

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

**THE CAIRNGORMS NATIONAL PARK AUTHORITY  
held at Glenlivet  
on 19 November 2004**

**Present:**

Eleanor Mackintosh  
Andrew Thin  
Gregor Rimell  
David Selfridge  
Joyce Simpson

**In Attendance:**

Duncan Bryden, Board Member  
Bob Wilson, Board Member  
David Cameron, Head of Corporate Services  
Denby Pettitt, Finance Manager

**Apologies:**

None

The Chairperson welcomed the Head of Corporate Services to his first Finance Committee meeting.

**Election of Chair of Committee**

1. Eleanor Mackintosh was proposed as Chair by Andrew Thin and seconded by Gregor Rimell. There were no further nominations and Eleanor Mackintosh was duly appointed Chair for a further year.

**Minutes of Meeting of 27 August 2004**

2. The minutes of the previous meeting, of 27 August 2004, were approved without amendment.
3. Members of the Committee agreed that the title should be "Chair" of the Committee in order to avoid confusion with references to the Convener of the Board.

**Matters Arising**

4. There were no matters arising from the minutes not covered elsewhere on the agenda.

**2004/05 Finance Monitoring for 6 Months to 30 September 2004  
(Paper 1)**

5. Denby Pettitt advised that the item and paper 1 covered the first half of the year, to 30 September 2004, rather than a seven month period to 31 October 2004 as had been indicated on the agenda. Members accepted that this represented a more appropriate period to cover in the report.
6. In introducing the paper, Denby Pettitt outlined that the pattern of “core” expenditure on staff salaries, office running costs and other associated areas reflected a continuation of the trend reported on at the previous meeting. Expenditure on salaries remained below original budget estimates, while other staff costs, including recruitment and relocation, office running costs and capital expenditure continued to exceed original spending assumptions. A revised core budget of £2.270m for 2004/05, an increase of £0.101m from the original, was proposed.
7. On project expenditure in pursuance of park objectives, Denby Pettitt highlighted the current level of expenditure of under 25% of the full year forecast of £1.195m at the half year point. Anticipated expenditure phasing had not been undertaken when the original budget was set, making assessment of the present expenditure situation more problematic. However, the low level of expenditure half-way into the year was an issue of some concern, although this budget position on project expenditure did allow the proposed budget amendment on core expenditure to be accommodated.
8. Denby also drew attention to the list of small grants supported by the Authority through its own small grant scheme project. These grants may be further supplemented by other funds managed by the Authority, such as Leader+.
9. Joyce Simpson asked officers to expand on action which could be taken to address the potential slippage on project expenditure. David Cameron indicated that a detailed exercise reviewing the position of both current expenditure and future commitments on all projects was currently being undertaken by Denby with the objective of reporting to the meeting of the Management Team on 29 November. This would provide greater clarity on forward expenditure commitments as well as actual expenditure to date, allowing determination of projected outturn expenditure and decisions to be taken on whether other projects should be brought forward to take up slippage in the last four months of the year.
10. Denby also clarified that the movement to accrual based accounting allowed expenditure on projects falling into the early part of 2005/06 to still be accounted for against 2004/05 budgets, provided that the commitment was entered into prior to the end of this financial year. Actual cash payment need not take place.
11. Andrew Thin asked that the Committee’s concern on the slippage in project expenditure be noted and communicated to the Management Team. Members of the Committee also expressed concern that the next meeting would not take place until early February, leaving very little time or opportunity for the Committee to take action on any issues at that stage.
12. David Cameron agreed to communicate the Committee’s concerns on the position to the Management Team. Officers also confirmed they would keep the Chair up to date with progress of the monitoring exercise.
13. Gregor Rimell asked if Board members should encourage organisations to come forward with project submissions in order to take up any slippage in funding in the current year. After discussion, it was agreed that the expenditure position was not sufficiently clear to warrant this and that no action should be taken in that regard at this stage.

14. The Committee noted the outturn for the first six months of 2004/05, to 30 September.
15. The Committee approved the revised budget and agreed to adopt this budget as the full year forecast against which financial performance over the second half of the year would be measured.

### **Action**

16. David Cameron / Denby Pettitt to update Chair on progress of finance monitoring between Committee meetings.

### **Approval of Expenditure For Interpretation at Speyside Way Visitor Centre (Paper 2)**

17. David Cameron introduced this paper, prepared by Pete Crane, Visitor Services Officer, requesting approval for expenditure of £10,000 in support of the development of visitor interpretation at the new Speyside Way Visitor Centre at Aberlour. This Centre will accommodate the Rangers working on the Long Distance Route, 40% of which is within the boundaries of the National Park. The section within the Park is the Authority's responsibility to maintain, which is achieved through a Service Level Agreement with Moray rangers based at Aberlour. Additionally, the A95 is one of the key routes into the National Park, with the proposed investment therefore providing potential visitors who stop in the village with high quality information about the Park. The Authority's proposed £10,000 contribution to the project would supplement expenditure of £50,000 by Moray Council and £10,000 by SNH.
18. Joyce Simpson asked how the investment in interpretation at this point in time would fit with the theme of the Park branding, which was still very much in development. Members discussed the point and agreed that it would be possible to readily accommodate this once the branding had been determined.
19. David Cameron highlighted that the proposal was not presently budgeted for but that this did not appear to be an issue in light of the previous discussion on the position of project expenditure in 2004/05.
20. The Committee approved the expenditure proposal.

### **CNPA Grant In Aid 2005/06 to 2007/08 (Paper 3)**

21. David Cameron introduced this paper which set out the Authority's confirmed grant in aid allocations for 2005/06 to 2007/08. The allocation of £4.3m for 2005/06, an increase of 19.4%, recognised the continued growth and development of the organisation over three years, while allocations of £4.3m and £4.5m in the following two years provided for a reasonably stable financial platform on which to plan. The most notable financial issue was the fixed allocation of £4.3m in both 2005/06 and 2006/07 which did not accommodate room for inflationary increases in costs between years. However, it was anticipated that the completion of final set-up costs in 2005/06 would contribute to off-setting inflationary increases in ongoing expenditure in 2006/07. The budget for 2005/06 and indicative forecasts for following years would be developed in tandem with the Corporate Plan for this period.
22. The report also highlighted that the grant in aid letter indicated that the Authority was expected to participate in the Scottish Executive's "Efficient Government" Initiative, although no specific targets had been set for "productivity improvements". The letter also indicated that the authority was expected to incorporate specific objectives and targets covering the

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grant in aid allocation period in its next Corporate Plan, which was in line with the Management Team's existing thinking on development of the Corporate Plan.

23. Eleanor Mackintosh welcomed the grant in aid allocation, which was broadly in line with the Authority's funding request.
24. Andrew Thin highlighted the importance of considering the efficient government initiative. Key issues here for the Authority were not so much in relatively small savings which may be achieved through procurement changes, but in considering the deployment of the Authority's human resources and ensuring that there was no duplication between the various agencies working within the Park. Gregor Rimell commented that the Board should communicate its willingness to play a key role in efficient government. Duncan Bryden commented that there was public gain to be had in achieving these efficiencies.
25. David Selfridge asked when the first point would be when the Management Team would be able to consider efficiencies which might be achieved. Officers commented that the budget process for 2005/06 would represent the first such opportunity, but this would only signal the start of an ongoing process.
26. Andrew Thin also pointed to the importance of establishing targets with measurable, deliverable outcomes for reporting to the Scottish Executive. Duncan Bryden commented that it was also important to have outcomes which were perceptible to the public.
27. David Cameron indicated that the issue of performance measures was currently a high priority for the Management Team in development of the Corporate Plan. This was made more complex for an enabling organisation such as the Authority, where many actual outcomes would be those of other agencies rather than of the Authority itself.
28. The Committee noted the grant in aid allocations for 2005/06 to 2007/08 and that the budget for 2005/06 and indicative forecasts for following years would be developed in tandem with the Corporate Plan for this period.
29. The Committee noted that the Management Team would consider the potential for efficiency gains and that this would be the subject of future reports to the Committee.

## **AOCB**

30. No other competent business was raised.

## **Date of Next Meeting**

31. The next meeting of the Finance Committee will be held on 11 February 2005 at 9.30am subject to the Board's ratification of a meetings schedule to be presented to it at its meeting in December. The location of the meeting would be identified in the schedule.