

DRAFT MINUTES OF THE FINANCE AND DELIVERY COMMITTEE MEETING of

THE CAIRNGORMS NATIONAL PARK AUTHORITY

**held at the Cairngorm Hotel, Aviemore
on 30th June 2017 at 9.30hours**

PRESENT

Peter Argyle

Angela Douglas

Kate Howie (Convener)

Eleanor Mackintosh

Gregor Rimell

In Attendance:

Grant Moir, CEO

Murray Ferguson, Director of Rural Development & Planning

Pete Crane, Head of Visitor Services

Danie Ralph, Finance Manager

Alix Harkness, Clerk to the Board

Apologies: David Cameron, Director of Corporate Services

Welcome and Introduction

1. The Convener welcomed everyone to the meeting and apologies were noted.

Minutes of Last Meeting – Approval

2. The Minutes of the last meeting on 7 April 2017 were approved with no amendments.

Matters Arising

4. There were no matters arising.

5. The Convener provided an update on the Action Points from the previous meeting:

- Action Point at Para. 6i) – Ongoing – reduction of catering and accommodation costs associated with Board meetings would be kept under review.
- Action Point at Para. 13i) – Closed - Update on the provision made for the Authority as Lead Body to the LEADER project on Agenda as Item 9.
- Action Point at Para. 13ii) – Closed – Thanks relayed to Finance Team.

Declaration of Interests

6. There were no interests declared.

Finance Monitoring: 11 weeks to 20 June 2017 (Paper 1)

7. Danie Ralph introduced this Paper which presents a summary review of income and expenditure for the 11 weeks to 20 June 2017. He highlighted:
 - a) There was no variance report as everything was coded green.
 - b) Traffic light symbols had not yet been added to Annex 1.
 - c) The June return was submitted to the sponsoring department within Scottish Government on 29 June.
 - d) Since the time of writing the paper the money associated with the Tomintoul & Glenlivet Landscape Partnership had been received.
 - e) Three LEADER funded projects had been paid in the past three months.
 - f) With regard to the Annual accounts there had been no alterations to the accounts submitted for audit and were on track to be ready for signing in September.

8. In discussion the Finance & Delivery Committee made the following comments and observations:
 - a) Why had quarter 4 of LEADER not been claimed? Danie advised that there had been a change in process that meant that the Authority would not claim the last quarter of the financial year which would be covered by the Authority's annual contribution to LEADER operating costs.
 - b) The perceived reputational risk to the Authority from community groups who have been successful at being awarded LEADER funding who are finding accessing the funding challenging due to goal posts being constantly moved. Grant advised that the separation between the Cairngorms Trust who award LEADER funding and the Authority would administer applications and awards would need to be reiterated to all applicants. He added that the LEADER administration team are doing a good job and are the furthest ahead in Scotland in terms of engagement etc. All funds are expected to be fully allocated by the next meeting in August 2017.
 - c) Resounding agreement that the reputational risk would be felt by all LAGs across Scotland.
 - d) The need for the LAG to look for and identify an alternative funding source to support community groups after Brexit.

- e) Suggestion was made that the LAG Chairman telephones successful project applicants to reassure them that they too are finding the constant moving of goalposts challenging to help foster a better working relationship.

9. The Finance and Delivery Committee noted:

- a) the results of the 11 week period to 20 June 2017;
- b) the position on projects in the same period.

10. Actions: None.

Scottish Scenic Routes Project – Construction Completion (Paper 2)

- 11. Pete Crane introduced the Paper which summaries the completion of the three viewpoints that have allowed the development of the Snow Roads Scenic Route and outlines the ongoing work lead by the Cairngorms Business Partnership to further develop the route.
- 12. In discussion the Finance & Delivery Committee made the following comments and observations:
 - a) Clarity sought as what was being referred to that the role of the competition winners needed to be made clearer (paragraph 11 Annex 1). Pete advised that the designs were the winners' own designs and therefore not attributed to their employer.
 - b) What was the reasoning behind high quality entries matching the design briefs not being followed and how was it addressed? Pete advised that the process evolved during the three years, he advised that in order to qualify entrants had to have newly graduated from University and their ability to cost a project in a rural area proved challenging. This meant adjusting designs to ensure that budgets were met.
 - c) Would have liked to have seen the popularity of the viewpoints better reflected in the paper.
 - d) Felt that some of the difficulties with the communities, particularly Tomintoul, had been played down in the paper. Pete confirmed that discussions with the land owner were ongoing in this location with the view to creating a path from the village to the viewpoint.
 - e) The need for signage at the viewpoint at Glenshee and who would provide it. Pete advised that Perth & Kinross council were taking the lead on this front and had invited all the roads departments together to look into appropriate signage.
 - f) Resounding praise to Pete Crane for putting all the work into the project which proved very successful.

13. The Finance & Delivery Committee noted the construction element of the Scenic Routes Project and the ongoing development of Snow Roads as a visitor experience.

14. Actions: None.

Project Closure: Building a Stronger Communities in Cairngorms National Park (Paper 3)

15. Murray Ferguson introduced the Paper which asks the Committee to review and close the pilot project exploring the use of the Building Stronger Communities Framework in the Cairngorms National Park. He highlighted the following points:

- a) Full roll out of the technique used in this project was not being proposed across the whole National Park area.
- b) Karen Derrick from Voluntary Action Badenoch & Strathspey (VABS) had reported that she had picked up some pointers from the facilitators during the course of the project that she hoped to apply in her own work.

16. The Finance & Delivery Committee made the following comments and observations:

- a) What did Karen learn? Murray confirmed that Karen felt that she could not have approached some communities like Newtonmore in the way in which the facilitators did.
- b) The future of third sector funding in the Highlands.
- c) Discussion around potential local government review bill and empowering communities to do more at local level. Grant suggested that the Board schedule a board discussion session in the winter time. This was agreed.
- d) Why had the suggestion in paragraph 10d of the paper not been carried forward into paragraph 16? And furthermore suggestion was made to use former Board members too. Murray agreed to amend this.

17. The Finance & Delivery Committee noted the closure of the project and the lessons learned and recommendations.

18. Actions:

- i. **Board Business session to discuss the implications of potential new bill associated with local government and community empowerment to be organised from winter 2017/18.**

- ii. **Recommendations at paragraph 16 to include making use of local current and former board members to build support.**

CNPA Lead Body provision for LEADER (Oral Update)

19. Danie provided an update on the provision made for the Authority as Lead Body to the LEADER project. He made the following points:
- a) It is recognised that as a grant funding programme there is always a residual risk of errors in assessment of eligibility and in claims processing. In the case of LEADER, eligibility and claims processing are relatively complex. Assurance has been received from the second consecutive annual internal audit of LEADER that our control systems and our operation of these control systems are effective – the internal auditors have once again graded both the design and operation of our LEADER administration and internal control systems as “substantial” (highest level of assurance) with no recommendations for improvement action made.
 - b) Despite this good level of assurance, it remains prudent to seek to provide for potential eventualities arising from the remaining uncertainty in guidance and eligibility. The previous LEADER Programme resulted in a total of about £25,000 of payments being classified as ineligible and having to be covered by the Authority’s own resources as accountable body. This equated to about 1% of LEADER funding and less than 0.5% of total programme value of more than £6 million invested in community led projects. The cost was also spread over a number of years.
 - c) At the 2016/17 financial year we have about £1 million of LEADER funding committed to agreed projects with contracts in place.
 - d) In our final accounts now with the external auditors, we have sought to provide around £30,000 against this LEADER commitment in recognition of the potential for some errors to be identified. The percentage provision is slightly higher than for the previous programme simply in reflection of the increased level of uncertainty around application of eligibility guidance and varying interpretations being taken by LEADER teams and the Scottish Government’s business assurance team. Experience over the course of 2017/18 will allow us to reassess the adequacy of this provision at the end of the current financial year. To date, the external auditors seem content with this approach. This also complies with our planned approach to the risks of the Accountable Body role in our strategic risk register.
 - e) £70k has been budgeted for 2017/18 as the Board’s agreed contribution to support Cairngorms LEADER administration and animation.
 - f) In addition the overall LEADER budget will be carefully monitored as some of the Cairngorms contribution is likely to be required to maintain our

administration and animation expenditure at below 25% maximum of the LEADER allocation.

- g) Overall a good level of cover to deal with any issues arising over the course of the current financial year.

- 20. The Finance & Delivery Committee noted the update.

AOCB

- 21. The Convener noted that this would be her last meeting as Convener of the Finance & Delivery Committee and reported that she had very much enjoyed the role. She wished the next appointed Convener all the best in the role.

- 22. Peter Argyle, Board Convener thanked Kate on behalf of the Board for all her hard work as Convener of the Finance & Delivery Committee and said that she would be sadly missed.

Date of Next Meeting

- 23. The next Finance and Delivery Committee meeting will take place on Friday 17th November 2017 in the Beaton Craigie room, Ballater.

- 24. The public part of this meeting finished at 10.35hours.