
CAIRNGORMS NATIONAL PARK AUTHORITY

FOR DECISION

Title: ESTABLISHMENT OF PARK-WIDE TRUST AND APPROVAL OF EXPENDITURE ON GLENMORE OFF - ROAD ROUTE

Prepared by: David Cameron, Head of Corporate Services
Murray Ferguson, Head of Visitor Services and Recreation
Bob Grant, Senior Outdoor Access Officer

Purpose

This paper summarises the work that has been undertaken to carry forward the actions to establish the Park-wide Trust and makes recommendations to facilitate its establishment. Approval is also sought for expenditure by CNPA on completion of the Glenmore off-road route.

Recommendations

That the Board:

- a) Note the degree of partnership support for the establishment of a Park-wide Trust, as described in paragraphs 2 to 5;
- b) Approve the establishment of a Park-wide Trust, as described in the Draft Framework document at Annex 1 and Business Case at Annex 2, subject to final confirmation and consideration of any further detailed matters by the Finance Committee;
- c) Approve that, in establishing the Trust, officers pursue an approach that is based, as far as possible, on enabling a transition from the Upper Deeside Access Trust subject to confirmation by the Finance Committee; and
- d) Approve expenditure of £50,000 on the completion of the Glenmore off-road route.

Executive Summary

At their last meeting, the Board approved in principle the establishment of a Park-wide Trust on condition that there was a sufficient degree of partnership support and that a business case was submitted for approval. There is now known to be a good degree of partnership support for the establishment of the Trust. A Draft Framework document for the development of the Trust is provided and along with a Business Case (**Annexes 1 and 2**). Approval is also sought for expenditure of by Cairngorms National Park Authority on the Glenmore off-road route (**Annex 3**).

ESTABLISHMENT OF A PARK-WIDE TRUST AND APPROVAL OF EXPENDITURE ON GLENMORE OFF-ROAD ROUTE - FOR DECISION

Background

1. At its meeting in April the Board approved in principle the establishment of a Trust for the National Park, subject to the expression of sufficient partnership support and submission of a more detailed business case. It is proposed that the Trust would, in its first few years, carry forward a programme of works that is funded by a number of partners and which is focussed on providing opportunities for people to enjoy the outdoor environment and the special qualities of the National Park. The Board had already considered various aspects associated with this matter on a number of occasions and had also approved the relevant supporting analysis and discussion as part of the Outdoor Access Strategy and as an action in the National Park Plan 2007.

Partnership support

2. A meeting of potential partners was held on 30 April, chaired by David Green. There was a very good level of representation from partners including Forestry Commission Scotland, SportScotland, Angus Council, Aberdeenshire Council, Scottish Natural Heritage, VisitScotland, Scottish Enterprise Grampian (also representing SE Tayside) and Deeside and the Cairngorms Destination Management Organisation. A subsequent meeting with Highlands and Islands Enterprise, who could not manage the main meeting, also covered the same ground.
3. The principal outcome from the meeting was the demonstration of a strong degree of partnership support for the proposal. In summing up the discussion David Green noted that the development of the business case and the Trust's first business plan would be critically important. He said it was encouraging to hear the consensus view that a Trust could become an overall vehicle for a range of work that would also facilitate community engagement, be a model for best practice in recreation management, achieve economies of scale and provide a consistent approach to delivery across the Park. He agreed with what had been said at the meeting about the primary focus of the Trust being the area of ground within the boundary of the National Park, and also that it should be able to operate just outside the immediate boundary if there was a good case to do so. A full note of the meeting has been circulated to partners and is available on request.
4. Following the meeting, officers wrote to all potential partners seeking written confirmation of their "in principle" support and any further comments. The deadline for responses is shortly before the Board meeting (15 June) and an oral update summarising any further feedback will be given at the meeting. The active support of partners is critical to the success of the venture and so officers will continue to develop and refine the proposals for the Trust on the basis of the feedback as it is received.

Recommendation

5. That the Board note the degree of partnership support for the establishment of a Park-wide Trust, as described in paragraphs 2 to 4.

Framework Document and Business Plan

6. The draft Framework document attached at **Annex 1** sets out in general terms the requirements for planning, legal status, governance, financial and administrative, arrangements for the establishment of a Park-wide Trust. This is intended to provide the Board with as clear a statement as it is possible to provide at the present time about the workings of the proposed Trust. There are a number of operational aspects of the Trust that remain to be finalised, pending completion of consultations with potential partners. The draft Framework document includes a number of comments in square brackets that provide an indication of the direction that officers currently anticipate future development will take.
7. The company's Memorandum and Articles of Association will be developed from this Framework document. These are detailed legal documents that will be drawn up with legal advisors once the broad terms of the Framework document are finalised.
8. The Business Case, set out in **Annex 2**, seeks to highlight how the creation and strategic direction of a Trust would fit with the delivery of the National Park Plan and other strategies. The Business Case seeks to illustrate:
 - a) the overall strategic direction for a Trust;
 - b) the contribution of the Trust to delivery of the National Park Plan;
 - c) the central rationale for a Trust being the willingness of a number of partners to pool financial resources within the "vehicle" of a Trust to achieve joint objectives;
 - d) the main strands of activity that a Trust may deliver through the Trust's first Business Plan; and
 - e) illustrative annual funding levels that a Trust might seek to secure in each of these delivery strands.
9. It should be noted that the detail of the Business Plan will only emerge from ongoing dialogue with potential partners. As noted above, a considerable amount of further work remains to be undertaken with partners, in particular on the last two bullet points. All potential funding partners will still have to consider funding allocations as part of forthcoming budget rounds for 2008/09 and future years. It will therefore be some months before firmer figures can be determined.

Governance

10. One issue of note is that the delivery of a range of activities by a Trust, with significant funding provided by the Authority, does result in the Board losing some direct control over delivery. The Framework document highlights that the Board

would have the power to nominate two Trust Directors, with the Trust having a minimum of five Directors. The Board would therefore have only ever have a minority influence in the approval of the Trust's annual operational plans and in any other Trust Board decision. It is a requirement in seeking charitable status that one single legal entity does not exercise overall control of the company and this situation of holding a minority of Directors is therefore an inherent factor of pursuing the delivery of Park Plan actions through a Trust.

11. Of course, the Board will continue to operate other important forms of influence over a Trust. Officers anticipate that the Authority will be a significant funding partner of a Trust and, as such, the Authority's officers and Board will be able to consider the detail of proposed operational plans each year, prior to funding being agreed in the appropriate manner.
12. The Authority will also continue to work with other partners through other key groups, such as the Priority for Action Delivery Teams for the National Park Plan. These Teams, guided by the agreed outcomes in the Park Plan, should fairly readily reach consensus on delivery priorities. Hence, any loss of control for the Authority's Board is not considered to represent a significant risk in this case. Indeed, as identified in the early option appraisals for delivery of these aspects of the NPP, establishment of a Trust is very much in keeping with the joint delivery and joint responsibility ethos of the NPP.
13. That said, it is anticipated that a Trust Board is likely to number around nine or ten Directors, depending on partners' views on their need for rights to nominate a Director.

Financial Commitment

14. The Business Case has highlighted the potential level of funding that the Authority may opt to grant fund to a Trust in order to deliver a number of activities in the Park Plan. These figures are presented at this stage primarily to highlight the scale of activity that officers anticipate the proposed Trust may be involved in and also indicate the broad targets for partner funding that we believe the Trust should seek to secure.
15. The Business Case does not imply any form of financial commitment to a Trust from the National Park Authority at this point. Like other partners, the Authority has yet to establish its budget allocations for 2008/09. Officers will continue to work in developing and refining the Business Plan over the coming months. Specific funding allocations for 2008/09 will be sought as part of the forthcoming Corporate and Operational planning processes.
16. In risk management terms, however, it should be pointed out that, in now agreeing to the formal development and establishment of a Trust, there would be significant reputational risk for the Board if it decided at the point of determining 2008/09

budget allocations that a Trust would not be grant funded, or would be funded at a level materially below the level set here.

Implications for Upper Deeside Access Trust

17. The establishment of the Park-wide Trust is very likely to have significant implications for the existing Upper Deeside Access Trust (UDAT). It is for the Directors of that Trust to take the necessary decisions about the future of their organisation. CNPA staff have kept in close touch about the emerging plans over at least the last two years.
18. Within the last two months a letter has been received from the Chairman of UDAT offering to pursue a course of action that could align the interests of UDAT with the proposal to establish the Park-wide Trust. This is a proposal that requires serious consideration. While there are a number of complex factors to consider it is already clear that:
 - a) UDAT has an excellent reputation for delivery of agreed work plans on behalf of partner agencies and funding partners and has a very considerable degree of experience and public goodwill on the eastern side of the Park;
 - b) the scale and nature of the job that UDAT was established to undertake is changing and it is unlikely that the Trust would continue to operate at the same scale as it has in recent years within the same geographic area;
 - c) there is some evidence (not yet confirmed) that a number of agencies or funding partners would not be inclined to fund both a Park-wide Trust and UDAT;
 - d) UDAT can offer some assets (not least the revenue arising from an agreement with Balmoral Estate over receipts from the car park at Loch Muick) and has some liabilities (eg for maintenance of projects that have already been completed).
19. All of these matters require to be investigated further and there will doubtless be complex issues to assess. However, on the basis of the information available at the present time, it seems that it may well be advantageous to form the Park-wide Trust on the basis of a transition phase from UDAT, through for example modifying their Memorandum and Articles of Association. The alternative option would be to start the Park-wide Trust afresh and leave UDAT to determine the best way forwards for themselves. It is proposed that a period of further discussion and analysis is undertaken to determine the degree to which a transition might be possible and the risks assessed and managed. These matters will of course also require to be considered further by UDAT Directors.

Recommendation

20. That the Board:

- a) approve the establishment of a Park-wide Trust, as described in the Framework document at Annex 1 and Business Case at Annex 2, subject to final confirmation and consideration of any further detailed matters by the Finance Committee; and
- b) Approve that, in establishing the Trust, officers pursue an approach that is based, as far as possible, on enabling a transition from the Upper Deeside Access Trust, subject to confirmation by the Finance Committee.

Consultation

21. There has already been widespread consultation about the proposal to establish the Trust through, for example, the public consultation on the National Park Plan, the stakeholder consultation on the Outdoor Access Strategy and through the specific partner meeting described above. Particular efforts have been made over the last two years to keep the Upper Deeside Access Trust informed of the emerging plans.

Policy Context

Delivering Sustainability

22. The Trust will help key actions that are identified in the National Park Plan which has been subject to a Strategic Environmental Assessment. The activities of the proposed Trust should also help the National Park become more socially and economically sustainable.

Delivering a Park for All

23. The works undertaken by the Trust should be accessible to a wide range of people. In its early years, the Trust will be providing facilities which are routinely provided free of charge and they will therefore be available to people from a wide range of economic and social backgrounds.

Delivering Economy, Effectiveness and Efficiency

24. The Trust has already been assessed as the best way to deliver many of the actions in the relevant Priority for Action in the Park Plan and there is a strong degree of partner support for its establishment. Further work is required to ensure that the three principles are embedded into the day to day operations of the Trust as it becomes established.

Implications

Financial Implications

25. The direct financial implications for the Authority in 2007/08 of this proposal relate to the need, if development of a Trust is agreed, for additional legal and financial advice in set-up of the company. The operational plan for 2007/08 includes a financial allocation of £10,000 for this activity. Officers will work with the Finance

Committee as required should the financial consequences arising from this course of action increase beyond this amount.

Presentational Implications

26. The paper is potentially a “good news” story for everyone – better facilitates, more resources and more “joined up” action from partners across the National Park. However, in view of the amount of work that is still to be done on its establishment it is not proposed to proactively promote the emerging Trust at this time. It should be noted that the Trust will probably wish to develop its own identity, separate from the identity of the individual funding partners.

Implications for Stakeholders

27. In addition to the implications for funding partners and UDAT (described above) the three main stakeholder that are likely to be affected by the proposal to establish the Trust are summarised below. Close working relations will be required with all three groups:
- a) Land managers – many of the works that are likely to be taken forwards by the Trust will require permission of land managers. The implications should be positive as the Trust should be able to proactively plan and carry out works that help integrate recreation with other land management practices.
 - b) Recreational users – users of the paths and other recreation facilities. The implications should be entirely positive
 - c) Communities – the places where people live in Park. The implications should again be positive – higher standards of facilities which help underpin many aspects of the social and economic fabric of the area
28. The Trust should be guided by advice from the Local Outdoor Access Forum and the other Advisory Forums established by the National Park Authority. This process can be facilitated by officers from CNPA.

Next Steps

29. On the basis that the recommendations above are approved, the next steps in the establishment of the Trust will be:
- a) Further discussions with the Upper Deeside Access Trust to determine the possibility of transition arrangements;
 - b) Finalisation and approval of the Framework Document by Finance Committee;
 - c) Development of Memorandum and Articles of Association with legal advisors;
 - d) Further work with partners (potentially through the Priority for Action Delivery Teams) to identify and secure joint funding in line with targets in the Business Case.
30. At this stage it is anticipated that the Trust should be operational by 1 April 2008. The Board will be kept updated about progress and developments in the normal way.

Glenmore off-road route

31. A self-explanatory expenditure justification form is attached at **Annex 3** in support of the completion of Glenmore off-road route.

Recommendation

32. That the Board approves expenditure of £50,000 on the completion of the Glenmore off-road route.

David Cameron
Murray Ferguson
Bob Grant
May 2007

davidcameron@ Cairngorms.co.uk
murrayferguson@ Cairngorms.co.uk
bobgrant@ Cairngorms.co.uk

Annex 1

DRAFT FRAMEWORK DOCUMENT FOR ESTABLISHMENT OF PARK-WIDE TRUST

[Note: Text in square brackets indicates areas where further work is required and indicates the direction that officers think it will take]

Introduction

1. This document sets out in general terms the planning, legal status, governance, financial and administrative, arrangements for the establishment of the proposed Park-wide Trust for the Cairngorms National Park. This document will provide the basis for the Memorandum and Articles of Association of the Company [Trust] which will be drawn up with the assistance of legal advisors. The requirements of the Memorandum and Articles of Association of the Company will take precedence at all times in the event of any uncertainty of interpretation.
2. The document has been drawn up by the Cairngorms National Park Authority, which has taken the lead role in the conception and development of the Trust, and with partners who have been involved in consultation on the principle of a Trust covering the National Park and, subsequently, in its development and implementation.

Objective of the Trust

3. The objective of the Trust is to manage, advance and effect the sustainable development and improvement of access infrastructure and associated support facilities, including provision of information, the facilitation of sustainable transport and the development of linkages to wider recreation, health improvement and business opportunities, for the benefit of the resident and visiting public, delivery of this mission being at all times compatible, complementary and contributory to the conservation and enhancement of the natural and cultural heritage of the Cairngorms National Park.

Planning and Reporting Arrangements

4. The Trust's planning and financial year shall run from 1 April to 31 March.
5. By 28 February each year, the Trust will agree an Operational Plan and financial budget for the forthcoming planning and financial year. The Operational Plan will set out a detailed, costed action programme for the year, showing planned financial investments and required staff time over the course of the year, together with identifying the specific, measurable outputs to be delivered over the course of the year. The financial budget shall show the expenditure associated with the Operational Plan alongside any other running costs, and show secured and anticipated income streams for the year.

6. When agreeing the Operational Plan for the forthcoming year, the Trust shall also agree a forward Business Plan covering at least the two years immediately following the Operational Plan year. The Business Plan will indicate planned future activity and investment streams; planned organisational and administrative arrangements for delivering these plans; highlight any anticipated material changes in organisational and administrative arrangements; and set out resultant forward financial budget forecasts including secured and anticipated funding streams.
7. The Business Plan will set out an agreed set of outcomes towards which the Trust will work. These outcomes must at all times be entirely compatible with and contribute to achievement of the objective set out in paragraph 3.
8. The Business Plan will set out specific, measurable outputs to be delivered in each year, achievement of which will indicate progression toward the agreed outcomes and against which the performance of the Trust may be monitored by funding partners and other interested parties. The Business Plan may also set any other key performance measures and success criteria considered helpful in showing the progress made or targeted in delivering the objectives of the Trust.
9. As a Trust working to deliver the objectives set out in paragraph 3, the Business Plan will at all times make specific reference to the Cairngorms National Park Plan. The Business Plan will demonstrate how the Trust's agreed outcomes contribute to the delivery of Priorities for Action within the National Park Plan, and in turn show the contribution to be made by all planned outputs to achievement of the Business Plan outcomes.
10. By 31 August each year, the Trust will agree a draft Operational Plan for the forthcoming planning and financial year. The draft Operational Plan will follow the format set out in paragraph 5. This draft Operational Plan, along with other documentation which may from time to time be requested by funding partners, feed into the Cairngorms National Park Authority and other partners' budget planning processes.
11. The Trust will prepare Operational Plan and budget monitoring statements at least every three months, showing performance against planned delivery and the status of actual income and expenditure against budget. The Trust will also prepare such other financial and management information as may be required to satisfy the specific requirements of any of its funders or members.
12. The Trust will prepare an Annual Report covering its activities and financial performance for each planning and financial year, within five months of the end of each year.
13. The Annual Report will describe progress to date on the achievement of the outcomes set within the business plan, and report on the achievement or otherwise of the specific outputs agreed as part of the Operational Plan for the year. The Annual Report will also include an audited account of income and expenditure for the year

and balance sheet as at 31 March, both in a format appropriate to the legal status of the Trust.

Legal Status

14. The Trust is a company limited by guarantee within the meaning of the Companies Act 1985 and is subject to the obligations imposed on such companies by the Companies Act 1985.
15. The Trust is recognised by the Inland Revenue as having charitable status, and is approved as a charity by the Office of the Scottish Charity Regulator (OSCR).

Membership of the Trust and Appointment of Directors

16. The Trust shall have a minimum of five Directors with no maximum limit on the number of Directorships.
17. The Cairngorms National Park Authority shall nominate up to two Directors.
18. Other funding partners may each nominate a Director. [These details require to be worked up further once further information is available on the desired levels of participation by potential partners in a Trust.].
19. Individuals or organisations may take up ordinary membership on the basis of system to be defined by the Board of Directors. Ordinary members are not entitled to appoint Directors, but should receive copies of key documents and reports and be entitled to advise on the workings of the Trust at appropriate stages. [A system of affiliate members may also be a viable option to promote engagement with a wider network of interested parties].
20. The Directors of the Trust may also determine from time to time to elect additional Directors to their number without payment of any grant into general funds. In particular, the Board of Directors should seek nominations from geographic communities, communities of interest (e.g. recreational users) and land managers.
21. The Board of Directors must also have regard to managing the overall size of the Board to ensure it remains effective and efficient in its discharge of governance and other responsibilities.

Governance

Board of Directors

22. The Management of the Trust is ultimately the responsibility of the Board of Directors.
23. The Board of Directors is responsible for the proper, economic, efficient and effective use of funds made available to it; for delivering the Trust objectives; for demonstrating

Best Value in its operations; and for ensuring that adequate financial and management accounting and internal control systems are in place and reviewed regularly.

24. The Board of Directors may establish a Scheme of Delegation to support the operation of systems by the Trust.
25. The Board of Directors will annually elect a Chairperson from among their number. The procedure for the election of the Chairperson and for the conduct of voting on any other issues shall follow the requirements of the Memorandum and Articles of Association.
26. One half of the Directors shall resign each year. Organisations holding nomination rights for the resigning Directorships shall be invited by the Chair to nominate a Director for the forthcoming period. Organisations may nominate the retiring Director to serve for a further term.
27. The Chair of the Board will act as the line manager for the senior officer employed by the Trust.

Trust Secretary

28. The Secretary to the Trust, or their nominee, is responsible for ensuring that the Trust has adequate systems in place to secure its prudent and economic administration; advise the Board of Directors on any matters relating the governance of the trust, including this framework document and underpinning Memorandum and Articles of Association; ensuring that all actions of the Trust are undertaken in accordance with its objectives and its powers; provide advice on any contractual matters; arranging required meetings and ensuring their conduct is in accordance with company requirements; and to provide guidance on any other legal and administrative matters of the Trust that may be required, arranging as necessary to support that advice by seeking opinion from contracted legal advisors.
29. [In order to minimise staffing and overhead costs, it is anticipated that the role of Trust Secretary will be undertaken by a senior officer of the Cairngorms National Park Authority, supported by advice of necessary from legal advisors. A provision for contracted legal advice has been made in the draft business plan].

Trust Treasurer

30. The Treasurer is responsible for ensuring the Trust has adequate systems in place to secure the propriety and regularity of the company's financial management, as well as ensuring its prudent and economic administration; to advise the Trust on all financial matters; to keep proper books of accounts of all financial transactions and make accounts open for inspection as required by the memorandum and articles of association; ensure publication of all required published financial statements; ensure accounts are submitted as required to auditors and to Company's House.
31. The Treasurer will make available to Directors and funding partners any information that they may reasonably require to satisfy those parties that the expenditure of their

grant contributions has been properly managed, complies with the terms of this Framework document and underpinning Memorandum and Articles of Association, and any further specific conditions of grant made by any of the individual funding partners.

32. [In order to minimise staffing and overhead costs, it is anticipated that the role of Trust Treasurer will be undertaken by a senior officer of the Cairngorms National Park Authority].

Finance

33. [Once discussions with potential partners are further advanced, this section will be further developed. Initial outline details are set out here to give a sense of the anticipated financial arrangements sought].
34. Funding for each financial and planning year shall be based on the detailed operational plans required under paragraphs 4 to 13 of this document.
35. Payment of grant funding in respect of that Operational Plan shall normally be provided by funding partners quarterly in advance.
36. Each quarter, the Trust will provide to funding partners a reconciliation of all receipts and payments over the previous quarter. The Trust shall also provide a detailed cash flow forecast over the next quarter and an overview cash flow forecast for the following nine month period.
37. Where the Trust proposes to undertake project expenditure financed by retrospective payment of grant, for example from the European Union or other third party project funds, the Trust may seek additional cash flow support from funding partners to cover the company's project cash flow requirements. Funding partners' share of cash flow support shall be reimbursed according to terms to be specified at the time of entering into such agreements.
38. All receipts and payments will be made through appropriate bank accounts managed, controlled and reconciled by the Trust.

Administration

39. The Trust's affairs shall be managed and led on a day to day basis by the Trust Project Manager. This post represents the senior officer in terms of paragraph 27.
40. The Project Manager, together with the Board of Directors, must assess the additional level of staff support, and the best balance of employed staff and service contracts, required by the company to deliver its business plan. This consideration will be made in light of the available level of support which may be offered as in-kind support from the funding partners. The Trust will consult with funding members on any proposals

to introduce new members of staff into the structure of the Trust where those posts will ultimately be paid for through funding from those partners.

41. The Trust will operate fair and reasonable conditions for the employment of staff, such conditions to include working hours, leave allowances and pensions. Salaries and wages paid by the Trust, like all expenditure, must meet the requirements of economy and efficiency set out elsewhere in this document.
42. [In practice, it is anticipated that the interests of economy and efficiency, and securing fair and reasonable conditions, may best be served through recruitment and full-time secondment of the Trust Project Manager together with any other agreed staff posts, by the Cairngorms National Park Authority or other Trust partner.]

Purchasing

43. All purchasing of works, equipment, goods and services shall be based on securing value for money in terms of quality and price and delivering best value in terms of service provision within the Cairngorms National Park.
44. The Trust may take advantage of contracts negotiated by funding partners where appropriate and permissible.
45. Contracts shall generally be placed on a competitive basis. In cases where there is an intention to let a single tender contract, a case to do so must be made to and approved by the Trust Treasurer and Secretary. Single tenders in excess of £10,000 must be agreed by the Board of Directors, and requests to do so must include the advice of the Treasurer and Secretary.

Grant Schemes

46. The Board of Directors will establish and maintain guidelines for the provision of grant funding to individuals and organisations in the furtherance of the aims and objectives of the Trust.
47. Schemes for providing grant for specific purposes will clearly state the objective of the scheme, eligibility criteria, monitoring procedures and maximum rates of grant available. All grant schemes will identify the business plan outcomes to which the scheme will contribute, as required under paragraph 7. Individual grant awards must require the identification of specific outcomes or outputs which will secure these business plan outcomes and specify the manner in which such outcomes will be assessed and/or delivery of outputs assessed.

Annex 2

BUSINESS CASE

[Note: Text in square brackets indicates areas where further work is required and indicates the direction that officers think it will take]

MISSION AND VISION

1. The mission of the Trust is to manage, advance and effect the sustainable development and improvement of access infrastructure and associated support facilities, including provision of information, the facilitation of sustainable transport provision, and to develop linkages to wider recreation, health improvement and business opportunities, for the benefit of the resident and visiting public, delivery of this mission being at all times compatible, complementary and contributory to the conservation and enhancement of the natural and cultural heritage of the Cairngorms National Park.

STRATEGIC PLAN / STRATEGIC AIMS

2. The four statutory aims of Scottish National Parks will all, to some extent, be achieved through the operation of the Trust. The Trust will endeavour to make a contribution to delivery of the outcomes in the Cairngorms National Park Plan. In particular, the Trust will seek to make a significant contribution to delivery of the following National Park Plan outcomes by 2012:

6.4 Providing High Quality Opportunities for Outdoor Access	
6.4.i	A wider range of people will have the opportunity to enjoy the outdoors.
6.4.iii	There will be a more extensive, high quality, well maintained and clearly promoted path network so that everyone can enjoy the outdoors and move around the Park in a way that minimises reliance on motor vehicles.
6.4.iv	There will be greater involvement of communities, land managers and visitors in the management and maintenance of the paths.
6.4.v	There will be more effective connections between public transport and places with outdoor access opportunities.
6.5 Making Tourism and Business more sustainable	
6.5.i	An increasing proportion of economic activity will be based on the special qualities of the Park
6.5.ii	The visitor experience in the National Park will consistently exceed expectations and will drive repeat visits / more business opportunities. The Park will compare well against the rest of Scotland and other National Parks.
6.5.vii	Communities will feel that the quality of life is improving and that they are able to influence the direction of economic growth within the Park.

3. Delivery of these outcomes for the National Park will, in turn, contribute to achievement of wider national strategies, including:

- a) *Let's Make Scotland More Active – A Strategy for Physical Activity* which aims to increase and maintain the proportion of physically active people in Scotland.
 - b) *Scottish Rural Development Programme* which aims to increase people's quality of life through confident participation in and enjoyment of responsible outdoor access in a welcoming countryside.
 - c) *The Next Decade: A Tourism Framework For Change* which aims for a 50% increase in tourism revenue by 2015 that is sustainable.
 - d) *Green Jobs Strategy* aims to seize the business opportunities and advantages arising from our belief in, and commitment to, sustainable development.
4. There are many other linkages between the mission and objectives of the Trust and other Priorities for Action within the National Park Plan, and to other national strategies. Development of the Trust's Business Plans should be sensitive to these and take opportunities to deliver them wherever possible. However, the National Park Plan outcomes and wider national strategies above form the key strategic focus for the operation of the Trust in its early years.
5. A guiding principle of the Trust is to provide a single vehicle through which all bodies interested and active in delivering activities relevant to its mission and objectives can pool their available funding and resources, in order to integrate planning and delivery of projects and investment. In this way, the Trust should seek to maximise outputs delivered from resources available to the Cairngorms National Park and, by way of these outputs, make a significant contribution to delivery of the National Park Plan outcomes by 2012. This guiding principle mirrors the overarching of the National Park Plan for the Cairngorms, which brings together all those involved in managing the area to set out a shared vision for the Park.

BUSINESS PLAN

6. [At the time of writing, consultation with partners on the development of a Trust is very much ongoing. The detail of the Business Plan summarised here represents an initial draft of the structure and scope of the Trust's activities].
7. In keeping with the Framework document established for the Trust, and the Memorandum and Articles of Association which will flow from it, the company is required to develop a Business Plan covering the forthcoming three year period. The first such business planning period therefore covers the period 1 April 2008 to 31 March 2011.

Delivery Areas

8. Over the period 2008 to 2011, it is expected that the Trust will be active in delivery of four main strands of operations:
 - a) Creation, improvement and maintenance of lower level paths;
 - b) Mountain / high level paths and other priority routes;
 - c) Installation and development of associated visitor infrastructure (e.g. car park improvements, countryside furniture, interpretation boards, etc);
 - d) Promotion, marketing and development of business opportunities to generate sustainable economic benefits for the Park
9. [There is also some potential for a strand of activity relating to promotion of outdoor activity in support of health outcomes but this requires further discussion with relevant partners including the National Health Service Trusts, SportScotland, the Active Schools programme and other partners].
10. The Trust will seek to deliver activities and achieve targeted outputs through direct procurement of projects, subject to the agreement of relevant land managers. The Trust may also grant fund other bodies to deliver approved projects.
11. Target levels of income across each of these strands of delivery are set out in the draft financial plans, together with an initial analysis of the balance of expenditure between direct project investment and central Trust running costs.
12. The Business Plan seeks to keep central costs to a minimum, through provision of as wide a range of support facilities (such as accommodation, treasury services, office equipment) by partners as contributions in kind, in addition to their cash funding support.
13. The Trust will seek funding as far as possible tied to provision of clear outputs and/or agreed contribution to outcomes, rather than specific project funding. This form of funding supports longer-term planning and flexibility in the Trust's business and operational planning. In this way, the Directors of the Trust will be more able to maintain a long-term approach in agreeing delivery plans and targets for the company.
14. Specific project funding will of course also be sought and welcomed. For many potential partners the Trust recognises that project funding will represent an appropriate means of transacting with and benefiting from the Trust, particularly where those organisations' objectives fit with only one of the Trusts business strands, or possibly only overlap with an element of an individual project.

Three Year Financial Plans

The table below sets out a first draft (prior to receipt of written partner feedback) of the potential pattern of operation and delivery of a Trust.

	2008/09			2009/10			2010/11		
	CNPA (£000)	Other (£000)	Total (£000)	CNPA (£000)	Other (£000)	Total (£000)	CNPA (£000)	Other (£000)	Total (£000)
Development and maintenance of lower level paths	130	149	279	130	149	279	130	149	279
Mountain / high level paths and other priority routes	50 - 100	50 - 150	100 - 250	60 - 120	50 - 150	110 - 270	60 - 120	50 - 150	110 - 270
Installation and development of visitor infrastructure	20 - 50	40 - 100	60 - 150	30 - 60	40 - 100	70 - 160	30 - 60	40 - 100	70 - 160
Promotion, marketing and development of business opportunities to generate sustainable economic benefits	20 - 50	20 - 50	40 - 100	20 - 50	20 - 50	40 - 100	20 - 50	20 - 50	40 - 100
	220 - 330	259 - 449	479 - 779	240 - 360	259 - 449	499 - 809	240 - 360	259 - 449	499 - 809
Of which:									
Staff costs			50			52			54
Legal and project management			40			42			44
Audit and other central support			15			16			17
Insurances and other			10			10			10
			115			120			125

Note: the analysis above showing potential CNPA funding separately from other funding contributions is intended to illustrate the targeted composition of funding to the CNPA Board. It is not intended that the Trust would prepare business plans on this basis.

15. The following items will be further developed over the second half of 2007 as consultation with partners develops thinking on the development of the Trust.
 - a) Target Outcomes, Outputs and Performance Measures
 - b) Risk Management procedures
 - c) Operational Plan – The development of an operational plan for 2008/09 will form a key element of consultation with partners over the second half of 2008/09. The initial Business Plan set out in this document assumes a “full” range of delivery over the course of 2008/09. In practice, this will be dependent on the result of consultation with partners and consequent timescale for set-up of a Trust. These events will in large part determine the timescale for appointment of a Trust Project Manager and consequent development of a works programme for the coming year.

Cairngorms National Park Authority

May 2007

Annex 3: EXPENDITURE JUSTIFICATION

1. Title

Glenmore Off Road Route

2. Expenditure Category

Operational Plan		Code		Project	
(goal description)				Grant	✓
Core or Project spend		Code		Consultancy	

Is this spend to be funded from an existing budget line, existing line with additional funds or is it a totally new spend?	£ 50,000	Existing budget	✓
	£	Additional budget	
	£	New budget	

delete as appropriate

3. Description

- Brief overview of project/activity including cost summary
- Specific elements for which support is sought (if not whole project/activity)

a) The Glenmore Off-Road Route will provide a non-motorised alternative route between Aviemore and Glenmore thus avoiding a busy road. To date, Forestry Commission Scotland has constructed a route from Glenmore to the boundary of their property with Rothiemurchus. In Aviemore, Highland Council has completed a cycling route between the village and Inverdrue with assistance from CNPA and others. There therefore remains the requirement to link the two completed sections at either end of the route through Rothiemurchus Estate. The overall cost of the project is estimated to be £330,000.

4. Rationale and Strategic Fit

- Objectives/intended beneficiaries
- Evidence of need and demand
- Fit with National Park Plan/Corporate Plan/other relevant strategies
- Linkages to other activities/projects

a) The Rothiemurchus and Glenmore corridor attract some 500,000 visitors per annum. The area is the busiest in the National Park by a large margin as it provides access to a wide range of activities and destinations. These include the main link to Coire Cas for skiing, winter and summer climbing and walking, the funicular which attracts some 160,000 visitors per annum, low level walking and cycling around Loch Morlich and general recreation around Glenmore.

b) The completion of the off-road route is a priority for action within the National Park Plan. The Outdoor Access Strategy for the Cairngorms National Park recognises the high volume of recreation that takes place in this area and the need for the off-road route to be completed. The completion of the route will further contribute to the priorities in the

Outdoor Access Strategy by helping to link communities through the provision of safe walking and cycling routes to schools, work places and for leisure.

- c) The importance of the route has been highlighted through the initial public engagement on core path planning and consequently, the proposed route is included as a potential core path within the current interim draft core paths plan.
- d) The two community councils have long supported the development of such a route and this demand has been discussed on many occasions at meetings of the Cairngorms, Rothiemurchus and Glenmore Group (CRAGG): with strong expressions of support.

5. Option Analysis

- Are there other ways in which the above objectives could be achieved?
- If so, why is this the preferred option?

- a) The only method of enabling an off-road alternative to be provided between the communities of Aviemore and Glenmore is through the development of this proposal.

6. Risk Assessment

- Are there risks to the CNPA in funding this project/activity?
- Are there risks in the project/activity not being delivered to required timescale/quality?
- Comment on the likelihood of such risks occurring, their potential impact, and (where appropriate) any action that would be taken to mitigate the risks.

- a) There are very few risks to CNPA in funding this project as its completion will be welcomed by a broad spectrum of the public. There are, however, risks associated with the potential timing of the project. For funding reasons it is important that the work is largely completed in the 2007/08 financial year. This is because partner funding has been secured for this year and there is a high public expectation locally that the work will be completed in the financial year. Any "drift" into a future financial year will cause further uncertainty amongst partners and could make the securing of these funds more problematic. The planning process will take some time, but to mitigate any delays an appropriate assessment has already been undertaken by SNH and the potential natural heritage impact has been considered. Mitigating measures have already been incorporated in the project brief to ensure no adverse impact on the natural heritage.
- b) Formal permission of the land owner has still to be granted but the estate has been involved in the discussions for several years now and has been kept closely informed of recent progress. Failure to receive permission or protracted negotiations could have an impact on when work could start. A draft path agreement has been included in the letter seeking permission to clarify the respective roles of the both the estate and CNPA. This risk does, however, remain current. Two elements of the funding package have still to be secured and these are detailed in section 7 below.

7. Costs and Funding

- Detail the financial costs of the project/activity
- Detail the sources of funding
- Detail any non-monetary costs to the CNPA (such as Member or staff input)

- a) The overall cost of completing this section of the route is estimated to be £330,000. The funding package is as follows:

Sustrans	£150,000
SNH	£50,000
HIE	30,000
CNPA	£50,000
CERS	£30,000
THC	£20,000
Total	£330,000

- b) In addition to the monetary contributions above, Forestry Commission Scotland have agreed to project manage the works from planning application through to completion. By managing the project through FCS there is a 17.5% saving as FCS are able to recover VAT. If CNPA were to lead the project, no such arrangement could apply. The costs estimates were undertaken by a path consultant some four years ago. An inflationary multiplier has been used to provide a current estimate, but availability of contractors and the size of machinery able to undertake the work are variables that could affect the cost. The actual cost of the project will be ascertained through a competitive tendering process.
- c) The funding contributions from HIE, Inverness and East Highland and the Highland Council have still to be approved by their respective Board and committees. It is anticipated that decisions will be made by both organizations before the summer.

8. Funding conditions

- CNPA funding will be capped at 15.2% of the overall costs or £50,000 (whichever is the lower).

9. Deliverables/ Impact Assessment

- What end products/outputs will be delivered?
- How will success be measured?
- How will the project be monitored and what will be the feedback to the CNPA?

- a) A Priority for Action within the National Park Plan is the completion of this route. This will contribute to the Park Plan outcome of providing high quality opportunities for outdoor access. A fully functional, multi-use path linking Aviemore with Glenmore will be the final product. Success will be measured through the use of the route and monitoring of numbers will take place.

10. Value for Money

- In view of the costs, do the deliverables appear to offer value for money? (consider cost of comparable projects, where available).

a) The completed path will extend for some 5165 metres giving a construction cost of £15.50 per metre. Given that the path width will be 2.5m and suitable for a broad range of uses, this is assessed as providing good value for money. (An upland aggregate path will usually cost between £20 - £30 per metre.) In the event that the tender costs come in higher than estimate, additional approval if required, will be sought from the Finance Committee.

11. Exit or Continuation Arrangements (where applicable)

- If this is not a discrete, time-limited, project or piece of work, what are the exit/continuation arrangements for when CNPA support ceases?

a) The capital costs are one-off and any snagging works will be picked up in the first year post construction contract period. Path maintenance beyond the first year will fall to CNPA to manage as CNPA is the access authority. The two other sections of the route will be maintained by FCS and Highland Council respectively. The negotiations on the path agreement with the estate will determine the overall cost and these have yet to take place.

12. Additionality

- Does this work/project substitute for or duplicate work being carried out or proposed by others?
- What would be the effects of the CNPA not supporting the project? Would it proceed without CNPA support?

a) As CNPA has led the development of the funding package and the co-ordination of the various elements of advice required to allow this to proceed, there would be a strong likelihood of the project not progressing without our financial contribution and continued officer involvement.

13. Stakeholder Support

- Have the organisations and/or communities that would have an interest in this work/project been involved, and are they supportive?

a) Through CRAGG all relevant parties have been kept informed of progress with the development of the off-road route and remain fully supportive of this proposal.

14. Recommendation

See Board paper.