

**MINUTES of MEETING of the
FINANCE COMMITTEE of
THE CAIRNGORMS NATIONAL PARK AUTHORITY
held at the CNPA Offices, Grantown
on 20 October 2006**

Present:

Eleanor Mackintosh (Chair) Bruce Luffman
David Selfridge

In Attendance:

David Green, CNPA Convener
Jane Hope, Chief Executive
Denby Pettitt, Finance Manager
David Bale, Head of Natural Heritage (part-meeting)

Apologies:

Apologies were received from David Selfridge and Gregor Rimell. David Cameron was also unable to be in attendance.

Welcome

1. The Chairperson welcomed all present to the meeting, and noted apologies as set out above.
2. As there were only two members of the Finance Committee in attendance, there was not a quorum (3 members required). It was decided to discuss the papers that had been circulated but recognising the issues would need to be considered by the next quorate meeting of the Finance Committee. Paper 1 was for discussion, Paper 2 was a decision paper and there was an Expenditure Justification Form (EJF) that had been circulated to members earlier in the week for decision under AOCB.
3. Any decision on Paper 2 and the EJF was deferred until the next meeting of the Finance Committee.

Minutes of Previous Meeting

4. The minutes of the previous meeting, of 8 September 2006, were approved without amendment.

Matters Arising

5. None.

Outturn for the six months to September 2006 including Update on Q2 Operational Plan Review (Paper 1)

6. Denby Pettitt presented this paper and drew members attention to the underspend of £470,000 for the first six months compared with the initial budget the Committee approved in May, the underspend consisted of Core spend (£66,000) and Operational Plan spend (£404,000) although the majority of the Operational Plan underspend was caused by projects or grant retentions that would be settled within the current year.
7. In discussion the following points were made:
 - a) Management Team were examining ways that the projected underspend could be utilised by new projects to benefit the Park and communities. Management Team had requested that a further meeting be held on November 14 in order to keep track of the situation. The outcome of this meeting will be reported to Committee members as part of the normal monthly update incorporating the October results.
 - b) Core spend was generally kept close to budget and as the organisation was now three years old it was not surprising that there would be some staff turnover reducing our expenditure as posts were vacant. Some of the posts were currently held vacant as the organisation's future staffing needs were assessed as part of the Park Plan process and in the meantime there was capacity in the budget to use temporary help.
 - c) The meeting was told that the take-up of the Integrated Grants Programme (IGP) had, as reported to previous Board meetings, been less than expected. Members asked if more active promotion of the IGP had been needed or if the vacant Programme Manager's post had adversely affected take up. Denby Pettitt reported that management of the IGP had now been assumed by the LEADER+ group and he did not feel that management of the programme had suffered in the month since Dicken left as we had used the opportunity to have a detailed review of grants with Product Champions before passing the project over to LEADER+.
 - d) Members said it was disappointing that the message was given out that the grants programme was over-subscribed when we were reporting an overall underspend of resources. Denby Pettitt explained that IGP had suffered in the past from delays in communities claiming funds once the activity had been completed, this delay meant that much of the 2006/07 IGP was being used to meet commitments the programme had agreed to in 2005/06. As a result of this it was natural for the programme to be reluctant to accept new applications.

- e) A Board paper will be presented to the Board in November looking at the future of grant schemes across the Park and whether the grants scheme can be expanded to involve other organisations as well as be more proactive about direct spend. The point was made that grants were welcomed by the community who favoured events or a days activity where a small amount of grant money from the Park could have an immense benefit.

Ratification of Previously Approved Expenditure Proposals and Approval of Expenditure Previously Presented to the CNPA Board (Paper 2)

8. Denby Pettitt presented the paper which sought formal approval of pre-arrival signage expenditure which had previously been agreed by the Finance Committee Convener, CNPA Chief Executive and Head of Corporate Services.
9. This was the first case of expenditure between £10,000 and £24,999 being approved under the new two-tier approval process agreed at the last meeting. Denby Pettitt explained that since such expenditure was being approved outwith the quarterly Committee meetings we would continue the practice of summarising the expenditure approved in this manner in the next set of Finance Committee papers in order that the Committee and Board members were kept informed.
10. Formal approval of this was deferred until the Finance Committee had a quorum.
11. Approval of the financial consequences of the earlier Board decision regarding the Cairngorms LBAP project were also deferred until a quorum was present.
12. Members agreed with para. 7 of the paper that said in future CNPA officers would ensure that future commitments are identified earlier in the commitment process in order that a decision on financial affordability is made before project approval is sought from the CNPA Board. The Board also need to know if any future expenditure is affordable.

AOCB

13. An Expenditure Justification Form (EJF) had been e-mailed to Committee members earlier in the week regarding expenditure of £46,000 over three years on a Farm Business Viability project. The overall project consisted of two separate but complementary projects:
 - Planning to Succeed; and
 - Cairngorms Monitor Farm
14. After a discussion among Members, David Bale whose Group would be monitoring the project joined the meeting to answer Member's questions.

15. In discussion the following points were made:
- a) The EJF stated that farmers are supportive of the proposal but Members had not heard anything, other farmers they had contacted were not aware of the project and the ILM Forum had not been consulted. Although it was generally seen as a good idea there was concern that we get Value for Money if the Park were to part-fund the project. Bruce Luffman thought that, in theory, it was a brilliant idea and one that the Park Authority should be linked with. He had seen this operate on dairy farms but not in other sectors of farming and questioned how workable it was on the East side of the Park given the need for farmers to be open and share practices.
 - b) David Bale said the project was a longstanding one that had been run successfully in other parts of Scotland and in the past had been well received, SEERAD were looking to roll it out to other areas. He confirmed that Planning to Succeed had operated previously with dairy farms in Dumfries and Galloway. One of the criteria of joining was to be open so it was self-selecting i.e. if farmers were not interested in being open they would not seek to participate in the project. The experience of Quality Meat Scotland in other areas was that the project generated interest even in areas not used to collaboration. The point was made that the farms between Tomintoul and Dinnet were generally not finishing farms and they would need to be approached in a certain way to join the project.
 - c) If we committed money to the project then we would lose the ability to spend it on other projects so we had to be certain of the benefits and that we would receive Value for Money. David Bale felt that anecdotal evidence pointed to it being a good experience although Members felt that this was from other parts of the country.
 - d) HIE were funding 100% of one group but only contributing 20% of the funding to the Group in the Park. David Bale replied that, for Planning to Succeed, there were benefits in having two groups to feed off each other and initially HIE were not going to contribute anything to the group in the Park so there had been some success in receiving funding of 20%.
16. It was agreed that David Bale would investigate the potential take-up of farmers in the area and how this would be approached in the next 2-3 weeks and report back to Finance Committee.

Date of Next Meeting

17. To be held on 1 December 2006, 9:00 a.m, at the Lonach Hall, Strathdon.