

**MINUTES of MEETING of the  
FINANCE COMMITTEE of**

**THE CAIRNGORMS NATIONAL PARK AUTHORITY  
Held at Tomintoul  
on 11 February 2005**

**Present:**

Eleanor Mackintosh  
Gregor Rimell

David Selfridge  
Joyce Simpson

**In Attendance:**

David Cameron, Head of Corporate Services  
Denby Pettitt, Finance Manager

**Apologies:**

Andrew Thin

**Minutes of Meeting of 19 November 2004**

1. The minutes of the previous meeting, of 19 November 2004, were approved without amendment.

**Matters Arising**

2. There were no matters arising from the minutes not covered elsewhere on the agenda.

**2004/05 Finance Monitoring for 9 Months to 31 December 2004 and Forecast Outturn for Full Financial Year (Paper 1)**

3. In introducing the paper, Denby Pettitt outlined that “core” expenditure remained broadly in line with budget expectations, with expenditure at 72% of the revised full year budget at the end of December 2004. Expenditure on items included in the operational plan for the year remained well behind forecasts, with actual expenditure at the three-quarter stage of the year of some 44% of the total planned for the year.
4. Overall, forecast outturn expenditure for the year was some £150,000 below the total resource level allocated to the Authority. All elements within the operational plan for 2004/05 had been reviewed in order to identify the level of risk associated with the potential commitment of resources allocated to them. And this exercise had informed the projected outturn given. Action was still being taken to minimise the final level of underspend against 2004/05 resources, while a bid to the Scottish Executive to carry

forward unused resources into 2005/06 was to be discussed at a meeting on 18 February.

5. David Cameron confirmed that the meeting with the Scottish Executive had originally been planned for 9 February but had been postponed to the later date. He indicated that the meeting itself would be unlikely to yield much information on the potential success of a bid for End-Year Flexibility, and was more to explore the background to the Authority's situation and explore the means by which the Authority should go about making such a bid.
6. In discussing the situation, members agreed with the Chair that the size of the underspend was disappointing, while recognising that in approving a budget for the Authority the organisation could not exceed the resource level. The only leeway within the Authority's financial environment was therefore to be on or under budget.
7. In considering the situation, members noted that it was important to seek to minimise the size of the underspend at the year end. However, it was equally important to have regard to the effective and efficient use of public funds and this had to continue to be a critical point of reference in taking any expenditure decisions.
8. In looking forward and learning from the experience in 2004/05, members considered a suggestion that some level of over-programming, i.e. initially allocating more in budgets than the resource level allocated to the authority, in recognition of the significant potential for slippage in the type of activities planned by the Authority. Members acknowledged that this was a fairly common financial management tool for activities where slippage in expenditure was a common factor introduced by the nature of the business.
9. Members also acknowledged that there were some risks associated with over-programming. As operations within the Authority became better established and staffing levels came closer to agreed establishment, slippage may reduce and budgets may consequently be at some pressure of over-spending. Further, it may be difficult to reduce expenditure on projects, as the pattern of expenditure for a year became clearer, once these had been built into operational plans.
10. **The Committee agreed to:**
  - a. **note the outturn for the nine months to December 2004, with expenditure of £2.238m compared with a budget for the period of £2.676m.**
  - b. **note the full year outturn forecast, which projected final expenditure of £3.4m against a total resource allocation of £3.55m.**
  - c. **request SEERAD to consider using the End of Year Flexibility procedures to allow activities to be funded in 2005-06 from 2004-05 underspend.**

#### **Ratification of Expenditure Proposals (Paper 2)**

11. Denby Pettitt briefly set out the background to this paper, which set out the expenditure justification proposals put forward since the last meeting and which required the Committee's approval to the allocation of monetary resources in excess

of £10,000. In addition to two such proposals circulated to members since the November meeting, the paper also sought ratification of expenditure included in the Communication Strategy approved by the Board and consideration of expenditure which was within officers' delegated authority on fleeces and name badges to enhance the corporate image.

12. Denby also highlighted to members that, in light of previous discussions on the current year's expenditure position, there was an expectation of an increasing number of proposals requiring approval between meetings prior to the year end. Members' views were sought on whether the present email arrangements were working adequately.
13. On this point, members noted that requests had been clear and unanimously agreed to date and questioned what action should be taken if the request was not clear cut or if members' opinions differed significantly. Denby suggested that the fortnightly Planning Committees afforded an opportunity for members to meet informally to discuss any proposals if required.
14. **The Committee ratified the previous expenditure decisions on the digital video project and natural resources consultancy.**
15. **The Committee ratified the expenditure on media training and opinion polling that had been tendered and awarded in line with the 2004/05 Operational Plan and Communications Strategy.**
16. **The Committee approved the expenditure on corporate fleeces and identity badges to improve the visibility of the Park Authority.**
17. **The Committee agreed to continue the present system of approving expenditure between meetings by e-mail and that informal discussion at Planning Committee meetings provided an appropriate opportunity to discuss any more contentious requests.**

#### **2005/06 Proposed Budget**

18. David Cameron informed the Committee that a budget for the coming year, and forward forecasts for the following two years, had been drawn up to underpin the work on the Corporate Plan for 2005/06 to 2007/08. The Corporate Plan itself was to be considered by the Board at its meeting in the afternoon following the Committee. As finalisation of budget figures depended to some degree on Board decisions to be taken on the corporate plan, it was not felt to be appropriate to submit budget figures to this meeting of the Committee.
19. In response to questions on the budget setting process, David Cameron confirmed that initial budget proposals had been received from project managers for expenditure on operational plan items in each of the next three years, together with expenditure forecasts developed centrally for "Core" items such as staff salaries and office running costs. This process had led to the forecasts of expenditure set out in the Corporate Plan discussion paper considered by the Board in January. Following the

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guidance received from the Board on priorities and range of goals to be addressed, “bottom-up” expenditure proposals had been refined to fit within the Authority’s overall resource allocation. After finalisation of the Corporate Plan by the Board, an Operational Plan for 2005/06 would be developed and reported to the Board for information in March or April. A budget for 2005/06 would then be submitted to the Finance Committee at its next meeting in May.

**AOCB**

20. Members discussed the Committee’s ability to cover all business within an hour with the usual start time of 9:30 a.m. prior to the Planning Committee commencing at 10:30 a.m... As members were likely to be staying in the area overnight prior to the next Committee meeting, it was agreed that the Committee’s meeting should commence at 9:00 a.m. to allow discussion of the 2004/05 outturn position and 2005/06 budget in full.

**Date of Next Meeting**

21. The next scheduled meeting of the Committee was at 9:00 a.m. on 6 May 2005, in Kirriemuir.