

CAIRNGORMS NATIONAL PARK AUTHORITY

FOR DECISION

**Title: CAIRNGORMS BUSINESS PARTNERSHIP –
PROGRESS REPORT**

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Management)**

Purpose

To report to Finance Committee on:

- a) development of the Cairngorms Business Partnership
- b) delivery of 2009/10 projects and funding
- c) draft CBP operational plan for 2010/11

Recommendations

That the committee consider the progress to date in development of the CBP, project delivery for 2009/10 and consider principles for funding in 2010/11.

Executive Summary

The CBP steering group has been progressing towards the formal establishment of CBP and will report to the meeting on progress. At the same time they have been delivering a series of priority projects part funded by CNPA. This paper summarises the current delivery status and advises of changes to the funding package as originally conceived, due to changes in the CBP partners and funders. Joint CNPA/CBP work on operational plans for 2010/11 has identified potential priorities to which CNPA may provide funds in 2010/11 and the Committee is asked to consider the principles for funding next year.

CAIRNGORMS BUSINESS PARTNERSHIP – PROGRESS REPORT FOR DECISION

Background

1. In September 2009 the Board approved a package of grant funding of up to £70,000 for the 2009/10 financial year to support the development of the CBP and delivery of priority projects. The Expenditure Justification of 4th September 2009 is attached for reference. The headlines from that are as follows:
2. The funding package was to support:
 - a) a contribution to CBP staffing costs;
 - b) Development of a marketing framework and action plan for the National Park and related destinations;
 - c) Business Barometer
 - d) Development of private-sector-led Park-wide visitor website;
 - e) Park Aware programme;
 - f) Customer feedback survey;
 - g) Cairngorms National Park business conference.
3. Two conditions were attached to the grant:
 - a) Payments will not be made in advance of need and will require partner contributions for the specified actions to be secured;
 - b) A performance review meeting to be held in January involving appropriate Board members.
4. It was subsequently agreed that the Finance Committee on 19th February is the most appropriate way to carry out the performance review required and this paper sets out the information for that review.
5. Alan Rankin and Sandra Middleton will attend the Finance Committee meeting on behalf of the CBP Steering Group to report on progress.

Development of the Cairngorms Business Partnership

6. The CBP Steering Group has met regularly with the aim of formally establishing the CBP from 1st April 2010.
7. The CBP will present an update on the organisational development, including the following aspects, at the meeting:
 - a) Participating organisations;
 - b) Membership fees and benefits package; and
 - c) Launch/transition plans.
8. CNPA has provided further support to the development of CBP through the loan of a full-time member of staff and grant support for management consultancy to advise on the membership model (£7,000 claimed in December 2009).

2009/10 project delivery and funding

9. The attached report from the CBP details the progress of delivery against the priority projects.
10. The anticipated funding package has had to be amended due to changes in the composition of the CBP and project sponsors. In December 2009 the Royal Deeside and the Cairngorms DMO took the decision that they do not wish to become part of the CBP, or to take part in individual CBP projects. Whilst this decision does not prevent the establishment of the CBP, it has meant that the original funding arrangements for project delivery have changed.
11. The anticipated funding contributions from Scottish Enterprise (£15,000) and Aberdeenshire Council (£10,000) were channelled through RDCDMO and are therefore no longer available to the CBP projects in 2009/10.
12. The business barometer and customer satisfaction survey remain part-funded by Highland Council, with staff time support through ACDMO from Highlands and Islands Enterprise.
13. In order to secure delivery of the priority projects for the Park, particularly the marketing strategy and visitor website, the CBP has adjusted its work programme and finance package.
14. The current status of the projects is summarised as follows:

Project	Funding	Status
Marketing Strategy	Budget: £32,826 CNPA funding: £17,127 CNPA & HIE staffing support	Contractor appointed; work programme underway in tandem with sustainable tourism strategy
Visitor Website	Budget: £19,267 CNPA funding: £11,000 HC funding: £1,000 CNPA & HIE staffing support	Project plan underway
Business Barometer	Budget: £12,223 CNPA funding: £6,747 HC funding: £2,000 CNPA & HIE staffing support	Ongoing delivery
Business Conference	Budget £10,360 CNPA funding £10,282 CNPA & HIE staffing support	Delivered
Customer Feedback	Budget: £18,008 CNPA funding: £11,344 HC funding: £3,000 CNPA & HIE staffing support	Ongoing delivery
Park Aware		Delayed to 2010/11

Payments made to date

15. To date two payments have been claimed and paid to CBP under this offer of grant:
 - a) November 2009 £25,000
 - b) January 2010 £24,941

CBP Operational Plan for 2010/11

16. CBP are currently developing their business plan for 2010/11. A joint CBP/CNPA meeting has already identified that there is good synergy and there are likely to be a number of priority areas in which CNPA would seek to deliver through CBP, and to which funding may be directed. CNPA will continue to support the development of the CBP through the loan of a member of staff, for at least the first half of the next financial year.
17. It is likely that CNPA funding to CBP in 2010/11 would be directed at specific deliverables in the following priorities:
 - a) CNP marketing campaigns (implementing the marketing strategy)
 - b) Enhanced uptake of CNP brand and associated environmental support for businesses
 - c) Business barometer and customer feedback
 - d) Park Aware programme
 - e) Food and drink network development
 - f) Park-wide publications
18. While there is some provision within CNPA's operational plan for 2010/11 for these areas of work, detailed discussions on what CBP can deliver are yet to take place, so at this stage Finance Committee is asked to consider the broad principles for 2010/11 funding rather than take a decision on specific outputs or value.

Next Steps

19. Board update and discussion on CBP – 19th March 2010
20. CNPA & CBP staff to agree key deliverables and funding for 2010/11
21. CBP to submit report on 2009/10 delivery at end of financial year

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4th February 2010
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ANNEX I

Cairngorms Business Partnership CNPA Grant Claim Report January 2010

1. Introduction

- 1.1 This report provides an update on progress with the 2009/2010 Delivery Programme for the Cairngorms Business Partnership (CBP). Annex I of the report shows all expenditure for this claim period. It also details anticipated expenditure required prior to the next grant claim on 19th March 2010. This report was compiled for submission in December 2009, however, due to a number of issues (outlined below), it was agreed with the CNPA that the claim be delayed until January 2010. The report has been revised accordingly.

2. Development of the CBP

- 2.1 A third party supplier was contracted to develop proposals for the structure, membership and benefits of the CBP. This has been the subject of discussion and debate by the CBP Steering Group. Revised proposals, including a proposed fee structure will be taken to the Steering group for approval on 21 January. Potential CBP members will then receive a newsletter updating them on progress with the Business Partnership and project delivery.
- 2.2 The Royal Deeside and the Cairngorms Destination Management Organisation (RDCDMO) have indicated that they do not wish to become involved with the CBP at this stage. The CBP Steering Group and Cairngorms Chamber of Commerce has subsequently been in talks with representatives of the Ballater Business Association who have indicated a strong desire to be involved in the CBP and related projects. Further work will be undertaken with Deeside businesses and associated organisations to ensure that their interests are represented on the CBP Steering Group and ongoing projects.
- 2.3 Discussions are ongoing with the CNPA to enable development of an Operational Plan for the CBP for the year 2010/11.

3. Partner Funding Contribution

- 3.1 In addition to work on each of the projects, a great deal of work has been done over the past month on agreeing funding packages for each of the projects. Highland Council has agreed £6,000 funding in principle towards three of the six projects. These include the Business Barometer, Customer Feedback and Park Aware.
- 3.2 Scottish Enterprise and Aberdeenshire Council had agreed to commit funding to those projects that the RDCDMO wish to be involved in. Due to the recent RDCDMO decision not to become involved in the CBP or related projects, however, this funding is no longer available.
- 3.3 Discussions have been ongoing with the CNPA and budgets revised to ensure that projects can still be delivered. The original budget for the six projects totalled

£124,000. This has now been reduced to £94,045 and projects have been adapted accordingly. A revised budget for the 6 projects can be viewed in Annex 2.

4. Project Progress Report

Project - Business Conference

- 4.1 The Cairngorms Business Conference took place on 4 November 2009. A progress report was given in the previous grant claim on 11 November. Since that time the Conference Report has been compiled and circulated and can be viewed in Annex 3 of this report.

Project - Business Barometer

- 4.2 The Business Barometer went Park-wide on 1st October. A progress report was given in the previous grant claim on 11th November. Since that time a summary report of the findings has been sent out to all respondents, the Cairngorms Chamber of Commerce, Royal Deeside and the Cairngorms Destination Management Organisation, Aviemore and the Cairngorms Destination Management Organisation, Glenlivet and the Cairngorms and the Angus Glens. The report can be viewed in Annex 4 of this report.
- 4.3 The second Park-wide Barometer went live on the 5th of January and closed on the 18th of January. The total number of responses is shown in the table below:

Business Barometer Responses January 2010				
Area	Total No. Businesses Invited to Input	No. of Respondents	% of businesses responding	% of TOTAL responses
Angus	21	4	19%	5%
Badenoch & Strathspey	372	54	15%	68%
Deeside	106	18	17%	23%
Glenlivet	18	3	17%	4%
TOTAL	517	79	15%	100%

- 4.4 Whilst the total number of responses is down on the last Barometer, it is encouraging when taking into account how busy businesses have been with the recent snow. The CBP is therefore very happy with this response rate at this time. The details of the responses are now undergoing analysis and will be reported in due course. Discussions have commenced regarding the further development of the barometer to make it more relevant to businesses operating out with the tourism sector.

Project - Marketing Framework

- 4.5 Prior to the decision of the RDCDMO to withdraw from CBP projects, a Project Brief for the Marketing Framework and Campaign Plan was approved by funding partners and the Steering Group. A Supplier Brief was sent out to an agreed list of suppliers, and four tenders received. A robust scoring process was undertaken and a supplier has been identified. It has subsequently been agreed with the CNPA that elements of the project be delayed to enable the stakeholder engagement and consultation for the project to be brought in line with the review of the Sustainable Tourism Strategy. A revised timetable and brief for the project is now being compiled in conjunction with the CNPA.
- 4.6 The Marketing Framework and Campaign Plan which will cover the period 2011-2013 will therefore not be in place by April 2010 as previously agreed. It is anticipated that this project will be complete by October 2010 at which time CBP will be working with funding partners and marketing opportunities to work towards delivery of the campaign plan in 2011.
- 4.7 It has been agreed that the design and style element of the marketing work be carried out at an early stage in the project. This design and style work will inform the look and feel of the website which will be in place by 1st April 2010.

Project - Visitor Website

- 4.8 CBP have been working closely with the CNPA to identify an agreed approach to the development of a visitor website. This website will sit alongside wider work being carried out by the CNPA on a web portal for the Park. A Project Brief was compiled for the Visitor Website and a detailed project plan developed which is closely linked to the marketing framework.
- 4.9 Due to issues arising in relation to project budgets the CBP have been in discussion with CNPA to identify potential solutions. An approach has been agreed that will enable the website to be delivered at a much reduced budget and within the timescales required. A revised Project Brief is now being compiled and will be submitted to the CNPA for approval.

Project – Customer Satisfaction/Feedback Survey

- 4.10 Due to ongoing discussions with funders it was unclear for a time as to whether or not this project could be taken forward. The scope and range of delivery of this project is currently being reviewed due to re-alignment of budgets. Discussions have now re-commenced with the preferred supplier. This project is also considered to be a membership benefit for the CBP. A Project Brief will be developed for this project in February and submitted to funders for approval.

Project - Park Aware

- 4.11 This project has not yet been developed. It has been identified, however, that there is potential to take it forward through a variety of mechanisms. This has been discussed within recent operational planning meetings and has been factored in to planning for the ATTA World Summit in October in relation to local businesses and activity providers. This is expected to influence future delivery of this project.

5. Expenditure

- 5.1 Since the time of the last grant claim a total of £2,677.67 has been spent on invoices relating to the Business Conference. A further £1,263.88 is required for Project Director costs. Prior to the final grant claim on 19th March 2010 it is anticipated that the CBP will need to undertake a total expenditure of £21,000 for payment of third party suppliers. As such this is also included in this grant claim to ensure that the CBP have the required cash flow to enable payment as required. Full details of actual and proposed expenditure are detailed in Annex I of this report.

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20 January 2010