

**MINUTES of MEETING of the  
FINANCE COMMITTEE of  
THE CAIRNGORMS NATIONAL PARK AUTHORITY  
held at CNPA Offices, Grantown on Spey  
on 19 May 2006**

**Present:**

Eleanor Mackintosh  
Andrew Thin

Bruce Luffman  
Gregor Rimell

**In Attendance:**

David Cameron, Head of Corporate Services  
Denby Pettitt, Finance Manager

**Apologies:**

David Selfridge

**Welcome**

1. The Chairperson welcomed all present to the meeting, and noted apologies as set out above. In particular, the Chair welcomed Andrew Thin back to the Committee following his taking up the position vacated by Joyce Simpson.

**Minutes of Previous Meeting**

2. The minutes of the previous meeting, of 10 February 2006 were approved without amendment.

**Matters Arising**

3. Denby Pettitt informed members he had prepared a briefing note on the Authority's VAT position and would email it to members.

**2005/06 Draft Outturn for 2005/06 Financial Year (Paper 1)**

4. Denby Pettitt introduced this paper, which set out the initial draft outturn position for the 2005/06 financial year. The paper compared current draft outturn figures with

forecast outturn previously presented to members. Denby drew members' attention to the summary table in Annex 1. This indicated that there were some changes between the forecast outturn position and the latest actual figures, although these changes were low in terms of their financial value. The main area of reduction in anticipated expenditure had been in lower than anticipated grant payments prior to the end of the financial year.

5. Overall, the draft outturn position indicated a shortfall in planned expenditure of £0.133 million. Some final movement in these figures was still anticipated as officers finalised closure of the accounts and identified further expenditure accruals, prior to submitting the accounts to the external auditors for review. The audit review process was due to commence at the beginning of July 2006.
6. In discussion, members asked whether officers had any concerns over the year-end creditor position eroding cash available for the new year, 2006/07. The Finance Manager indicated that he did not anticipate any problem with this. There would also be some leeway in managing year-end creditors at the end of 2006/07 should any unanticipated problems arise.
7. Members indicated their ongoing concern on the skewed profile of expenditure towards the end of the financial year. In addition to the financial management problems inherent in managing the risks of a large number of projects with expenditure due to fall close to the end of the financial year, there was an added risk that consultants responding to tenders may increase their rates as they were asked to complete work over a short timescale.
8. The Committee noted the draft outturn for the twelve months to 31 March 2006. Members acknowledged the draft outturn as a good result for the year and congratulated staff for this achievement. Members recognised it was not easy to come as close to the budget target as had been achieved.

### **2006/07 Proposed Budget (Paper 2)**

9. Denby Pettitt introduced this paper, giving an overview of the income and expenditure position for 2006/07 and the management process to be used by Corporate Services in monitoring and reviewing budget utilisation over the course of the year.
10. In discussion, members questioned the proposed cost of the Board elections which seemed high. David Cameron confirmed that the budget costs were based on correspondence on the previous election, the costs of which had been inflated to cover price movements over the last four years. The classification of these costs as either a "core" or "programme" activity was also discussed. It was agreed that the proposed treatment as a programme activity was appropriate, maintaining core budgets as covering as ongoing, annual costs to the Authority.

11. Members noted that the budget for planning fee income remained based on a 50:50 split of planning fees for those applications called-in by the Authority. Members considered that there may be some justification for seeking an increase in the Authority's 50% share of these fees as they were, by definition, likely to be complex in nature. Members also accepted that the Councils provided a number of services to the Authority for which they made no charge and it was important that working practices between the Authority and the four councils did not get bogged down in administration and cross-charging. It was agreed therefore that the split of planning fee income was unlikely to be worth pursuing but that officers might bear it in mind when the joint planning concordat was next considered.
12. Members sought further information underpinning the budget assumption that the Authority would be seeking to reduce the costs of recruitment advertising per post advertised. Officers outlined that internal steps were planned to limit costs by reconsidering which media to use in placing adverts. Officers were also engaged in the development of a collaborative procurement project to buy advertising space with other NDPBs and seek reductions in cost.
13. **The Committee noted the updated budget position for 2006/07.**

### **Ratification of Previously approved Expenditure Proposals (Paper 3)**

14. **The Committee formally approve the expenditure detailed in para.1 that it has previously approved by e-mail outwith the normal quarterly meetings.**
15. Members went on to discuss the current scheme of delegation and agreed that there was a need to push for an increase in the level of financial delegation granted by the Scottish Executive to the Authority.
16. Members also indicated that they had some feeling that the current process of seeking approval to officers' expenditure proposals was not adding value to the process.
17. However, it was also acknowledged that the challenge function exercised by members remained important. Members discussed the role of the Committee in considering and if necessary challenging officers' proposals. It was agreed that post-event challenge could be equally helpful in considering the organisation's activities and determining future policies and financial strategies. This practice could be less intrusive and avoid any potential delays in progressing activity proposals, while still building in consideration of key activities to the Committee's business in order to improve future practice.
18. Members also agreed that, while the Committee's remit focused on the financial practices and financial management of the organisation, it was equally important that the Committee considered staff motivation in conducting its business.

19. **Members agreed that a paper should come to a future meeting of the Committee to allow members to consider a revised expenditure approval procedure.**
20. **Members also agreed that, as a point of principle, tender specifications should not provide any indication of budget or guide price.** The specification, if well developed, should provide sufficient information for a potential contractor to be able to identify any time or other inputs required, while it was possible for contractors to make their own decisions on how they would go about delivering the outputs sought from a tender.

### **AOCB**

21. No other business was raised.

### **Date of Next Meeting**

22. The next meeting of the Finance Committee was scheduled to take place at 9am on 14 July 2006. A number of members and officers present at the meeting indicated that they had holiday and other commitments on that day and would not be able to attend. Members asked officers to arrange a more suitable date towards the end of August or early September.