

DRAFT MINUTES OF THE FINANCE AND DELIVERY COMMITTEE MEETING of

THE CAIRNGORMS NATIONAL PARK AUTHORITY

held at the Art & Committee room of Community Hall,

Boat of Garten

on 11 October 2019 at 9.00 am

PRESENT

William Munro (Chair)

Ian McLaren (Vice-Chair)

Eleanor Mackintosh

John Kirk

Xander McDade

Anne Rae Macdonald

In Attendance:

Grant Moir, CEO

David Cameron, Director of Corporate Services

Danie Ralph, Finance Manager

Alix Harkness, Clerk to the Board

Apologies: None.

Welcome and Apologies

1. Everyone was welcomed to the meeting.

Minutes of Last Meeting – Approval

2. The draft Minutes of the meetings on 7 June 2019 were approved with no amendments.

Matters Arising

3. The Chair provided an update on the Action Points from the previous meeting including:
 - a) At Para 11(i) – Closed – Audit & Risk Committee training date set for 14th November 2019 with details surrounding the day being circulated as soon as possible. Bespoke Finance training will be considered following delivery of that session.

Declaration of Interests

4. No interests were declared.

Draft Outturn for year to 31 March 2019 (Paper 1)

5. Danie Ralph Finance Manager, introduced the paper which presents an update to the draft outturn paper for the year to 31 March 2019 which had been presented to the Committee at their last meeting on 7th June 2019. He reported that the accounts presented had been accepted by the auditors and signed accounts this week and it had been a long drawn out process. The outturn was as expected and he was now working towards current year end.
6. David Cameron Director of Corporate Services added that despite the extended audit process at the end of the audit process there had been no impact to the bottom line. He reported that they had been £2k away from break even with a turnover close to £7.5million. He thanked the Finance Manager and his team for all their hard work reaching that position.
7. The Finance & Delivery Committee discussed the paper and made the following comments and observations:
 - a) Congratulations to the team on the final position.
 - b) Could anything be done differently the next time to ensure the audit process is not delayed in the future? Finance Manager advised that the learning point was to be more proactive in managing the auditors. Director of Corporate Services advised that plans would also be considered in conjunction with the external auditors and Audit and Risk Committee on bringing the audit process forward slightly and seeking the auditor's commitment to resolve the audit fully within a shorter, specified period of time.
8. **The Finance & Delivery Committee noted the final audited results off the year to 31 March 2019.**
9. **Action: None.**

Finance Monitoring: 5 Months to 31 August 2019 (Paper 2)

10. Danie Ralph, Finance Manager introduced Paper 2 which presents a summary review of income and expenditure for the 5 months to 31 August 2019. He highlighted the following points:

- a) Year on year becoming tighter on how we report on budget phasing and our projections.
- b) 5 months into new financial year and in the core budgets there are very few variances.
- c) Main monitoring focus is on whole year rather than month by month.
- d) Awareness that budgets will have to be slightly adjusted to allow for unforeseen costs such as mobile phone contracts, contracting additional staff and office cleaning costs.
- e) Depreciation was slightly underspent.
- f) Scottish Government have awarded the Authority with another £45k for peatland work which will be spent by the end of the financial year.
- g) Capital spend is modest with two new servers for better IT capabilities and internal remodelling of the existing office building.
- h) With reference to Annex 1 the picture has slightly changed going forward, plan to link the accounts into excel to make it easier for auditors to trace through.
- i) With reference to Annex 2, the position is ahead of prior years in terms of commitments and spend. Planning budget still to finalise phased position as it is relying on Reporters Unit and their timing of Local Development Plan Review. Indicative costs should be confirmed at end of the October.
- j) Looking like an easier year end to manage.

11. The Finance & Delivery Committee discussed the paper and made the following comments and observations:

- a) Clarity sought on the increase in office cleaning costs. Finance Manager explained that the contractors had under-billed for year one as a result of the increase in the Scottish Living wage last year and had absorbed the cost themselves. He went on to explain that this year they had corrected the error and were now invoicing for the right amount.
- b) Could it be explained why the Authority contracts the cleaning out as opposed to directly employing locally? Director of Corporate Services advised that it used to take a significant amount of time to recruit and manage the cleaning service and also put additional “out of hours” working responsibilities on staff with associated cost and management consequences. All cleaning staff provided by the Fort William based contractor are local to Grantown on Spey. Director of Corporate Services confirmed his view that this was an appropriate service to contract out.
- c) Comment made that it was better to contract the cleaning externally as should any issues with their staff arise the contractor can deal with it.
- d) Concern was raised that the Tomintoul & Glenlivet Landscape Partnership (TGLP) Project Board had not been party to any discussions on finance and that this was concerning at this stage and going forward into the most crucial few

- months. Director of Corporate Services agreed to take this concern from the Committee to Peter Mayhew and Will Boyd Wallis.
- e) The CEO explained the TGLP had 23 live projects and while they were in a relatively comfortable position despite there being issues around certain projects. Director of Corporate Services reiterated the importance of the TGLP Project Board having an overview of where the finance sits on the last 12 months of the project and the Authority as Accountable Body for the project and suggested preparing a paper to bring before the Finance & Delivery Committee at their next meeting.
 - f) Was there scope for holding training for project boards? Staff agreed that training could be provided if required. In this case, however, there was an impression that this was a complex programme of work for management to deal with, including various partner and funder relationships, while it was recognised that the Programme Manager has a difficult role to balance the overall management and governance of the programme with operational delivery. As such, there was not a perceived weakness in the Programme Board although training could be delivered as required to further strengthen this.
 - g) On what date was the TGLP project due to come to an end? The CEO confirmed it was scheduled to end in September 2020 however the £100k legacy fund would continue after. Agreement that the TGLP Project Board needs to be provided with a financial overview.
 - h) Director of Corporate Services highlighted that if any risks were identified as part of the review of the TGLP project, another meeting of the Finance & Delivery Committee could be scheduled in advance of the next programmed meeting on 21st February 2020.
 - i) With reference to annex 2 of the paper and the percentages showing a huge spread of remaining expenditure from 18% to 77%, members questioned how normal was that? The Finance Manager confirmed that it was all normal, in Visitor Services for example that was associated with grant funding for Rangers Services. The CEO advised that the expenditure in regards to Planning budget was specifically around the draft Local Development Plan and depended on if the Reporters decided if the examination would be oral or written. He advised that the costs involved should be known by the end of November and that last time it had cost in the region of £45k. The Finance Manager added that 5 months into the current financial year, the current position on level of financial commitment and expended against budget was healthy compared to previous years when only 35% was committed.
 - j) Director of Corporate Services highlighted that there was capacity for budget movement given that an additional Scottish Government grant of £117k was expected to compensate for some of the employers pension contributions earlier in the year.

- k) Query regarding the additional gap of £30k for the employers pension contributions. The CEO confirmed that this gap remained. The increased pension costs were not being reimbursed in full as some element of pensions increase had been notified well in advance of budget setting. Reimbursement was in respect of the unexpected level of increase.
- l) The CEO reported that there would be further £44k for peat depth surveys preparatory work taking place this winter. The Authority had been asked to fund biodiversity work and could be awarded additional funding for that work.
- m) Would the pension gap decrease year on year? Director of Corporate Services admitted that he was not sighted on what would happen going forward, he advised that pensions are set up by the UK Treasury and are therefore out with the Authority's control. He advised that budget scenario work developed had assumed that the reimbursed grant would be embedded into a higher grant in aid levels going forward, while the "gap" in cost increases would continue to have to be covered by the Authority from those resources.
- n) The Convener asked if there was a saving to be taken from Board and Staff costs, while Board costs were fairly on track it appeared that staff costs were higher than projected. The Finance Manager advised that this was normal at this time of year. The CEO added that the Authority had seen an increase in Board travel and subsistence expenses claims and that a closer eye would need to be kept on it, especially as there was pressure from government to reduce carbon emissions. He added the Travel and subsistence policy would be revised for Board and staff in the coming months. Director of Corporate Services added that he intended to take a paper on this to the next Staffing & Recruitment Committee meeting in December 2019 as there was a need to review the authorisation procedures for Board Members attending conferences.
- o) The Board Convener reminded staff that as they had axed the pre-board discussion, dinner and overnight, £5k should be freed up and come back into the budget. He also advised that with the reduction in Board meeting days from April 2020 this should also free up another £2k next financial year. He suggested that meetings are held in more central and accessible locations so that they public transport can be more widely used by the Board. Director of Corporate Services noted this while also highlighting that appropriate meeting facilities including Wi-Fi were important considerations in finalising venues.
- p) Clarification requested on the £5k income from Forest Holidays in the Operational Plan. The CEO advised that this was part of a NPUK payment for a specific project. Director of Corporate Services added that due diligence had been carried out on payments such as this to ensure there would be no issues around planning.

12. The Finance & Delivery Committee noted the outturn for the 5 months to 31 August 2019.

13. **Actions:**

- i. **Director of Corporate Services agreed to raise that the TGLP Board needed sight of the financial overview of the project from the Committee to Peter Mayhew and Will Boyd Wallis.**
- ii. **TGLP project overview paper to be brought to the next Finance and Delivery Committee meeting.**

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14. Director of Corporate Services reported that the Cairngorms LEADER programme had slightly overcommitted £2.968million, with that over-commitment expected to be resolved through limited project slippage, which was an excellent position. He explained that there were a number of LEADER groups in Scotland who had failed to commit their monies and therefore the uncommitted funds had been put into a central fund which Cairngorms LEADER have bid into. He advised that they had been successful and had been awarded in excess of £66k and as accountable body for the Cairngorms LAG he wanted to ensure this Committee were content with the increase in allocation. The Finance & Delivery Committee recognised that the Cairngorms LAG were in a better position with the Scottish Government than two years ago and confirmed that they were content with the increased allocation.
15. The CEO provided the Committee with the following updates:
 - a) The Authority had placed an expression of interest to the Horizons Heritage Lottery Fund where only one project per country was to be funded. He advised that the Cairngorms Climate bid totalled £54.8million. He advised that if the Authority were successful in getting through this stage they would then have 12-14 months to draw up a detailed bid.
 - b) Potential funding coming through the biodiversity fund and in discussion with the Scottish Government on how to apply next year either through Grant and Aid allocation or through applying to SNH.
 - c) The CEO had placed a bid for funding from Scottish Government for a rangers service for the Authority going forwards, however the likelihood of this would not be known until at least the budget was announced in December 2019.
 - d) The Climate Change conference would take place on Monday 9th March 2020 and the Minister had confirmed their attendance.

Date of Next Meeting

16. The next Finance and Delivery Committee meeting will take place on Friday 21 February 2020 in Ballater, venue to be confirmed.
17. The meeting finished at 10.05 hours.