

**CAIRNGORMS NATIONAL PARK AUTHORITY
FINANCE COMMITTEE**

FOR DECISION

**Title: APPROVAL OF EXPENDITURE PREVIOUSLY
PRESENTED TO THE CNPA BOARD
(Land Based Business Training projects)**

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Purpose

To formally approve commitment of expenditure on Land Based Business Training and Cairngorms Awareness and Pride projects for the 2008/09 Financial Year.

Recommendations

That the Committee formally approve the expenditure detailed in para. 6 for Land Based Business Training ('LBBT') and in para. 9 and 10 for Cairngorms Awareness and Pride ('CAP').

Executive Summary

- a) At its August 2007 meeting, the Board confirmed support for both the LBBT and CAP projects continuing over the next three financial years from April 2008 subject to the Finance Committee agreeing the specific funding provisions.
 - b) Much of the external funding that the two projects apply for is awarded on an annual calendar basis so we will need to return to Finance Committee annually to have the project spend approved.
 - c) The table in para. 6 builds on the financial information which was presented in the August Board paper and presents a best and worst case scenario. This is necessary because funding from external bodies has not been fully confirmed and the paper gives details of the reasons for this.
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APPROVAL OF EXPENDITURE PREVIOUSLY PRESENTED TO THE CNPA BOARD (Land Based Business Training projects) FOR DECISION

Expenditure Previously Presented to the CNPA Board

1. At its meeting on 10 August 2007, the CNPA Board confirmed its support for both the Land Based Business training (LBBT) and Cairngorms Awareness and Pride (CAP) projects for the next three financial years, starting from April 2008, subject to Finance Committee agreeing the specific funding provisions. Details of the financial implications, as known at the time, were presented in Board Paper 3, para. 30 to 38.
2. Changes to the funding landscape mean that it is not possible to present a three year business case at present since the main external funders offer funding on an annual basis which has to be applied for each year. We are therefore seeking permission from the Finance Committee for funding on the projects until March 2009, commitments for the following two financial years will be requested in future years.

Future funding - LBBT

3. Since the Board meeting we have reviewed the budgets especially in the light of known changes in funding availability and feedback from the meeting, the table in para. 6 builds on that presented to the Board in the August paper (para. 33) and shows the LBBT budget.
4. Changes that have been made, based on information received after the August Board meeting include:
 - i) under new rules, ESF will only contribute to 50% of the net costs after contributions from Land Based Businesses have been received, whereas the old method of ESF funding was to contribute 50% of gross costs. The impact of this on the Objective 1 programme with gross costs of £112,000 is to reduce the expected ESF income from £56,000 under the old rules to just over £39,500 under the new regime;
 - ii) advice from the Objective 1 Programme Manager is that the focus of the project must be on commercial courses and not public benefit courses ('PBC');
 - iii) the Board also felt that LBBT should continue to provide Health & Safety courses;
 - iv) as a result of points ii) and iii) there will be an increase in the number of courses run.
5. Two columns are given for the current forecast looking at the best case and worst case scenarios, the difference between the two scenarios being the amount of external funding that we are successful in getting (see para. 7 for explanations).

6.

	Current forecast (best case) 2008/09 £'000	Current forecast (worst case) 2008/09 £'000	Presented to Board 2008/09 £'000	Estimate 2007/08 £'000	Actual 2006/07 £'000
Costs (financial years)					
Objective 1	112	112	93	139	136
Objective 3	97	97	85	109	104
	209	209	178	248	240
Funding (financial years)					
CNPA	57	133	39	67	31
ESF	40	0 ^(a)	63	69	113
LEADER/SRDP	29	0 ^(b)	0	0	0
Business contributions	62	62	46	82	80
Other (see para. 8)	21	14	30	30	16
	209	209	178	248	240

See following para. for notes

7. (a) As with the current year, ESF funding is only being claimed for the Objective 1 area. The minimum project size that Objective 3 is able to support is £200,000 which rules out any bid from the CNPA.

Objective 1 would prefer larger bids but are, at present, willing to accept our bid. However, one thing that the Objective 1 Programme Manager is investigating is whether any forestry or agricultural businesses are eligible for new Objective 1 funding or whether we need to get funding for these from the Scottish Rural development Programme ('SRDP'). We will not hear whether our Objective 1 bid is eligible until next month at the earliest, if it is not eligible we need to apply for LEADER/SRDP monies but neither of these will be available until the new financial year. If the Objective 3 bid is eligible then confirmation of the funds should be received in February/March next year although the grant will be claimable from the start of the year.

(b) Neither the LEADER programme nor the SRDP are accepting applications at present since both are new schemes. The worst case scenario obviously assumes no monies are received and the best case scenario assumes that if we are successful in claiming monies these will commence from the start of our financial year (April 2008) and continue to March 2009 although most programmes such as these operate on a calendar year. We do know that monies cannot be claimed retrospectively so there would be a funding gap from January – March 2008 (see para. 11 below) which the CNPA would have to meet.

8. The breakdown of other funding is:

	Current forecast (best case) 2008/09 £'000	Current forecast (worst case) 2008/09 £'000	Presented to Board 2008/09 £'000	Estimate 2007/08 £'000	Actual 2006/07 £'000
<i>Confirmed funding</i>					
HIE (Moray) *	7	7	10	10	0
HIE (IEH) *	7	7	10	10	6
SEG	0	0	0	10	10
<i>Funding applied for</i>					
SEG	7	0	10	0	0
	21	14	30	30	16

* funding from these bodies is £10,000 each for the 2008 calendar year of which 30% will be applied to the January-March 2008 period when around 30% of the costs are incurred.

Future funding – CAP

9. The CAP funding is as shown in the August Board paper. The intention is to run a programme costing almost £42,000 which we would seek 50% external funding for and recovering £3,000 from delegate contributions would leave the CNPA funding £18,000.
10. For the external funding, we are applying to Awards for All who jointly funded the CAP pilot project. Although they do not normally award grants to the same project in consecutive years we are hopeful that they will regard this as a new project with a different set of beneficiaries to the pilot project. Any funding received will be on a calendar year basis and we should know of their decision by February. Failure to receive external funding would result in CNPA contribution being £39,000 if the full programme was run.

Current year funding – LBBT and CAP

11. As mentioned above, some of the funding that we are hoping to claim for the 2008 calendar year are not likely to confirm their contribution, if any, until April 2008 and they will not be able to grant funds retrospectively. However, we already have provision for £30,000 in the current year's Operational Plan to meet expenditure between January and March 2008 and our current projections show this is sufficient.
12. There is also sufficient money now budgeted in the Operational Plan to complete the 2007/08 CAP programme.

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