that 3 year period. The Plan set out 5 strategic themes, and 20 goals for delivering these. The key message underpinning the corporate plan is that there are many issues to deal with in the Park, as set out in the 20 goals; we cannot deal with them all immediately, and the corporate plan recognises that there will be some prioritisation over the 3 year period of the plan, with the focus in the early years being on 7 priority goals.

Outputs

3. The main outputs for the 06/07 operational plan are set out in Annex 1. In order to see these in perspective, these are shown alongside the 3 year milestones for the Corporate Plan (i.e. those outcomes expected by the end of the Corporate Plan period), and the long term outcomes we are aiming for ("difference in the long term"). Significant progress has already been made in delivering the 7 priority goals – the 06/07 Plan proposes to continue the focus on these, so that by the March 07 we would expect all to have been substantially completed:
 - a) CLOAF well established, and system for dealing with complaints (already done). Consultation on core path plan completed.
 - b) National Park Plan submitted to Ministers (and possibly approved);
 - c) Local Plan on deposit; PLI pending or started;
 - d) Housing policies encapsulated in Local plan; some pilots with stakeholders completed;
 - e) SEA completed for NP Plan and L Plan;
 - f) Development Control Service: backlog cleared and active caseload stabilised at 30; average determination time of 3 months from call-in.

Inputs

4. The Operational Plan is put together primarily as an input based document, detailing the resource we plan to input to each activity and goal, in terms of finance and staff time, along with the tasks we will undertake. Management Team has developed the operational plan over the past few months, and the Finance Committee have approved the following budget:

Table 1: 2006/07 Budget (as presented to Finance Committee in February 2006)

	£000
Board expenditure	314
Staff payroll	1,997
Other staff-related expenditure	270
Office running costs and equipment	437
Depreciation and notional interest	128
Sub-total	3,146
Operational Plan budget allocations	1,576
Total 2006/07 resource allocations	4,722
Budget control total, including operational plan £0.25m over-programming	4,770

5. In order to allow for slippage in expenditure plans encountered over the course of the current and previous year, the Finance Committee has agreed that the budget for the Operational Plan in 2006/07 may contain an element of over-programming i.e. expenditure plans may exceed available resources. This has been reflected in the final line of the above table, with budgeted income of £4.520m supplemented by an element of over-programming of £0.202m to give a budget control total of £4.770m.
6. The direct financial allocation to budgets supporting Operational Plan activities (sometimes referred to as programme expenditure, as opposed to core expenditure on staffing, Board, accommodation and administration) is higher than the level of £1.235m originally anticipated for the year in the Corporate Plan. After removing the current level of over-programming from the total budget allocations of £1.576m indicated in the above table, Operational Plan budgets for the coming year are £1.374m: an increase of £0.139m over Corporate Plan forecasts. This additional level of planned expenditure on activities over the course of the coming year is supported by a combination of income identified since development of the Corporate Plan (including planning fee income and third party contributions to support activities) and an additional £0.115m resource allocation from the Scottish Executive.

Cost of Delivering Goals

7. Turning to the matter of how the above budget is deployed to deliver the 20 goals, the Corporate Plan made early estimates of this by considering 3 "types" of resource:
 - a) Staff time (directly attributable to goals);
 - b) Programme expenditure (money spent on/by third parties such as grants, research, outside contractors etc);
 - c) Overheads (office and board costs, apportioned across goals according to the number of staff engaged in directly delivering the goals).
8. This allocation is intended to give a sense of the true cost of delivering each goal, and help guide decisions on priorities. Inevitably since developing the Corporate Plan over a year ago, some things have changed, and we have a clearer sense of resource

needs to be deployed over the course of the coming year. In particular, experience over the course of 2005/06 has shown that certain goals have proved more demanding of staff time.

9. In putting the new Operational Plan together, the Management Team have concluded that to deliver the 7 priorities over 06/07, more resource needed to be focused on these goals. In particular more staff time was required to deliver the National Park Plan, and the development control service to the high standards we are setting. Some additional resource is also likely to be needed on the Local Plan and housing policy development; the one-off cost of the National Park elections is reflected in Goal 6. Some off-setting reductions can be found in Goals 1,5 (SEA preparation) and 6 as a result of having made good progress in the previous year, and some early estimates having been overly cautious.
10. These changes are set out below, with the consequential net increase in total resource allocated to the priority goals increasing compared to the original estimate for year 2 of the Corporate Plan. Under this scenario, 42% of total resources would be allocated to delivery of the 7 priority goals.

Table 2: Total Resource Allocation to 7 Priority Goals (including direct finance allocations, staff time and overheads).

Goal	06/07 Operational Plan (£'000)	Corporate Plan 06/07 (£'000)	Corporate Plan 05/06 (£'000)
1. Access authority duties	232	291	190
2. NP Plan	393	205	347
3. Local Plan	586	558	455
4. Access to housing	166	107	102
5. Plans, policies etc transparent and engage	41	105	164
6. Perceived as open and accountable	126	87	80
7. Development control service	443	303	243
TOTAL	1987	1656	1551

11. In light of these proposed increases, and on the basis of delivering the outcomes set out in Annex 1, we concluded that some further adjustments were required to allocations to goals 8-20. On the whole, these variations reflect changes in thinking over the activities to be prioritised in delivering the goals, and in the level of financial and staff resources required to deliver these activities, since the Corporate Plan was developed some 15 months ago. There was a degree of over-optimism in some areas on what was manageable; and a degree of "catch up" in areas where progress last year was less than originally planned – this is consistent with our acknowledgement that the Corporate Plan was put forward as a programme for delivery over 3 years, and not all goals would progress equally in each of those years. Further as the organisation develops, there is an improving understanding of which activities require 'direct' expenditure to be allocated to them and which may be achievable through staff working with other organisations to achieve our joint objectives.

12. Further, we need to factor in a number of decision that will need to be made in the course of the year. The future of 4 projects, which were all set up for a fixed term with funding from other partners only guaranteed over that term, are due to be considered in year 06/07 as the funding packages come to an end:
- a) Moorlands Project: Project funding (CNPA, HLF) ends summer. Paper to come to the Board in April.
 - b) LBAP: paper to come to the Board around June. Funding from CNPA, Councils and SNH.
 - c) Land Based Business Training Project: paper to come to the Board in summer. EU funding until end 2006.
 - d) John Muir Award. Decision on future needed in context of wider aspirations on raising awareness and understanding, and as part of education strategy. Funding until mid 2007; paper to the Board in spring 2007.
13. We are content that we can deliver the outputs set out in Annex 1 within the budget set out above, having increased the allocation to the priority goals. However, there would be some changes to the allocations to goals 8-20 compared with our original estimates in the Corporate Plan. As explained above, there are various reasons for these changes, **We therefore suggest that the Board consider now our recommendation** to increase total resource allocations to the 7 priority 1 goals of the Corporate Plan in our 2006/07 delivery plans. **We further suggest** the Board may wish to see more detailed argumentation on consequent changes to lower priority goals before agreeing resource allocations to these areas.

Issues to Consider

Monitoring

14. There are several elements to monitoring progress:
- a) Completion of actions: there will be a quarterly report to the Board on progress with the actions and tasks set out in the operational plan.
 - b) Expenditure: The Finance Committee receives quarterly monitoring reports on expenditure/income (and these are copied to the whole board for information).
 - c) Risk Management: The approach to this has been overseen by the Audit Committee (see below), and the Board will receive a report once a year.
15. To date, the Operational Plan monitoring to the Board has focused primarily on the delivery of inputs and completion of activities set out in the Plan. For 2006/07, we plan to turn attention more to the delivery of intended outputs and how these contribute to longer term outcomes. However further work is still required to establish a clear and focused set of performance measures reflecting inputs, outputs and contribution to long term outcomes. We will report back to the Board on this in due course.
16. In the meantime, an analysis of outputs from the 2006/07 Operational Plan, together with the outcomes sought within each goal, is shown in Annex 1.

Mechanisms for Delivery

17. The operational plan continues to strike a balance between actions to deliver relatively long term strategic planning and on the other hand, actions which deliver relatively quick outcomes. A range of mechanisms are implicit in the operational plan for delivery of these:
 - a) Use of core staff;
 - b) The use of consultancies/contracts where the CNPA does not possess the necessary capacity, or specialist knowledge to deal with a piece of work by the given deadline;
 - c) Joint working with other organisations/stakeholders; and
 - d) Giving grants to enable a third party to achieve/help to achieve a particular outcome.

Policy Context

18. As indicated at the outset of this paper, the Operational Plan forms the second of the existing three year Corporate Plan for 2005 to 2008.
19. The year ahead continues to be something of an “intermediate” year for the Authority, moving out of the period of the establishment and growth of the organisation, but before the finalisation of the National Park Plan which will give us a potentially revised focus of direction in coming years. Work on the new Corporate Plan will start in spring this year, with a seminar/discussions which clarify our role over the next few years in helping to deliver the priorities in the National Park Plan – we will for the first time be able to bring our own Corporate Plan into line with the plan for the whole public sector across the Park. That work on an outline Corporate Plan for 2008-2011 will be fed into the Scottish Executive around September, to inform the Executive’s spending review.

Implications

14. The financial, presentational and stakeholder implications are set out below, in keeping with the new format for all Board papers:

Financial Implications

15. The operational plan will set out how amounts already approved by the Finance Committee will be spent through delivering specific actions and tasks. During the year authorisation of individual items of expenditure will be in accordance with the agreed scheme of financial delegation (which engages the Management team, Finance Committee or Board at specified thresholds). Inevitably there may be some changes to the allocations set out in the operational plan, and these will be dealt with in accordance with the scheme of delegation.

Presentational Implications

16. The vision and strategic objectives presented with this paper are the first major public milestone in developing the Park Plan. Consistent with our desire to be open

and transparent in our process, this paper is an opportunity to keep people informed about the work of the CNPA.

Implications for Stakeholders

17. Much of the work in the operational plan is dependent on partners; some of the major projects are jointly funded by a range of other stakeholders, while much of the policy and strategy development is done hand in hand with others – the National Park Plan and Local Plan being the most obvious examples. This operational plan will be shared with partners.

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