

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

THE CAIRNGORMS NATIONAL PARK AUTHORITY

**held at CNPA Boardroom, Grantown-on-Spey
on 11th May 2012, at 9.00am**

Present:

Eleanor Mackintosh (Chair)
David Green

Marcus Humphrey
Gregor Rimell

In Attendance:

Jane Hope, Chief Executive
David Cameron, Corporate Services Director
Bob Grant, Senior Outdoor Access Officer
Claire Ross, Community Support and Education Programme Manager
Alistair Hight, Finance Manager

Apologies:

Mary McCafferty, Board member

Minutes of Previous Meetings

1. Minutes of the meeting of 2nd March 2012 were approved.

Matters Arising

2. The outstanding actions listed at the back of the minutes were addressed as follows:
 - a) Research on economic value of catchment management projects: the Director of Sustainable Land Use (Hamish Trench) had acknowledged the value of doing this piece of work and is factoring it in to his directorate's work programme.
 - b) Seek potential cash contributions for Glenlivet and Tomintoul Development Project: Officers continued to engage with Crown Estate to encourage a cash contribution into the project. At this point in time it is understood that the Estate's contribution remains an "in kind" contribution.
 - c) Yearend cash flow support for COAT delegated to Chief Executive and Corporate Services Director: in line with approvals given by the Committee a further grant of £65,000 had been made to COAT at the end of 2011/12 with agreement to early payment of a further £65,000 toward ESF Training and Mountain Heritage Project contributions in order to support the Trust's cash flow position while funding from other sources was delayed.

Declarations of Interest

3. None

Corporate Plan Financial Forecasts (Paper 1)

4. David Cameron introduced the paper which set out the detailed financial forecasts underpinning the Corporate Plan which would be considered by the Board at its meeting later in the day. In discussion the following points were made:
 - a) Core grant was declining over the three years together with increasing cost pressures.
 - b) Effort would continue to reduce running costs although the scope for further efficiency savings given the savings made in the previous three years, was now limited.
 - c) Taking 2007 as a baseline, the CNPA's costs were running below what would be expected from the effects of the consumer prices index.
 - d) After a significant fall in staffing levels and costs in 2010/2011, the Corporate Plan proposed a small increase in staff numbers over the life of the Plan. Staff costs as a proportion of total income would still remain below the guideline of 53% by year three of the Plan.
 - e) The budgets allowed for a relatively modest level of third party project contributions over the years of the Plan. The challenge for the organisation would be to increase the levels of third party contributions and if successful in this the staff costs as a proportion of total income would be even lower.
 - f) The budget for the first year of the Plan was broadly balanced; for the other two years Operational Plan expenditure was shown as greater than the available income. However, it was noted that the total income was based on assumptions of modest levels of third party project contributions. It was also noted that in past years there had been some significant end year flexibility available through the Scottish Government. It was important that the Park Authority was in a position towards the end of each year of having "shovel-ready" projects to take advantage of opportunities for additional funding towards the end of the year. It was felt that it was appropriate for these budgets to be presented in this form to illustrate the ambition of the organisation and to emphasise the need to lever in additional funding as much as possible. Nevertheless, it was equally important that the Park Authority was responsible with its budget; it was therefore proposed that in the February before each financial year a more detailed Operational Plan would be prepared showing a balanced budget based on a clearer picture of what funding may/may not be available.

5. **Members approved the financial forecasts underpinning the Corporate Plan for 2012-2015.**

Old Logging Way Maintenance Funding (Paper 2)

6. Bob Grant introduced the paper which outlined the arrangements for maintaining the Old Logging Way, Glenmore over the next three years. The Cairngorms National Park Authority had a contractual duty to maintain the Old Logging Way across Rothiemurchus Estate in Glenmore. The attached expenditure justification outlined how this obligation had been fulfilled to date and sought the Finance Committee's approval for funding in the next two financial years.

7. **Members agreed the recommendations of the paper as follows:**
 - a) **Noted the maintenance arrangements of the last three years;**

- b) **Approved the funding arrangements for maintaining the route in 2013/14 and 2014/15; and**
- c) **Approved the move to a full open tendering process from 2015/16 onwards.**

Approval of Expenditure of Extension of the Community Development Officer Project 2012/2014 (Paper 3)

- 8. Claire Ross introduced the paper which sought approval of CNPA expenditure for a Community Development Officer (with a focus on young people) over the next two financial years: £12,500 in 2012/13 and £12,500 in 2013/14.
- 9. **The Committee approved the CNPA expenditure on a Community Development Officer over the next two financial years, namely £12,500 in 2012/13 and £12,500 in 2013/14.**

Review of the Financial Year 2011/12 (Paper 4)

- 10. Alistair Hight introduced the paper which provided a summary review of income and expenditure for the year ending 31st March 2012. These preliminary results for the year showed a net expenditure of £12,000 over income for the year. This represented 0.2% of total income and was well within the guidance range set for the CNPA of between -1% and +2%. The core operating costs for the year included £143k of efficiency saving for 2011/12 plus underlying recurring efficiencies of £255k, a total of £398k in planned efficiencies. Net operational plan expenditure for 2011/12 was £271k higher than budget, made possible by additional capital grants received from the Scottish Government of £397k.
- 11. **The Committee noted the report with approval.**

Date of Next Meeting

- 12. 31st August 2012, CNPA Board Room, Grantown-on-Spey.