

CAIRNGORMS NATIONAL PARK AUTHORITY

Title: BUDGET FOR 2003-2004

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Purpose

To seek the Board's agreement to the proposed budget for the financial year April 2003 to March 2004 and expenditure plans for 2004-05 and 2005-06.

Recommendations

That the Board:

- Agree in principle to adopt the proposed budget for the Park Authority for the financial year 2003 to as set out in Annex A;
- Agree that the Convenor should write to the Minister seeking a meeting to discuss the Park Authority's budget and seeking the Minister's agreement to allocating sufficient funds to meet the Park Authority's proposed expenditure for 2003 to 2004.

Executive Summary

The Scottish Executive advised in March this year that they expected the CNPA's grant-in-aid to be the subject of early discussion between Ministers and the Board.

The attached proposal provides a basis for the Convenor / Deputy Convenor to meet the new Minister and seek agreement to the CNPA's funding for this year. The proposed budget is based on the infrastructure costs inherited from the Cairngorms Partnership, together with some expansion in staff resources and one-off start up costs.

The budget has been further refined to take account of accommodation and staffing requirements up to March 2004. It is anticipated that the Park Authority will need the full amount of the budget to enable it to discharge effectively its full range of statutory functions.

BUDGET FOR 2003-2004

Discussion

1. As a non departmental public body the Park Authority is required to submit its spending plans for approval by the Minister. The spending review process in Scotland is normally undertaken on a bi-annual basis at the same time as UK spending reviews. Spending plans are set three years in advance. The 2002 Spending Review confirmed plans for 2003-04 and set plans for 2004-05 and 2005-06. The next spending review is scheduled to take place in 2004, looking again at plans for 2005-06 and setting new plans for 2006-07 and 2007-08.
2. The setting up of the Park Authority in March 2003 meant that the budgeting process fell outwith the normal 2002 spending review timetable. However, at that time the legislative process to establish the Cairngorms National Park was in progress. In recognition of that fact some provision was made during the 2002 spending review to cover potential spend in 2003-04. However, the Board has not been formally advised of its budgetary provision for 2003-04 and the Scottish Executive announced that they expected the amount of Grant in Aid to be the subject of early discussion between Ministers and the Park Authority.
3. It is difficult to accurately determine the spend of the Park Authority at this early stage of its existence but the budget for 2003-04 has been prepared on the basis of the past pattern of spend for the Cairngorm Partnership plus some expansion of staff. The Park Authority has inherited from the Partnership the lease on the property, all staff and the ongoing project commitments. That has provided a sound baseline on which to build the additional funding requirements of the Park Authority. The total budget for the year to end March 2004 is estimated at just over £2.0m
4. **Staff salaries**, including Board and Committee costs, account for some 38% (£523K staff and £245K Board) of the total budget. Current staffing includes 12 staff transferred from the Cairngorms Partnership, plus 3 secondees. In preparation for Park Authority's exercise of planning functions from September 2003, an Interim Planning Manager was appointed to set in place the relevant planning procedures. Recruitment is currently under way to appoint two Planning Officers and a GIS Technician with proposed start dates in September 2003. Provision has also been made for additional administrative staff to support the planning staff and to provide additional support for the increasing workload in HQ. Four additional policy officers would be recruited in September and October 2003 to advise and develop policy on access, land management, on social/economic policy and the National Park Plan.
5. **Accommodation costs** account for some 23% (£461K) of the total budget. The existing Cairngorms Partnership office at 14 The Square, Grantown has insufficient space to meet the current and future needs of the Park Authority. The new lease on the office also includes the adjoining properties at 15 and 16 The Square but these premises are in need of refurbishment prior to occupation. A start has been made to have the refurbishment works carried out and completed by October 2003. Additional office space is assumed for the east side of the Park and preliminary investigations into suitable accommodation are under way. It is anticipated that some work will be required on the property to meet the Park Authority's needs. Provision of £118K (25% of the accommodation costs) has

been made to meet the costs of work to bring the properties in Grantown and in the east side of the Park up to the required standard, including furnishings.

6. **The current IT and telephone** system within the Grantown office is both outdated and overloaded. A new computer system has been installed with sufficient capacity to meet the expanding needs of the offices in Grantown and additional office accommodation elsewhere in the Park. Direct data links will be installed between HQ in Grantown and other Park office locations to allow network communications. Arrangements are currently under way to replace the existing analogue telephone system with a new digital system that will allow direct dial-in facility and voicemail for individual staff. This will offer considerable savings in time for front-office staff, who currently have to deal with all incoming calls. Provision of £120K has been made for this work.
7. **Corporate identity** will need to be developed in this financial year. An effective web site and instantly recognised logo will be crucial to its success. The Park Authority is currently using an interim web site that gives basic information only and a new unique site needs to be designed to meet the Park's requirements. Provision of £170K has been made for the design, development and management of a new web site. Basic design can be carried out in the interim but full production is dependent on a corporate logo. Initial investigations are taking place to identify a suitable web master and designer.
8. **Programme expenditure** (projects and Park Plan) accounts for some 14% (£282K) of the total budget. Existing commitments inherited from the Cairngorms Partnership Board amount to £98K and were discussed at the Board meeting held on 15 April 2003 at Kingussie. Provision of £126K has been made for new projects to be developed to meet the aims of the Park. A number of possible project commitments are being considered and will be brought before the Board in due course. In addition a further £58K has been allowed for the preparatory work towards the Park Plan.
9. **Planned expenditure** for the following two years is difficult to determine in advance of the Board's discussions on priorities and long-term plans. However, as an approximation, one can assume:
 - An inflation factor of 2.5%
 - Aim for £5m by year 3 (by analogy with growth in budget by the Interim Committee in LL&TT)
 - Significant growth in staff numbers and project expenditure

On that basis very provisional figures would be:

- Year 1 (2003-04) £2m
- Year 2 (2004-05) £3.5m
- Year 3 (2005-06) £5m
- Year 4 (2006-07) £6m

This will be firmed up as part of the process of developing the Corporate Plan this autumn.

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