

**MINUTES of MEETING of the
FINANCE COMMITTEE of
THE CAIRNGORMS NATIONAL PARK AUTHORITY
held at Community Hall, Boat of Garten
on 18 January 2008**

Present:

Eleanor Mackintosh
David Green

Mary McCafferty

In Attendance:

Jane Hope, Chief Executive
David Cameron, Head of Corporate Services
Denby Pettitt, Finance Manager

Apologies:

David Fallows, Bruce Luffman

Welcome

1. The Chairperson welcomed all present to the meeting and noted apologies as listed above.

Minutes of Previous Meeting

2. The minutes of the previous meeting of 30 November 2007 were approved without amendment.

Matters Arising

3. Members enquired whether there had been any progress made in attracting funding for the John Muir Award project considered by Committee at the previous meeting. David Cameron responded that he was not aware of any further funds having been secured, a key difficulty being that a number of funding bodies treated the project very much as a continuation of an existing activity and as such were unwilling to support it.

2008/11 Budget Development (Paper 1)

4. David Cameron introduced this discussion paper, which sought members' views on a number of budget principles prior to presentation of more detailed budget proposals for consideration by the Committee. In particular, members views were sought on the best form of monitoring mechanism for considering the level of staff and staff costs within the organisation; the relative advantages and disadvantages of maintaining a level of flexibility in the staffing structure through use of fixed term contracts and secondments; and areas for focus in developing plans to meet the Scottish Government's 2% efficiency targets.
5. On the subject of staffing levels, members considered whether there were potentially any "industry standards" for staffing levels that could be referred to in considering whether the level of staff within the organisation was appropriate. However, it was agreed that even amongst public sector organisations the level of staff varied significantly depending upon operational objectives and ethos.
6. Members noted that the "lean" staffing model of the Authority had been a good selling point over the past years.
7. Members also agreed, however, that the current use of an absolute number of staff full-time equivalents as a control tool lacked flexibility to respond to circumstances and could result in opportunities being missed. A guideline on staff expenditure as a proportion of total costs or total income appeared to offer a more appropriate monitoring / control mechanism, although even in using a guideline there is a need to ensure that sufficient flexibility exists to respond to circumstances and take opportunities where these arose.
8. Members noted that staff costs will increase over time, with implementation of annual pay awards and salary progression through pay bands. A guideline for staff costs as a percentage of total income would provide a better benchmark of whether staffing remained appropriate to the overall resourcing and operational activities of the organisation.
9. In response to a suggestion by the Chief Executive that the Committee consider a guideline for staff salaries of something around 50% of total income rather than the current control of 50 FTE staff as an absolute ceiling, members agreed that the Head of Corporate Services should look into this further. David Cameron agreed to undertake some research into what proportion of current total income might represent an appropriate guideline to incorporate. **Action: David would bring a further paper on this to the Committee.**
10. On the point of contract terms, members agreed that the ongoing use of short-term fixed term contracts can put some operational activities on a knife-edge. There was a risk that some staff, in whom the organisation had made a substantial training and

development investment, may leave the organisation as a result of short-termism and contract uncertainties.

11. Members also noted that there was a distinction between a staff contract position, which was essentially an internal administrative matter, and the external presentation of an activity. Hence, it is possible to have someone engaged on a permanent contract where the circumstances warranted such a contractual arrangement, while that officer could still be engaged in the delivery of a project which relied on multi-partner funding for its ongoing viability.
12. Members agreed a set of over-arching principles regarding the organisation's approach to staffing matters:
 - a) It is the Committee's responsibility to monitor staffing expenditure against any guidelines set.
 - b) Actual deployment of financial and staff resources is the role, and responsibility of the Management Team.
 - c) The organisation must continue to invest in its staff as a core asset of the Authority.
 - d) The Authority must remain focused on the principle of enabling: seeking to assist others in their delivery of the Park aims, and ensuring it considers whether delivery should actually be the responsibility of others and not the Authority.
 - e) The Authority should always explore the potential for partnership working, considering whether it can financially support other partners to deliver an activity or at least share the costs of delivery.
 - f) Recruitment and staff contracts must continue to be appropriate to the needs of the organisation, using fixed term contracts and secondments where the nature of the activity and circumstances justify this.
 - g) The Authority must continue to seek to be recognised as a good employer.
13. Many of these principles are also relevant to the work of the Board's Staffing and Recruitment Committee. David Cameron undertook to take these forward with that Committee.
14. On the subject of the 2% annual efficiency saving required by the Scottish Government as part of its draft budget, members agreed that the focus should be on Core, central areas of the Authority's budget as far as possible. Members accepted that it will not be possible to completely avoid seeking efficiencies within the Operational Plan budget as the level of savings required were simply too great to absorb within the Core budget areas.

Expenditure Justification / Budget Allocation Request: Heather Hopper (Paper 2)

15. Denby Pettitt introduced this paper, which had been circulated to members separately from the agenda. The Expenditure Justification sought approval of the budget

allocation to support the Heather Hopper cross-Park bus service over 2008. Denby explained that the proposal was brought to the Committee at this early stage in order that, should approval be given, the Authority and local authority partners could seek to maximise publicity of the service in order to improve take-up in 2008. Denby also highlighted that the budgeted level of support sought was higher for 2008 as one of the previous lowest tendering suppliers had decided not to retender for 2008 services and the expected cost of provision in 2008 is therefore higher.

16. Members agreed the proposal. In doing so, members also agreed that, particularly in light of rising costs for this service, it was imperative that an increase was achieved over 2008 in the use of the service. Evidence of improved use would be essential if the Committee was to consider further support for this service in future years.

Any Other Business

17. Eleanor Mackintosh highlighted that the issue raised at the previous meeting, on the delivery of the web portal project and tendering process used within that project, had been dealt with through email correspondence between meetings.
18. The main issue raised had been a request for an audit trail of activity undertaken in the tendering and procurement process for the web portal project. The Chief Executive had investigated processes undertaken, which had shown a satisfactory audit trail and appropriate procurement processes. The Chief Executive had responded by email on this question to all members of the Committee.
19. A number of other issues had also been raised on the web portal project at the previous meeting. However, these were not matters for the Finance Committee and would be dealt with through the project steering group.

Date of Next Meeting

20. The next meeting of the Finance Committee was scheduled to take place at 9am on 22 February, Community Hall, Boat of Garten.