

## CAIRNGORMS NATIONAL PARK AUTHORITY

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**Title: PROJECT APPROVAL PROCESS AND UPDATE**

**Prepared by: NICK HALFHIDE, HEAD OF POLICY AND PROJECTS**

### **Purpose**

This paper seeks the Board's approval on the process for approving proposals for research, projects and making grants or loans to third parties; and for staff to work up a number of proposed new areas of work.

### **Recommendations**

Members are invited to agree that:

- whilst it is for the full Board to agree overall priority areas for funding, the Finance Committee should oversee decisions on individual proposals for research, projects and offering grants or loans;
- proposals that require to be referred to the Scottish Executive under the terms of the Management Statement and Financial Memorandum should be approved in advance by the full Board;
- projects over £25,000 should be approved in advance by the Finance Committee;
- the Head of the Strategic Policy and Programme Management Group should report on the progress of projects on a quarterly basis to the Finance Committee; and
- officials work up the new suggested proposals for future approval.

### **Executive Summary**

The Authority has powers to fund research, undertake projects and give grants or loans to third parties. The Scottish Executive has proposed expenditure thresholds above which they must be consulted in advance. These are still the subject of negotiation and in the meantime we recommend that all proposals above these thresholds be approved first by the whole Board. Decisions on proposals below these figures are delegated to officials, overseen by the Finance Committee, who will also be in charge of monitoring progress.

The Authority has already taken on the commitments of the Cairngorms Partnership and agreed spend on some new projects at its first Board meeting. Since then staff have begun work on a number of new projects, research proposals and grants. Further work is required to develop these ideas further for future approval.

## PROJECT APPROVAL PROCESS AND UPDATE

### Introduction

1. Under the National Parks (Scotland) Act 2000, the Authority has general powers to fund research, undertake projects and give grants or loans to third parties. The purpose of these powers is to further the work of the Authority in ensuring that the 4 aims of the National Park are collectively achieved in a co-ordinated way.

### General Decision Making

2. Making these decisions occurs at two levels. Firstly, the Board agrees priority areas for expenditure. Often these will be quite broad in their scope, e.g. all ability access or information for the public. In due course deciding these priority areas will form part of the Park Plan and Corporate Plan processes, though inevitably these priorities are still emerging as the Board familiarises itself with the many issues within the Park.
3. Secondly, the Board will need to agree a process for taking decisions on individual proposals, finding a route that balances its responsibilities for approving spend, and making efficient use of resources through appropriate delegation.

### Decisions on Individual Proposals

4. The Board has already agreed that interim arrangements for the delegation of functions to the Authority's staff, including decisions on funding. These include a safety mechanism whereby cases that represent a departure from or significant development of NPA policy or procedure, should be referred to the Board or appropriate Committee, with controversial proposals discussed in advance with the relevant lead Member, Committee Chair, Convenor or Deputy Convenor as appropriate, and referred to the Board or relevant Committee for decision as appropriate.
5. The first decision the Board has to agree therefore is which Committee should deal with decisions on funding research, projects and grants or loans. It is recommended that this should be delegated to the Finance Committee.

### Seeking Scottish Executive Approval

6. Some larger items of expenditure require the prior approval of the Scottish Executive. These thresholds are set out in the draft Management Statement and Financial Memorandum which is intended to be the broad framework within which the Authority must operate. This is still the subject of negotiation with the Scottish Executive and will come before the Finance Committee soon for discussion.
7. In its current draft, it states that if the estimated contribution by the Authority to a project is between £50,000 and £100,000, then the Authority must submit an outline of the project to the Scottish Executive so that they can decide whether or not to

- delegate approval to the Authority. Where the Authority's estimated contribution is above £100,000 we must submit a detailed appraisal for approval.
8. For consultancies, the thresholds are lower. Discrete consultancy projects worth £10,000 or more must be submitted to the Scottish Executive for approval. Where the consultancy is part of a larger project within the Authority's delegated powers, this threshold is £50,000 or more.
  9. The threshold for grants or loans to third parties is still under discussion.
  10. The key difference between projects and grants/loans to third parties is the degree of management of the way that the money is spent and ownership of the final product. Projects tend to be managed by officials within the Authority, often in partnership with other bodies, whilst grants and loans are paid to a third party to achieve something in line with the Authority's purpose but from which it will receive no direct benefit.
  11. These thresholds are important as they mark the boundary between decisions delegated to the Authority and those which are reserved to the Scottish Executive. Accordingly, it is recommended that any proposals that breach these thresholds should be agreed by the full Board, and not just the Finance Committee, before submission to the Scottish Executive.

### **Smaller Proposals**

12. Under the current arrangements, the Board has delegated to staff the approval of proposals below these thresholds, provided that they are in line with the Authority's policies and are not controversial. However for all smaller proposals, and particularly those nearer to these thresholds, eg projects over £25,000, and consultancies over £5,000, the Board will wish to consider what role to play in approval.
13. There is clearly a balance to be struck here on the one hand between delegation of responsibility, and the related empowerment of staff to get on with the job, and on the other, the need of the Board to be involved in the more significant decisions and to support staff. The precise balance will undoubtedly evolve over time in response to experience, the advice of internal and external auditors, and the evolution of limits within the Management Statement and Financial Memorandum.
14. For the time being, it is proposed that, in addition to the procedures above, the Finance Committee be asked to approve all projects in which the Authority's contribution is over £25,000. We do not propose a similar arrangement for consultancies since the threshold for approval by the Executive is already so low.

### **Monitoring**

15. Monitoring of spend on individual tasks is important to ensure that they do not overspend and that they achieve the required outputs. This is a role for individual staff members, overseen by line managers as well as the Strategic Policy and Programme Management Group and the Chief Executive.

16. It is also important that the Board is kept aware of progress, and is alerted to potential difficulties. To that end, it is recommended that the Head of the Strategic Policy and Programme Management Group report on the progress of projects on a quarterly basis to the Finance Committee.

### **Existing Commitments**

17. At their first meeting on 15<sup>th</sup> April 2003, the Board noted the projects inherited from the Cairngorms Partnership, and agreed to commit further funds to a Visitor Survey and John Muir Award Project Officer. This amounted to an overall commitment of £111,861 in 2003-04, £48,993 in 2004-05, and £38,662 in 2005-06.
18. More recently, Scottish Ministers have confirmed the CNPA's budget for 2003-04, including a sum of for programme expenditure on projects, research and preparatory work on the Park Plan.

### **New Commitments**

19. In addition to those projects approved by the Board on 15<sup>th</sup> April 2003, staff have developed a number of projects further, seeking the views of the Convenor, Deputy Convenor and individual Members as appropriate. These are:

#### Projects

- Community Councils Group Support Officer: extension until the end of December 2003 - £6,750;
- Land-based Business Training –£8,130 in 03-04, and £32,526 in 04-05;
- Local Biodiversity Action Plan Phase 3 – £7,200 in 03-04, £14,400 in 04-05, £14,850 in 05-06, and £8,262 in 06-07; and
- Cairngorms Visitor Survey – a further £3,904 to cover additional costs.

#### Research

- All Abilities Research - £1,650;
- Community Development and Communication within the Cairngorms –£9,750; and
- Crofting Baseline Study in Badenoch and Strathspey - £2,000.

#### Grants

- Non-Native Fish Project – £3,000.

20. All of these fall below the thresholds for referral to the Scottish Executive, and two will need to be referred to the Finance Committee under the procedure proposed above.
21. Further, the Board paper on 15<sup>th</sup> April 2003 omitted to record a commitment inherited from the Cairngorms Partnership to pay an annual honorarium of £1,667 to the independent chairman of the Cairngorms LEADER+ Local Action Group.
22. Taken together with the previously agreed commitments, these amount to a projected spend of approximately £156,000 in 2003-04.

## New Proposals

23. We are now considering developing the following proposals. These have arisen from early discussions with individual Members and partner organisations:

### Projects

- Interpretation workshops by Sam Ham - £3,500
- Develop the Cairngorms National Park marketing study - £5,000
- Next phase of the Aviemore-Glenmore off-road route - £10,000

### Research

- Investigate the possibility of the CNPA assisting/facilitating the provision of broadband to remote businesses and communities in the CNP - £8,000;
- Develop a structured approach to dealing with conflict between the aims of the National Park, under the terms set out in section 9 of the National Parks (Scotland) Act (often referred to as the Sandford principle) - £10,000;
- Develop advice and recommendations on how the sustainable tourism charter could be implemented in the CNP, what this implies in practice and the likely costs - £8,000;
- Identify existing streams of public sector funding coming into the area and how they are deployed - £10,000;
- Draw together previous research into human disturbance of key species in the Cairngorms - £5,000
- Survey of cultural assets - £8,000

### Grants

- Community Councils Group Support Officer- £3,750 in 03-04, and £15,000 in 04-05
- Senior Feis Development in Badenoch and Strathspey - £4,500
- Support the redevelopment of The Retreat Folk Museum in Glen Esk - £10,000

24. Taken together with the funding proposals approved, these new proposals will take programme expenditure to about £241,500 for 2003-04. This is well within the budget of £282,251 approved for Programme Expenditure by the Board on 23<sup>rd</sup> May 2003.
25. If Members are content, officials will further work up these proposals and seek detailed approval as appropriate in line with the decision-making process set out above.

**Nick Halfhide**  
**12<sup>th</sup> September 2003**

**nick@cairngorms.prestel.co.uk**