

CAIRNGORMS NATIONAL PARK AUTHORITY

EXPENDITURE JUSTIFICATION

1. Title

Economic Baseline Review

2. Expenditure Category

Operational Plan		Code	77601000	Project	✓
(goal description) Baseline Information Gaps				Grant	
Core or Project spend		Code		Consultancy	✓

Is this spend to be funded from an existing budget line, existing line with additional funds or is it a totally new spend?	Up to £30k	Existing budget	✓
	£	Additional	
	£	New budget	

delete as appropriate

3. Description

- Brief overview of project/activity including cost summary
- Specific elements for which support is sought (if not whole project/activity)

<p>The designation of the Cairngorms National Park (the Park) in 2003 brought with it opportunities for economic growth and improved business networks in and around the Park boundary. In response to this, the then Cairngorms Partnership asked Highlands and Islands Enterprise and Scottish Enterprise to undertake an economic audit of the Park. This work, conducted by SQW Consultants in 2002/03, assessed economic issues within the Park and the surrounding area. It formed baseline data for the incoming Cairngorms National Park Authority (CNPA) Board and subsequent development of the Cairngorms National Park Plan.</p> <p>With the Park established for five years and the Park Plan now two years old a measure of progress is required; in simple terms: what effect has National Park status had on the area? Closely related is the need to assess the effect of improvements and additions to business support organisations such as the Cairngorms Chamber of Commerce, Destination Management Organisations and the introduction of the Park Brand.</p> <p>The Park Plan commits the CNPA and partners to promote economic opportunities created by National Park status and ensure expert advice is</p>

available in relation to sustainable development. There is also a pressing requirement for supporting evidence to illustrate progress, or otherwise, with the Park Plan and to compare this to Scotland as a whole.

The work complements other survey work undertaken in the last five years, including STEAM (measuring the tourism economy), local business surveys and barometers, and other economic surveys undertaken by partners such as the Scottish Enterprise and HIE. Some of this data will be transferable to this project.

The intention is to tender the work as a discreet project to a number of established consultants, including SQW who conducted the initial study. Much of the work will be done in close collaboration with CNPA staff and CCC/DMO representatives to ensure that the detailed objectives of the study are met. The attached Commissioning Brief provides further detail if required.

4. Rationale and Strategic Fit

- Objectives/intended beneficiaries
- Evidence of need and demand
- Fit with National Park Plan/Corporate Plan/other relevant strategies
- Linkages to other activities/projects

Project Objectives:

- To update economic baseline data for the Park and, where appropriate, the surrounding area.
- To identify and analyse trends in economic activity in and around the Park, including outline comparisons with the overall Scottish economy.
- To analyse the impact that National Park status has had on the economy of the Park, and the surrounding area.
- To identify opportunities for strengthening the local economy that have yet to be fully exploited, and barriers to achieving those Strategic Objectives of the Park Plan that are directly influenced by the economy.
- To recommend a longer-term methodology for regular monitoring of economic performance and progress.

Intended Beneficiaries:

- CCC/DMOs and the Cairngorm Business Partnership
- Businesses within the Park – emerging trends, opportunities
- CNPA – Park Plan monitoring, shaping future Operational Plan activity
- Scottish Government – monitoring of National Outcomes

Evidence of Need:

The need for an economic review is highlighted as an action in the current CNPA Operational Plan. Confidence in current levels of business intelligence across the Park area is low and is frequently raised as a concern by the CCC and DMOs. The change in role and priorities for HIE and SE have exacerbated this issue, particularly during the transition period for local business advice and focus to LAs.

Fit With National Park Plan:

The project will inform and directly support work towards achieving the following strategic objectives of the CNP Plan:

- 5.1.4 Integrated Land Management.
- 5.2.2 Sustainable Communities.
- 5.2.3 Economy and Employment.
- 5.2.4 Housing.
- 5.2.5 Transport and Communications.
- 5.3.2 Sustainable Tourism.

This project is a Priority for Action within the National Park Plan under 'Making Business and Tourism More Sustainable' :

- 6.5.2a Promote economic opportunities created by National Park status and ensure expert advice is available in relation to sustainable development.

Linkages:

Key linkages to other work are:

- Park Plan, Corporate Plan and Operational Plan monitoring – establishing and informing measures of progress.
- Housing need and development work.
- Supporting economic opportunities created by National Park status (such as strengthening the rural economy, Park Brand).

5. Option Analysis

- Are there other ways in which the above objectives could be achieved?
- If so, why is this the preferred option?

Data has been collected by partners since 2002/03 but only covers the parts of the Park relevant to the particular LA or Enterprise Network. The only way to obtain useful Park-wide data which provides a reasonable degree of confidence in its accuracy and relevance is by conducting a bespoke study for the National Park area.

Since 2002 there have been considerable advances in what data is available online, via the Scottish Neighbourhood Statistics (www.sns.gov.uk)

website. A best-fit boundary for the Park area has been established which allows analysis of economic, health, crime, housing and other indicators. Consultants will also be asked to consider the likely halo effect of economic activity caused by Park status, but outwith the Park boundary.

6. Risk Assessment

- Are there risks to the CNPA in funding this project/activity?
- Are there risks in the project/activity not being delivered to required timescale/quality?
- Comment on the likelihood of such risks occurring, their potential impact, and (where appropriate) any action that would be taken to mitigate the risks.

Monitoring the Park Plan achievements, and the effect that Park status is having, will be difficult to establish without this project. There are significant risks to the CNPA in deciding not to undertake this work (presentational risks to external audiences such as the public and the Scottish Government, as well as operational risks in not aligning actions and resources appropriately).

As with any consultancy project there will be risks associated with meeting the timescale, unless tight contractual terms are stipulated. The intention is for much of the work to be done on a collaborative basis with CNPA staff and CCC/DMO representation which, when combined with regular update reports, an interim and draft report, should provide a measure of insurance against project slippage. Payments will be staged accordingly.

7. Costs and Funding

- Detail the financial costs of the project/activity
- Detail the sources of funding
- Justification also needs to be given if the CNPA is the major funder
- Detail any non-monetary costs to the CNPA (such as Member or staff input)

The project is anticipated to cost up to £40k. Any significant increase on this estimate when tenders are received will be raised in a fresh request to the finance committee.

Funding has been agreed from HIE for 25% of the cost or £10k, whichever is the lower. Negotiations continue with Scottish Enterprise for a further 25% contribution but the indications of support are not positive. Therefore, it is proposed that CNPA fund 75% of the project and allocate up to £30k of funds from the 2009/10 Operational Plan (77601000 Baseline Information Gaps).

The project is of interest to other partners but not to the extent that they are prepared to contribute funds. As a bespoke project it is the CNPA and the

local business community that will gain most use from the results, hence the status of the CNPA as the major funder.

CNPA staff effort (CB and JT) will be used to help manage and guide the project with some limited detailed project input at workshops as appropriate.

8. Funding conditions

- Detail the project specific conditions that need to be included in any contract for services or grant offer letter in order that CNPA obtains the intended outcomes and Value for Money
- In the case of grant offers, our Financial Memorandum requires that SEERAD agree these conditions in advance of the grant offer being made

Detailed guidance is provided in the Commissioning Brief (attached if required) covering the context, objectives, outputs, methodology and monitoring conditions. The funding conditions require an interim report, a draft report and a final report to be delivered and payments will be staged accordingly.

9. Deliverables/ Impact Assessment

- What end products/outputs will be delivered?
- How will success be measured?
- How will the project be monitored and what will be the feedback to the CNPA?

The contract is expected to produce a detailed report in written and electronic form that can be used to inform ongoing operational and policy work within the local business community, the CNPA and partner organisations. Where recommendations are given, the rationale to support them will be clearly articulated. The method of data collection will be similarly explained, to support future data collection and comparison.

There will be regular formal project updates and a close working relationship will be established with the consultants. This will include regular joint working groups. Having regular dialogue and close consultation should enable the project to be shaped appropriately and help ensure the required quality is delivered.

10. Value for Money

- In view of the costs, do the deliverables appear to offer value for money? (consider cost of comparable projects, where available).

The 2002/3 work cost c£40k. By making best use of improved online data availability it is hoped that the work will be conducted in a more cost-effective manner. However, collecting data, especially within a bespoke area such as the Park is more complicated than that of a council or ward area. Some primary research will still be required to address the indicators that are of interest and this has cost implications.

11. Exit or Continuation Arrangements (where applicable)

- If this is not a discrete, time-limited, project or piece of work, what are the exit/continuation arrangements for when CNPA support ceases?

This is a discrete project. There is a requirement to continue to measure trends and economic activity in the future and the project will provide options and a recommendation for doing this in the most cost-effective and efficient way. How this is implemented is a separate future piece of work.

12. Additionality

- Does this work/project substitute for or duplicate work being carried out or proposed by others?

- What would be the effects of the CNPA not supporting the project? Would it proceed without CNPA support?

There is some overlap with recent HIE and Scottish Enterprise studies and this existing work will be incorporated into the project but there is a need for a Park specific focus, hence the requirement for a dedicated study. CNPA is the major funder so the project would not proceed without CNPA support.

13. Stakeholder Support

- Have the organisations and/or communities that would have an interest in this work/project been involved, and are they supportive?
- If supporter are also not funders an explanation may be required.

Full engagement and input has been received from the DMOs and CCC but they are not in a position to contribute financially. They will continue to be involved in steering group work as the project develops. The Enterprise Networks and local authorities have been involved in the steering group although have less direct interest in the project. HIE have agreed to fund £10k or 25% of the costs and negotiations continue with Scottish Enterprise. THC will not support financially and Aberdeenshire will only support (with a small contribution) if THC do so.

14. Recommendation

It is recommended that CNPA provide funding to cover up to 75% of the total project cost and that a maximum of £30k be approved from the 2009/10 Operational Plan.

Name:

Signature: _____

Date:

15. Decision to Approve or Reject

Head of Group

Name:

Signature:

Date:

Chief Executive

Name:

Signature:

Date:

Finance Committee

Name:

Signature:

Date:

Board

Not applicable – below approval limits

Name:

Signature:

Date:

Scottish Government

Not applicable – below approval limits

Name:

Signature:

Date: