

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

**THE CAIRNGORMS NATIONAL PARK AUTHORITY
held at Panmure Arms Hotel, Edzell
on 15 June 2007**

Present:

Eleanor Mackintosh
David Green

Bruce Luffman
David Selfridge

In Attendance:

Jane Hope, Chief Executive
David Cameron, Head of Corporate Services
Denby Pettitt, Finance Manager
David Bale, Head of Land Management and Natural Heritage
Pete Crane, Senior Visitor Services Officer
Chris Taylor, Tourism and Economic Development Manager

Apologies:

None

Welcome

1. The Chairperson welcomed all present to the meeting, and noted there were no apologies received.

Minutes of Previous Meeting

2. Minutes of the previous meeting of 23 February 2007 were approved.

Matters Arising

3. On paragraph 4 of the previous minute, David Cameron updated the Committee on progress with the cost of Geographic Information Systems (GIS) under the Pan-Government Agreement (PGA) contract. The Authority had been involved in supplying information for use in the 2007/08 funding model and it now appeared very likely that the cost of GIS to the Authority under the PGA contract would reduce from

about £50,000 to around £36,000 in the current year. Further cost reductions were anticipated in future years. Members welcomed this update.

Ratification of Previously Approved Expenditure Proposals (Paper 1)

4. Members discussed the Property Surveys project [item 'h' in paragraph 1 of the paper]. Denby Pettitt explained that this project sought to establish the potential numbers of rural empty properties within the Park suitable for conversion as affordable rented accommodation and bring these back into use. The project was undertaken in partnership with the SRPBA.
5. Members expressed some concern over the commitment of land managers to this project. Officers pointed out that one of the reasons for working in partnership with SRPBA was to help ensure buy-in from land managers. It was acknowledged that not all land managers who may benefit from the scheme were members of SRPBA and officers would seek to make the project and scheme as inclusive as possible.
6. **Members approved the expenditure proposals which had been agreed between Committee meetings, in line with the Committee's agreed scheme of delegation.**

Expenditure Proposal: Aviemore and Cairngorms Destination Management Organisation (Paper 2)

7. Chris Taylor introduced this paper, which sought the Committee's agreement to a second phase of funding for the Aviemore and Cairngorms Destination Management Organisation (ACDMO). The company running ACDMO is a non-profit making community company limited by guarantee. The work of ACDMO was assessed to have a close fit with a set of objectives and outcomes in the National Park Plan, while providing a vehicle to help meet the aims of the Sustainable Tourism Strategy. The Authority was additionally working closely with another DMO emerging in Royal Deeside covering the eastern side of the National Park.
8. In response to questions from members, Chris explained that the Tomintoul area at the moment were not intending to do down the route of establishing a formal DMO, recognising potential to link with one or both of the DMOs on either side of them in the National Park. Authority was working with both Tomintoul and Royal Deeside groups, encouraging collaborative work between them and seeking to encourage take-up by businesses.
9. In discussion, it was noted that it was not always appropriate to seek Park-wide collaboration from these DMOs given their focus. It was also noted that the DMO, along with the Authority, was monitoring take-up of the Green Tourism Business Scheme (GTBS), although it was accepted that GTBS may not be suitable for some DMO members.

10. Members questioned the robustness in the business plan of the £100k income anticipated from Osprey card sales. Chris confirmed that the DMO was confident on this figure.
11. **Members agreed the proposal to provide support of £25,000 for 2007/08 toward activities set out in the ACDMO Tourism Development Plan. Funds would be drawn down in phased payments, payable on receipt of progress reports, in July and November 2007 and February 2008.**

2007/08 Proposed Budget (Paper 3)

12. Denby Pettitt introduced this paper, which set out an update on the Authority's budget position for 2007/08. This paper followed on from provision of a summary of anticipated Core and Operational Plan budgets for the year provided in December 2006, and the Board's consideration of the Operational Plan for 2007/08 in February 2007.
13. Denby highlighted that the Resource Allocation for the year had been confirmed by the Scottish Executive as £4.633m, slightly above expectations. The budget had been divided into Core and operational Plan elements as was now standard practice.
14. Members discussed the balance to be struck between core costs, including staffing, and funding retained for deployment in annual operational plans, including grant awards and project support. Members recognised that a base level of staff was required in order to ensure there was sufficient resource in terms of staff time to effectively deploy operational plan investments and to work with partners to ensure other partner contributions into the Park area were maximised. Members also recognised that the Chief Executive had worked hard to ensure that overall staff numbers remained within the parameters agreed with the Board.
15. The Committee agreed it remained important to monitor core costs closely and continue to control staff numbers.
16. **Members approved the updated 2007/08 budget.**

Draft Outturn for 2006/07 Financial Year (Paper 4)

17. Denby Pettitt introduced this paper, setting out current draft outturn figures which remained subject to external audit in July. Denby highlighted that in cash terms, all grant in aid had been fully utilised with only £3,000 remaining as a bank balance at the end of the year. Once figures for accrued income and expenditure were included, total expenditure was £4.4m compared with total available income of £4.6m, resulting in a currently estimated figure of surplus resource over expenditure for the year of £0.2m.
18. Denby also highlighted that the required format of the Authority's published accounts would alter markedly from that seen in previous years. This would be covered with

the Committee in August, when members would be asked to consider a final draft of the accounts.

19. **Members welcomed the year-end cash position and noted the draft outturn position for 2006/07. Members noted that year end accruals were currently slightly lower than last year, giving rise to the surplus currently shown in the accounts.**

Pool Car Replacement (Paper 5)

20. David Cameron introduced this paper, informing members of vehicle replacements which sought to reduce running costs while also contributing to reducing carbon emissions from the organisation's business activities.
21. **Members noted the paper, welcoming progress on reducing running costs and implementing office greening.**

AOCB

Expenditure Proposal: Rothiemurchus Interim Management Agreement 2007/08

22. Members considered the expenditure justification proposal on the Rothiemurchus Interim Management Agreement for 2007/08, which had been circulated to members separately of the main agenda papers.
23. David Bale outlined the wide range of public benefits being delivered by Rothiemurchus Estate covered by the proposed interim agreement. The interim agreement sought to provide a basis for providing support for continued delivery of these public benefits during 2007/08, with the intention of moving toward a longer term agreement, covering a wider range of benefits for the public and funded by a wider range of supporters.
24. In discussion, members voiced concern that the agreement before them sought merely to buy time. David Bale assured members that this was no the case, as the interim agreement made a significant improvement on previous funding by establishing funding for specific, "real" outputs.
25. Members supported the appropriateness of the revised funding method and of the outputs included in the agreement, and agreed it represented a much improved way forward than previous three-year rolling agreements. Members also recognised that the Authority's funding had helped ensure other funding partners remained within the agreement.
26. **Members agreed the proposal to make a total contribution of £50,000 in respect of the Rothiemurchus Interim Management Agreement 2007/08. Members noted that negotiations for future years will have to start immediately.**

Scottish Executive Budget Modelling

27. Jane Hope and David Cameron provided a brief update to Committee on the forward budget scenario requests received from the Scottish Executive the previous day. The Authority had been requested to consider the potential impact of reductions in funding allocations of 5%, 10% and 15% and return information by the middle of the following week. Given the timetable, there would not be any opportunity to put the results of this modelling work to Committee members prior to submission to the Executive.
28. The information request was understood to have come from senior officer level within the Executive rather than from Ministers and, as such, was anticipated to be general information gathering rather than any direct indication of Comprehensive Spending Review (CSR) settlements. However, this did reinforce previous expectations that CSR settlements would be very tight.
29. Members noted this update and that further consideration of future funding scenarios would be undertaken by the Committee at its meeting in September.

Date of Next Meeting

30. The next meeting of the Finance Committee would take place on 10 August 2007, Laggan Village Hall, at 9:00 am. This was an additional meeting to allow consideration of final draft accounts for 2007/08 prior to the Board meeting later that day.
31. Following that, the next scheduled meeting of the Committee would be held on 21 September, Albert Memorial Hall, Ballater, at 9:00am.