

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

**THE CAIRNGORMS NATIONAL PARK AUTHORITY
held in the Duke of Gordon Hotel, Kingussie
on 28th October 2011, at 9.00am**

Present:

Eleanor Mackintosh (Chair)
Marcus Humphrey
Gregor Rimell

In Attendance:

Pete Crane, Senior Visitor Services Officer
Jane Hope, Chief Executive
David Cameron, Corporate Services Director

Apologies

David Green
Mary McCafferty

Minutes of Meeting 19th August 2011

1. The minutes of the meeting were agreed with no changes.

Matters Arising

2. None.

Blair Atholl Visitor Information Hub (Paper 1)

3. Pete Crane introduced the paper which followed the Board approval (September 2011) in principle to a contribution of £100k to this project, subject to the Finance Committee agreeing the details of the funding arrangements. The paper before the Committee sets out those arrangements. Details of the funding package and costs were set out at Section 7 of the paper. Detailed costings had been prepared by architects and a quantity surveyor and prior to any tender exercise these indicated a total cost, including fees contingency and VAT, of £536,000. The total funding package amounted to £300,000. This would allow the upgrade of the ranger base/visitor information centre, toilets and associated landscaping. It would not cover the cost of upgrading the road entrance and the carpark (phase 2). The partnership was pursuing additional funding sources for phase 2 from a range of new partners; there was no suggestion of a further contribution from the CNPA. It was noted that if additional funds could not be found, phase 2 would have to be taken forward at a later date. It was noted that partners were agreed it is not crucial to the success of the project that phase 2 be

completed at the same time as phase 1. It would however make the total visitor experience less attractive.

4. It was also noted that the project was still to go out to tender so it remained possible that the final costs could be lower than estimated. The tender would be for the whole project but on a phased basis so that any shortfall in funding could be dealt with through the phasing.
5. As set out at Section 6, the facility was designed to be low cost maintenance and to make the ongoing running costs as efficient as possible. A number of clauses were proposed for inclusion in the grant offer, following up the points made by the Board when it gave it's in principle approval in September.
6. Finally, it was noted that a year-long study at Glenmore had just been completed in which visitors were asked what was important to them. The factors rated as important were: toilets, information about things to see and do, a café, staff to speak to, and education materials. The proposed Blair Atholl development met all these requirements. The only requirement not met was that of a shop, which although not proposed for this facility, did exist within the village. The local tourism association were being involved in the internal fit and design. The Blair Charitable Trust remained keen and giving its backing to the project.
7. **The Committee agreed the proposal as set out in the paper to make an offer of up to £100,000 of grant to the Blair Charitable Trust to develop the Blair Atholl Information and Interpretation Hub.**

2011/12 Second Quarter Review (Paper 2)

8. David Cameron introduced the paper which presented a summary review of income and expenditure for the six months to 30th September 2011, and a projection of the financial outcome for the year to the 31st March 2012. Total expenditure across core operating costs was on budget; Operational Plan expenditure (i.e. expenditure on delivery and projects) was £187k less than budget. There was no overriding reason, with the under spend spread across the range of programmes. The new Internal Coordination Group now in place bringing together the Programme Managers (Operational Management Group) had met recently to review expenditure across the organisation. There was no real cause for concern and Managers were content that expenditure would be on target for the year end. Some revisions had been made to the yearend budgets, notably an additional £10,000 had been allocated to training; and an additional £39,000 had been added to the original budget for depreciation reflecting the additional capital investment at the end of the previous year as a result of the capital funding from the Scottish Government at the yearend (this was invested in a new telephone system, IT, vehicles). While this was standard accounting practice, it was agreed it could be slightly misleading when using the accounts to look at management of expenditure. It was noted that it would be helpful to adjust the presentation of the tables so that the expenditure prior to depreciation was clearer.
9. It was noted that legal costs were extremely difficult to budget for. There was still a lot of work in hand which was likely to incur legal costs: several big planning cases and the challenge to the Local Plan. The estimates were shown under the Planning and

Development Management line in the Operational Plan Programmes. The expenditure on legal costs was based on previous experience and would be monitored closely.

10. **The Committee noted with approval the results for the six month period to the end of September 2011 and the projected outcome for the twelve months to 31st March 2012. They also noted the further analysis of Operational Plan expenditure by programme.**

Reviews of Operational Plan Expenditure Commitments 2011-2014 (Paper 3)

11. David Cameron introduced the paper which reported on future Operational Plan expenditure commitments. Some years ago the Committee had set a limit of 30% of current Operational Plan budget as the limit for future year commitments. Tier 1 commitments (contractual) were running at 20% for 2012/13, and 14% for 2013/14, and were therefore well within the control total.
12. David made the point that the Management Team were in the process of putting together the next Corporate Plan for the Board to consider. This would normally be approved in March for submission to Ministers for their approval. As a result of needing to put together a new Corporate Plan, there was therefore some chance that the Operational Plan, which would follow in the wake of the Corporate Plan, would be delayed slightly. There was therefore some risk to Operational Plan Delivery, and it was suggested that the Committee look again at forward commitments in February, and monitoring would be maintained.
13. **The Committee noted with approval the Operational Plan spending commitments currently made for the current and the next two years.**

Forward Financial Projections (Paper 4)

14. David Cameron introduced the paper which set out the anticipated consequences for CNPA budgets of the recently announced settlement in the Scottish Spending Review. Over the next three years 2012/13 to 2014/15 the cumulative Grant-in-Aid would decline by £240,000. After estimating inflationary and pay pressures, it was estimated that in real terms this represented a decline of £560,000. Nevertheless, it was noted that this was a good settlement in the current Public Sector financial climate. Considerable efficiency savings had already been made internally and there were not many left to be found in the future. The efficiency savings made recently had enabled the CNPA to maintain its Operational Plan spend well despite the decline in Grant-in-Aid. However, the scope for this in the future was now quite limited and therefore it was likely that Operational Plan spend would have to decline. It was noted that the forthcoming discussions about the new Corporate Plan would need to make judgements in terms of the CNPA's priorities, and the blend of expenditure on personnel and investment in projects. In this respect it was noted that the current 2011/12 staff base represented only around 39% of expected total income (the control total was 53%). Clearly key resource allocation decisions remain to be made during the process of developing the next Corporate Plan, and while Management Team was already working on this, the first full discussion with the Board was programmed for the 25th November.

15. **The Committee noted the CNPAs Grant-in-Aid settlement, the impact on future budgets, and noted the forthcoming discussions on the CNPA Corporate Plan.**

Date of Next Meeting

16. Friday 2nd March 2012, venue Beaton Craigie Room, Ballater.