

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

**THE CAIRNGORMS NATIONAL PARK AUTHORITY
held at Lonach Hall, Strathdon
on 30 November 2007**

Present:

Eleanor Mackintosh
David Fallows
Mary McCafferty

Bruce Luffman
David Green

In Attendance:

Jane Hope, Chief Executive
Denby Pettitt, Finance Manager
Andrew Harper, Head of Economic & Social Development Group
Pete Crane, Senior Visitor Services Officer

Apologies:

David Cameron, Head of Corporate Services

Welcome

1. The Chairperson welcomed all present to the meeting and noted apologies as listed above.

Minutes of Previous Meeting

2. The minutes of the previous meeting of 21 September 2007 were approved without amendment.

Matters Arising

3. There were no matters arising.

Ratification of Previously Approved Expenditure Proposals (Paper 1)

4. Denby Pettitt introduced the paper which contained included expenditure proposals which had been approved by the Finance Committee sub-group and also expenditure on a tourism web portal which because of the size of expenditure (£27,000) had previously been approved by the full Finance Committee in October.
5. In response to a question as to whether checks on the financial background of the successful tenderer for the web portal project had been performed the following points were made:
 - a) controls that had been discussed at the October Finance meeting had been implemented before the contract was offered, this consisted primarily in back-loading the payment terms to protect the Authority from the possibility that the company may cease trading before the contract was completed;
 - b) it was recognised that this would protect the Authority financially but there may still be a cost in terms of time if the contract was not completed as the contract would need to be re-tendered;
 - c) questions about financial viability that were raised in other forums, i.e. the web portal steering group, should be considered in those forums;
 - d) it was agreed that if the Authority agreed actions in a public forum there needed to be follow-up to ensure these actions were performed. It has subsequently been confirmed that actions agreed at the web portal steering group were followed up.
6. **Members ratified all the expenditure approved by the Committee since their last meeting on 21 August.**

Approval of Expenditure previously presented to the CNPA Board – John Muir Award (Paper 2)

7. Denby Pettitt introduced this paper which, along with Paper 3, represented expenditure which had previously been approved in principle by the CNPA Board subject to sufficient financial support from partners and detailed approval of the spending plans by the Finance Committee. It was highlighted that both Papers 2 and 3 would involve the Committee committing expenditure in advance of the Corporate and Operational Plans being approved by the Board, these are expected to be approved in early 2008.
8. Subsequent to the Finance Committee papers being issued, David Cameron e-mailed a proposal that the Committee may wish to extend the formal expenditure approval for the John Muir Award from March 2008, for which monies had already been allocated in the approved 2007/08 Operational Plan, to June 2008 in order to give project staff some security of tenure. Members recognised the need to give staff security of tenure but discussed whether an additional three months gave any benefit.

9. Members also discussed the difficulties in obtaining partner funding and whether the John Muir Trust should be asked to contribute more money. Pete Crane outlined the steps that had been taken to obtain partner funding and advised members that many potential funders regard the John Muir Award as a core function of the Authority that that should be funded primarily by the Authority.
10. The general need for a scoring system to evaluate competing demands on increasingly limited resources was also discussed.
11. **Members agreed to approve expenditure to June 2008 which will enable the Corporate and Operational Plans to be considered by the Board in the meantime.**

Approval of Expenditure previously presented to the CNPA Board – Land Based Business Training projects (Paper 3)

12. Denby Pettitt introduced this paper, highlighting that partner funding for this project was granted annually on a calendar year basis hence the recurring need to consider the Authority's funding to the project in advance of the Operational Plan being finalised.
13. Andrew Harper explained that in applying for European funding we needed to show evidence of matched funding from the Authority in order to secure European funds which was usually done by the Authority issuing a comfort letter.
14. The e-mail referred to in para. 8 above also addressed the fact that the original Finance Committee paper asked the Finance Committee to approve expenditure for the 12 months to December 2008 although the Operational Plan for the last 9 months of this period would not be considered by the Board until early 2008. The e-mail proposed approving commencement of delivery for the January to March 2008 period in the absence of third party funding commitments.
15. **Members agreed to approve expenditure to June 2008 which will enable the Corporate and Operational Plans to be considered by the Board in the meantime.**

Approval of New Expenditure Proposal (Paper 4)

16. Denby Pettitt introduced the paper which was a proposal to grant £16,000 to the Cairngorms Chamber of Commerce for the purchase of Parkz. The accompanying Expenditure Justification Form highlighted the key objective of this expenditure as enabling the Chamber to move towards financial self sufficiency and it would also safeguard the publication of Parkz which is seen as a valuable local guide. Although the level of expenditure meant that the proposal did not have to be put to the full Committee it was felt that the nature of the expenditure required this.
17. Bruce Luffman and Dave Fallows, as members of the Chamber of Commerce, declared interests and did not participate in the discussion.

18. Members discussed the financial sustainability of the Chamber of Commerce beyond the period of the grant for the purchase of Park. The point was made that scope remained for the Chamber to develop other projects to aid its sustainability in future and the Chamber was keen to develop its project management capacity that would not need contributions from its core staff.
19. **Members approved the expenditure.**

Outturn for the Seven Months to October 2007 including Budget Update (Paper 5)

20. Denby Pettitt introduced this paper and highlighted that underspend at this stage in the financial year followed the pattern in previous years and we had historically been successful in increasing spend in the second half of the financial year in order to maximise the use of our resource allocation. In addition, the latest forecast had been updated to reflect the outcome of the Q2 Operational Plan review and a slight reduction in Core staff costs. It is this forecast that future expenditure will be monitored against.
21. Whilst recognising that an underspend was normal at this stage of the financial year, members expressed the view that it was the duty of all staff, not just Finance staff, to ensure spending plans were completed by the financial year end.
22. **Members noted the draft outturn for the seven months and the outcome of the Q2 Operational Plan review. They also approved the latest forecast.**

Draft Resource Allocations 2008/11 (Paper 6)

23. Denby Pettitt introduced this paper which gave an indication of the Resource Allocation the Authority was to receive from the Scottish Government for the three financial years ending March 2011. These had been included in the Scottish Government's draft budget for the same period although this wouldn't be ratified until the Government's budget debate in January 2008.
24. Overall, the indicative budget was close to the figures that had been presented to the Finance Committee in September 2007.
25. **Members noted the indicative resource allocations.**

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26. Jane Hope raised one item of Other Business and asked that members meet in order to discuss how the Authority can incorporate expenditure on projects which may have long term financial commitments into the Authority's financial model and Operational Plan that is reviewed annually by the Board in January/February for the coming financial year.

27. It was agreed by members that an additional Finance Committee meeting would be held on January 25, 2008 (subsequently changed to January 18). David Fallows is unable to attend and gave his apologies.

Date of Next Meeting

28. Following the January 2008 meeting, the next quarterly Finance Committee meeting is scheduled to take place at 9 a.m. on 22 February 2008 at the Community Hall, Boat Boat of Garten.

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