

# CAIRNGORMS NATIONAL PARK AUTHORITY

ÙGHDARRAS PÀIRC NÀISEANTA A'  
MHONaidh Ruaidh

## **ANNUAL REPORT AND ACCOUNTS 2018/19**

**AITHISG BHLIADHNAIL AGUS CUNNTASAN  
2018/19**

**...AN OUTSTANDING NATIONAL  
PARK, ENJOYED AND VALUED BY  
EVERYONE, WHERE NATURE AND  
PEOPLE THRIVE TOGETHER...**

**...SÀR PHÀIRC NÀISEANTA, A THA  
A' CÒRDADH RIS A H-UILE DUINE  
AGUS AIR A BHEIL IAD UILE A' CUR  
LUACH, AGUS FAR A BHEIL NÀDAR  
AGUS DAOINE A' SOIRBHEACHA...**

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# KEY PERSONNEL AND SPONSORING BODY

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## BOARD MEMBERS

Peter Argyle – Convener to 30 September 2018  
Rebecca Badger – stood down 21 March 2019  
Geva Blackett – deputy Convener from 7 December 2018 – reappointed 21 March 2019  
Carolyn Caddick  
Angela Douglas – stood down 30 September 2018  
Deirdrie Falconer – appointed 21 March 2019  
Dave Fallows – stood down 21 March 2019  
Pippa Hadley  
Janet Hunter  
Gregor Hutcheon – stood down 30 September 2018  
John Kirk – appointed 28 March 2019  
John Latham  
Douglas McAdam – appointed 1 November 2018  
Dr Fiona McLean – appointed 1 November 2018  
Anne Rae MacDonald – appointed 1 November 2018  
Eleanor Mackintosh – chair Planning Committee – reappointed 21 March 2019  
Ian Maclaren  
Xander McDade – Convener from 1 October 2018  
Willie McKenna – reappointed 21 March 2019  
William Munro – appointed 1 November 2018 – chair Finance and Delivery Committee  
Gordon Riddler – stood down 30 September 2018  
Dr Gaener Rodger – appointed 1 November 2018  
Derek Ross – appointed 1 November 2018  
Judith Webb – chair Audit and Risk Committee  
Walter Wilson – resigned 18 June 2018  
Brian Wood – Deputy Convener, stood down 30 September 2018

Board member profiles can be found at <http://cairnngorms.co.uk/authority/board/>

## CHIEF EXECUTIVE AND ACCOUNTABLE OFFICER

Grant Moir

## DIRECTORS

David Cameron – Corporate Services  
Murray Ferguson – Planning & Rural Development  
Dr Peter Mayhew – Conservation & Visitor Experience

## SPONSORING BODY

Environment and Forestry Directorate, Natural Resources Division, Scottish Government

## PART I – PERFORMANCE REPORT

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# PART I PERFORMANCE REPORT

## OVERVIEW

### Forward

I have pleasure in presenting the Cairngorms National Park Authority's (the Park Authority) Annual Report and Accounts covering its fifteenth year of operation, from 1 April 2018 to 31 March 2019.

The Park Authority has worked this year to progress priority objectives set out in our new Corporate Plan, 2018 to 2022. Our Corporate Plan sets out how we will allocate our resources and explains how our use of these resources will help to deliver the Cairngorms National Park Partnership Plan along with our wide range of partners, and through this contribute to achieving the Scottish Government's Strategic Objectives.

The Park Authority is responsible for delivering across conservation, visitor experience and rural development. This involves us in our statutory functions, such as, planning and access but also in our role of working with a wide range of partners to deliver projects on the ground that deliver on our outcomes. This has been achieved through leveraging in additional funding into the National Park on conservation projects, rural regeneration projects, access projects and much more besides.

It has been a busy year and some of the key highlights of our work in the National Park are in this Annual Report and Accounts, with more detailed information available in our Annual Review of 2018/19. (<https://cairngorms.co.uk/authority/annual-reports/>)

A major highlight of the year was the Cairngorms National Park, and the Park Authority, playing host to the annual EUROPARC Conference in September 2018. This brought around 500 delegates from 36 countries to Scotland and the Cairngorms. Of these delegates, 100 were under 30 years of age: itself making a significant contribution to the Year of Young People in Scotland and engaging the next generation in conservation and sustainable communities.

"We consider this Conference a great success ... the participation numbers were higher than ever ... the agenda took place as scheduled and the enjoyment of the delegates was tangible from the beginning till the end!"

*EUROPARC Federation*

This conference was the biggest gathering of National Parks and protected areas ever held in Europe with world class speakers presenting their views on how to get young people more involved in nature. The major output from the conference was the Youth Manifesto which protected areas across Europe are now delivering and which in the Cairngorms has led to the co-design of a Youth Council which we will launch later this year.

We will continue to contribute to the Scottish Government's National Outcomes as set out in the National Performance Framework, and we remain committed to ensuring that "our public services are high quality, continually improving, efficient and responsive to local

peoples' needs." We aim to deliver high standards of service within our agreed budget allocation while achieving a break even financial outturn.

Fundamentally we are determined to work with people and continue to deliver the projects that make a significant difference to all those that are involved in this National Park. That is what public service is all about.

A handwritten signature in black ink, appearing to read 'Grant Moir', with a stylized flourish at the end.

Grant Moir  
Chief Executive and Accountable Officer

## The Park Authority

The Park Authority is a Non-Departmental Public Body sponsored by the Environment and Forestry Directorate, Natural Resources Division, Scottish Government.

The Designation Order for the National Park was approved on 7 January 2003, came into force on 25 March 2003, and the Park Authority was operational from 1 September 2003. The boundaries of the National Park were further extended on 4 October 2010 to include areas of the North Perthshire glens including Blair Atholl and Glen Shee.

### Strategic context

Scotland's National Parks are set up as models of sustainable development working towards achieving 4 aims set out in section 1 of the National Parks (Scotland) Act 2000 in a co-ordinated way:

- to conserve and enhance the natural and cultural heritage of the area;
- to promote sustainable use of the natural resources of the area;
- to promote understanding and enjoyment (including enjoyment in the form of recreation) of the special qualities of the area by the public; and
- to promote sustainable economic and social development of the area's communities.

### Strategy and business model

The Park Authority has a key role in leading the delivery of the National Park Partnership Plan. The Plan sets the context for close cooperation and partnership across public, private and voluntary organisations in the Park. The National Park Partnership Plan sets out three long term outcomes for the Park. These have been used as the basis for developing the Corporate Plan. The Cairngorms National Park Partnership Plan 2017-2022 (CNPPP), which was approved by Ministers, provides the overall guide for strategic alignment between public agencies within the Park, and also with private and community organisations who are signatories to and partners in delivery of the CNPPP.

The Park Authority's new Corporate Plan was approved by the Board and Scottish Ministers in Spring 2018 to cover our work up to the end of the current CNPPP and the development of the next one. In the wider Scottish context, the Park Authority will also work on ensuring greater strategic alignment to ensure delivery of key national strategies such as, current and future Programmes for Government, 2020 Challenge for Scotland's Biodiversity, Scottish Climate Change Act, the Land Use Strategy for Scotland, Scotland's Economic Strategy, National Planning Framework, the Community Empowerment Act, the national Tourism Strategy 2020, the National Walking Strategy and the Cycling Action Plan for Scotland.

Our strategic work includes being an active member of the Environment and Economy Leaders' Group.

## Our commitment

Following engagement with staff and our Board in 2016 the Park Authority adopted a vision, mission statement and a set of values, as part of its corporate planning processes, which are central to our purpose and strategic context:

**Our vision** – an **outstanding** National Park, **enjoyed** and **valued** by **everyone**, where **nature** and **people thrive** together;

**Our mission** – to lead the way in delivering for the Cairngorms National Park by bringing people together towards a common purpose; enhancing the Park for everyone and inspiring new generations to be Park Champions;

**Our values** – the CNPA is an **open, inclusive, innovative** and **professional** organisation that behaves with **integrity**. The CNPA will also operate in an **environmentally friendly** way that provides leadership in this area.

**Our culture** – ...to be the best small public body in Scotland.

We want to be the best small public body in Scotland. The Best Companies Survey has shown that we are a people oriented organisation that is performing well. We will build on our Organisational Development Strategy and build on new opportunities, such as the extension to the main office which was completed in the year, to strive to ensure a high performance culture. The Park Authority will be innovative, quick to act and empower staff to deliver the strategies put in place by our Board.

## New ways of working

The Park Authority will continue to look at new ways to operate to deliver our commitments in the current National Park Plan. This will include looking for alternative funding opportunities, including applications to funds, such as the National Lottery Heritage Fund, sponsorship opportunities and merchandising. It also includes working collaboratively with partners to deliver improved services.

## Performance monitoring

Performance indicators have been set for each of our key themes against which we will measure and monitor performance. By the nature of the Park Authority's role, in seeking to lead collaborative effort in tackling the big issues for the Cairngorms, these performance measures are rarely entirely controllable by the Park Authority. Rather, they require collaboration and engagement with our partners and are measures of the effectiveness of our leadership and influencing, combined with our direct investment of finance and staff resources, in addressing our priorities.



## Strategic Aims and Priorities 2018/19 and Beyond

To deliver the long term outcomes in the Cairngorms National Park Partnership Plan, the Corporate Plan recognises Themes and Priorities. The main Themes are Conservation, Visitor Experience and Rural Development. The delivery of the main themes and their outcomes is supplemented by two support themes – Corporate Services and Communications.

**Conservation** – to be a special place for people and nature with natural and cultural heritage enhanced

The Cairngorms National Park is the premier area in the UK for nature conservation, with 50% of the area recognised as important on a European scale through Natura 2000 designation. Home to some of the most extensive and internationally important montane, woodland, river and wetland habitats, our role is to bring partners together to deliver conservation at a landscape scale and engage the public in this endeavour.

### Priorities:

- support landscape-scale conservation, especially the expansion of native and montane woodland, peatland restoration, natural flood management and capercaillie management;
- ensure deer management is focused on delivering public interest priorities specifically the expansion of native woodlands and peatland restoration;
- support sustainable moorland management to deliver greater habitat diversity and good management practice.

**Visitor experience** – people enjoying the Park through outstanding visitor and learning experiences

The Cairngorms National Park is an internationally renowned visitor destination with an outstanding range of outdoor recreation opportunities. Our role is to ensure the quality of visitor experience matches the quality of environment by coordinating investment in the core infrastructure, carrying out our role as an Access Authority, promoting sustainable tourism and ensuring people of all ages, backgrounds and abilities are able to experience and enjoy the National Park.

### Priorities:

- continue to ensure visitor infrastructure meets the expectations of visitors to the National Park and help deliver a sustainable tourism economy;
- increase physical activity in both residents and visitors and support delivery of Scotland Natural Health Service;
- create a 'Park for All' by encouraging people from all backgrounds to come and recreate, learn in or visit the National Park.

**Rural development** – a sustainable economy supporting thriving businesses and communities

Delivery of our priorities within the Cairngorms National Park can only come through close joint working with the people who live and work in the communities of the Park. Our role is to promote investment in a diversified economy, help communities plan and achieve their own visions and deliver a Planning Service to guide the right development to the right place.

**Priorities:**

- support delivery of housing for local needs through an efficient and effective planning service;
- support communities, specifically focussing on the most fragile, to deliver their agendas for change;
- work closely with the business community and partners to support a sustainable Park economy.

**Support themes**

The delivery of the themes and priorities is supported by Communications and Corporate Services teams. Our Communications team works with visitors, communities and stakeholders to raise the profile of the Park and create a connection and commitment to care for it. Our Corporate Services team ensure the delivery of effective, efficient and sustainable services in addition to promoting the highest standards of governance, both within the Park Authority itself and also in working with community and voluntary organisations involved in delivery of NPPP priorities.

**Corporate services**

Delivering effective, efficient and sustainable services and promoting the highest standards of governance, to support delivery of the Corporate Plan and Cairngorms National Park Partnership Plan by the Park Authority and our community and charity partners. We will also play an active role in the Environment and Economy Leaders' Group.

**Priorities:**

- implement the Organisational Development Strategy and embed the organisational and cultural improvements to make the Park authority the best small public body in Scotland;
- ensure that the office extension, existing accommodation and ICT facilities are 'fit for purpose' and help to deliver the Organisational Development Strategy;
- deliver ongoing service improvement, including appropriate shared services development and operation, to the Park Authority, other public bodies and the community and charitable organisations we support;
- promote and support the highest standards of governance and management, including equalities actions, within the Park Authority, other public bodies and the community and charitable organisations we support.

## Communications and engagement

Communicating with visitors, communities and stakeholders is vital for the work of the Cairngorms National Park Authority. It supports the work being undertaken across the organisation to deliver on conservation, visitor experience and rural development. Our role is to raise the profile of the Park and create a connection and commitment to care for it with identified audiences so they actively support the Park and benefit from doing so.

### Priorities:

- deliver the Communication and Engagement Strategy and increase awareness, engagement and involvement with the Park;
- ensure high quality internal communications that help deliver the key priorities of the Corporate Plan.

## Key Issues and Risks

Risk management and consideration of issues arising that may impact on the delivery of our strategic corporate priorities are central to our management activities within the Park Authority. The Management Team reviews strategic risks at least quarterly, and we have developed and embedded strategic and operational risk management practices, together with project management processes, to take full cognisance of these core aspects of effective organisational and strategic control arrangements.

The Park Authority has developed a Strategic Risk Management Strategy and associated Strategic Risk Register, which, in tandem with our corporate performance and monitoring system, details the key issues and risks around delivery of our Corporate Plan together with the strategic objectives and key performance indicators set out in that plan. The Board receives detailed reports and comments on key issues and risks twice annually, with the Board's Audit and Risk Committee reviewing strategic risk management between these Board meetings. The most recent review of key issues and risks considered by the Board in June 2019 can be found at:

<https://cairngorms.co.uk/resource/docs/boardpapers/14062019/190614CNPABdPaper3Annex3StrategicRiskRegister.pdf>

Significant projects will also have their own embedded risk registers and risk mitigation plans. More information on risk and internal controls can be found in the Governance Statement within this document and in our Risk Management Strategy available at:

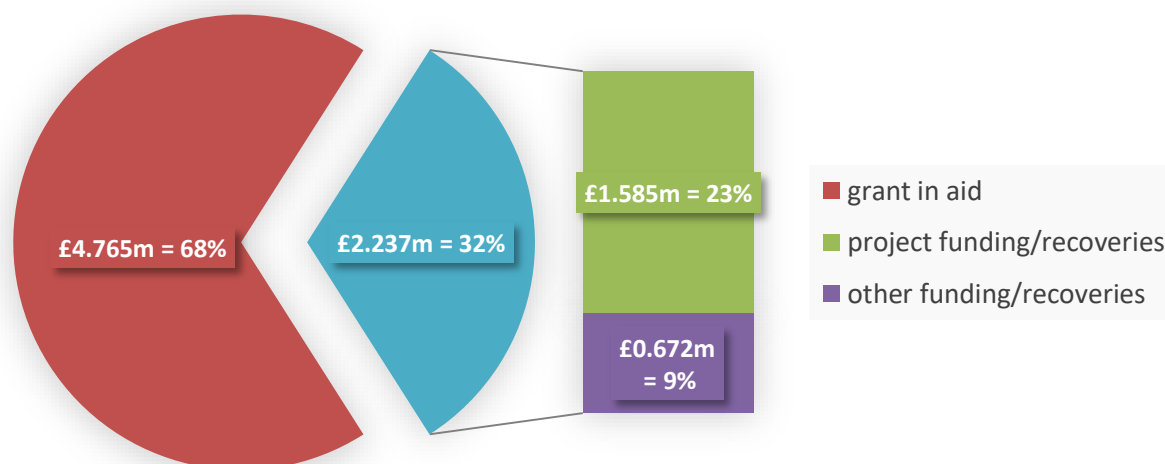
<http://cairngorms.co.uk/resource/docs/boardpapers/15062018/180615CNPABdPaper4Annex1RiskManagementStrategyV0.1.pdf>

# PERFORMANCE ANALYSIS

## Financial Performance Summary

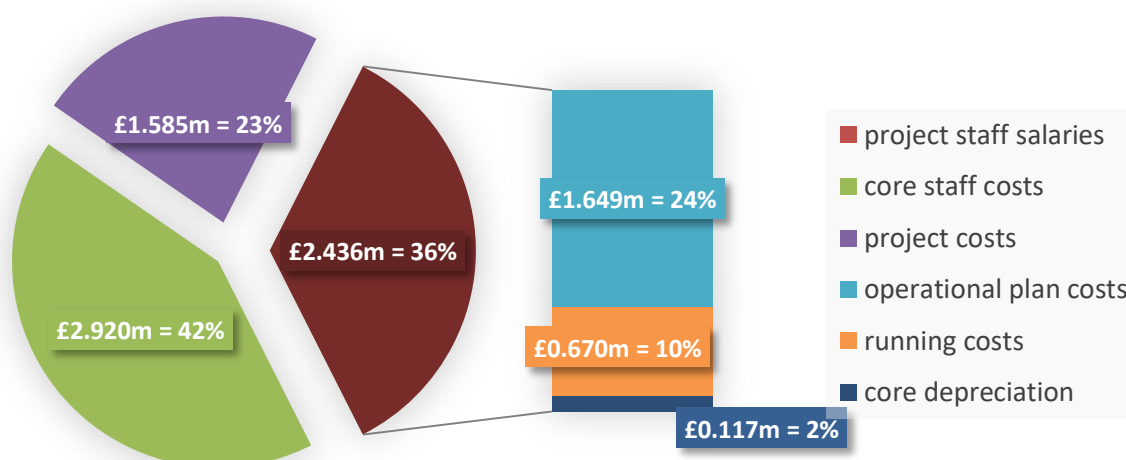
The main sources of the Park Authority's funding for the year were the resource budgets and grant-in-aid funding from the sponsoring body the Environment and Forestry Directorate, Natural Resources Division, of the Scottish Government. The Authority also acts as Accountable Body for the Cairngorm LEADER programme and The National Lottery Heritage Fund (NLHF) and partner funded projects, the Tomintoul and Glenlivet Landscape partnership, Great Place Badenoch and the Capercaillie Framework.

**Our income** - total income for the year was £7.002million:



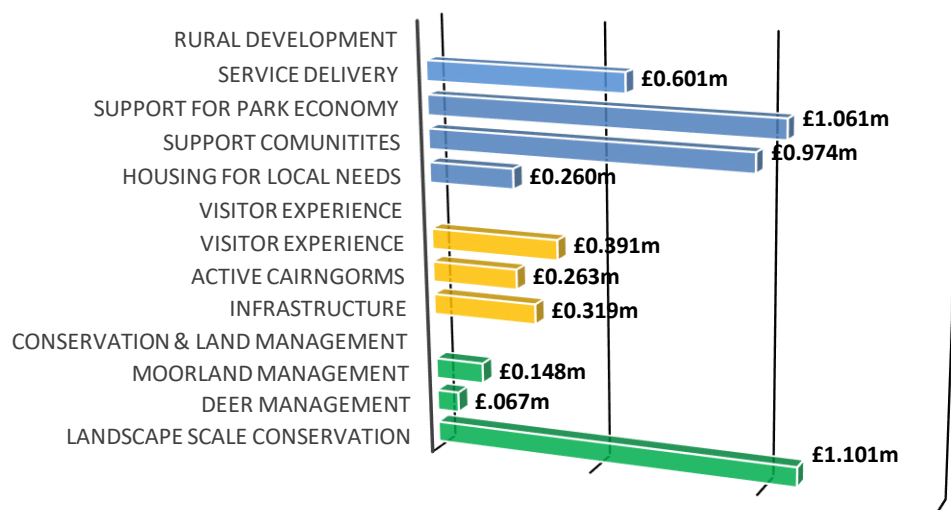
Resource grant-in-aid of £4.565m (2018: £4.315m) was received against operational activities, together with capital grants of £0.2m (2018: £0.26m). Partner contributions to projects totalled £1.585m (2018: £1.3m) with income and grants from all other sources coming to £0.672m (2018: £0.3m).

**Our expenditure** - total expenditure for the year on operational costs was £6.941 million:



Project income and expenditure levels for the year have again increased on 2018 levels as a result of the increase in activity in both the LEADER program and on NLHF supported projects.

## Our expenditure on main themes



The Park Authority's expenditure is also broken down over key themes and priorities of operational activity in note 3 (segmental reporting) to the Financial Statements. The above table shows our investment in the main operational themes before the allocation of any other income or partnership funding. (Depreciation on tangible and intangible assets is not attributed to any theme or priority in internal reporting.)

## Our outturn

We are taking £0.061m for the year (2018: £0.121m) to Taxpayers' equity (Table I). After accounting for capital investment creating £0.2m in new tangible and intangible assets, and capital grants of £0.002m, the planned breakeven outturn for the year was achieved.

Table I	£,000
Resource and capital DEL received	4,765
Less net expenditure adjusted for capital grants	(4,565)
Less capital grants given	(20)
Remaining C DEL against non-current assets	180
Less depreciation	(119)
Transfer for year to Taxpayers' equity	61

The accounts for the year to 31 March 2019, set out on pages 41 to 53, which are prepared on a going concern basis, and in a format directed by Scottish Ministers in accordance with the National Parks (Scotland) Act 2000. A copy of the Accounts Direction is reproduced in Appendix I.

## Outturn to budget

A budget is agreed with the sponsoring department (Departmental Expenditure Limited [DEL]) which covers all expenditure net of income from all other sources. DEL is further split between cash allocations (resource [RDEL] and capital [CDEL]) and non-cash allocations. Non-cash DEL covers depreciation and impairment of non-current assets, which are capitalised tangible and intangible assets included in the Statement of Financial Position at the year end.

Table 2	Resource DEL	Cash Capital DEL	Total DEL	Non- Cash DEL	Total DEL
	£,000	£,000	£,000	£,000	£,000
<b>Budget</b>					
Original allocation	4,565	200	4,765	116	4,881
<b>Outturn</b>					
Net resource expenditure	4,565	-	4,565	-	4,565
Net capital grants	-	20	20	-	20
Depreciation	-	-	-	119	119
<b>Net Expenditure</b>	4,565	20	4,585	119	4,704
Non-current assets bought	-	182	182	-	182
Total spend	4,565	202	4,767	119	4,886
(Over)/underspend	0	(2)	(2)	(3)	(5)
	0%	1%	0.04%	(2.6%)	0.1%

\*percentages are calculated on the total per component and budget.

## Net incoming resources

The net incoming resources for the year to 31 March 2019 comprises income received from partners reimbursing costs incurred, including reimbursement of grant outlays and administration costs incurred on the Cairngorms LEADER programme 2014-20, and the National Lottery Heritage Fund projects - Tomintoul and Glenlivet Landscape Partnership, Great Place Badenoch and the Capercaillie Framework. Fees are also received from called-in planning applications submitted in the first instance to the five local authorities within the National Park's boundaries.

## Changes in non-current assets

Movements in non-current assets are shown in note 8.

In August 2018 we took possession of a purpose built office extension. Expenditure of £41,641 was incurred in year and the total capital cost of the project, including fitting out and additional equipment, to the Park authority was £322,955.

## Charitable donations

There were no charitable donations made in the year or previous year.

## **Relationship with suppliers and partners**

Our supplier payment policy complies with the terms of the Better Payment Practice Code. During the year to 31 March 2019, the time taken to pay creditors achieved an average of 7.4 days (2018: 8.8 days) against a target of 10 days (2018: 10 days), with 89.6% (2018: 71.4%) of payments being made by the target date.

## **Our operating model**

Much of the work undertaken by the Park Authority involves working in partnership with others: influencing, building relationships and facilitating projects through taking a lead or hosting roles where other delivery partners perhaps do not have the full operational or business systems capacity to deliver the full range of activities required.

## **Organisational development**

Our people and our organisational structures are therefore critical to our continued success. We brought the second phase of our Organisational Development (OD) Strategy to a conclusion in 2018/19, and set the groundwork for the next phase of our work on phase three of our OD Strategy from April 2019 onwards. Our OD Strategy sets the framework through which we aim to improve and develop as an organisation through innovation, embracing digital technologies and the opportunities they afford, and improving our provision of services to the public. We continue to harness our integrated change management programme in delivering ongoing internal and public service improvements.

## **Improving efficiency, effectiveness and economy and delivering best value**

The Park Authority focuses on the delivery of best value, and on the improvement in efficiency, effectiveness and economy in exercising our functions.

We maintain our oversight of effectiveness of service delivery through a direct linkage between our complaints handling procedure and development of best value services. We ensure complaints and any other forms of feedback on our services are used to inform service development and help identify service improvements where these are required. We ensure in our handling of complaints that the best possible service is provided to our stakeholders and customers, and also that we make the most effective contribution to our own service improvement from our investigation of feedback and complaints. We also value input from internal audit, which supported our work on complaints handling, and other areas of external review to identify potential areas for service improvement and enhanced effectiveness.

In terms of the Park Authority's delivery of efficiencies in its operations, we continue to deliver against target cumulative efficiency savings. Consequently, the Park Authority is able to maintain investment, through its Operational Plan, in projects within the National Park despite reductions in public sector funding, by redirecting these efficiency savings from organisational support into project investment.

Our delivery of services through shared services and joint procurement with various partners has been a contributory factor to successful delivery of efficiency savings and also to

development of economic, effective service provision. The Park Authority both delivers and receives shared services as a consequence of various joint delivery arrangements, in particular with Loch Lomond and the Trossachs NPA. All functional areas of corporate services have been involved in the development of these shared services arrangements: governance and standards, audit, human resources, finance, and information technology.

## **Gaelic language: our duty as a public body to develop and deliver our Language Plan**

The Park Authority's first five year Gaelic Language Plan, adopted in 2013 came to an end in March 2018. All actions identified in the Plan have been delivered except internal and external bilingual signage at our offices which we are taking forward as part of our office redevelopment project.

We have now developed and agreed our second Gaelic Language Plan to be delivered over 2018 to 2022. A highlight of our Gaelic Language Plan delivery in 2018/19 was the recruitment and management of our first Gaelic student intern to support our Gaelic as an Asset project. We also continued our work with our LEADER delivery and Cairngorms LEADER Local Action Group on the development of Comunn na Gaidhlig's *Spors Gaidhlig* project, supporting the development of Gaelic Language delivery of outdoor activities.

## **Financial instruments**

Due to the non-trading nature of our activities, and the way finance is provided by Scottish Government, we are not exposed to the degree of financial risk faced by commercial entities.

## **Operating Performance Summary**

### **2018/19 Activity highlights**

As part of the Year of Young People the National Park hosted the **2018 EUROPARC Conference**, "Inspired by the Next Generation", in September 2018, attended by over 500 delegates from all over Europe including around 100 delegates under the age of 30. The successful Conference was opened by the Minister for Rural affairs and the Natural Environment, Mairi Gougeon, and closed by the Deputy First Minister and Cabinet Secretary for Education and Skills, John Swinney, who spoke in support of the Youth Manifesto which was launched during the Conference. Over 50 young people launched the manifesto asking for organisations and communities to engage with their young people to create new opportunities for living, learning and working in rural communities and protected areas. As its contribution to the Youth Manifesto, the National Park will recruit young people aged 16-30 to be part of a steering group to co-design a Cairngorm's National Park Youth Group or Youth Council:

- to be the voice of young people in the Park;
- to develop a procedure to fund young people's ideas about living, learning and working in the Park;
- to put on exciting and innovative events for young people in the Park.

The EUROPARC Federation is dedicated to natural and cultural heritage in Europe and works



to improve the management of Protected Areas in Europe through international cooperation, exchange of ideas and experience, and by influencing policy. The full 2018 EUROPARC Conference report can be found at <https://www.europarc.org/europarc-conference/previous-conferences/europarc-conference-2018/>

Our achievements and key areas of work in the first year of the new four year Corporate Plan included the following:

## Land Management

- **Cairngorms National Park Forest Strategy** was launched on 1 March 2019, providing strategic direction on future forest management and the restoration of woodlands in the Cairngorms National Park over the next two decades. This is important not just for the National Park but for Scotland. The challenge is now to encourage more landowners to adopt the Strategy's vision and objectives and we are in discussion with other Government agencies, and NGOs, on creating a "challenge fund" to assist in the creation of more woodland within the National Park;
- **Tomintoul and Glenlivet Landscape Partnership** is now well into the Delivery Phase with a number of individual projects completed and the full partnership programme due to complete by September 2020;
- **Peatland Action** officers continue to deliver restoration management across the National Park with 13 Projects underway, 8 of which were completed by the end of March 2019, covering 1,100 hectares of peatland with a budget of £1.48m. Development work has identified 1,200 hectares across 11 peatland sites for potential restoration when funding is available;
- **East Cairngorms Moorland Partnership**, funded and supported by 6 Estates and the Park Authority, focused in the year on collecting data on muirburns, mountain hares, waders and woodland creation.

## Conservation

- **Cairngorms Capercaillie Framework**, supported by The National Lottery Heritage Fund and LEADER, started its development phase to answer the question "How can people who live, work and play in the Cairngorms National Park help secure the long-term future of Capercaillie" piloting an innovative approach to seeking conservation solutions from within local communities;
- the review of the first **Cairngorms Nature Action Plan** (2013-18) was well received by stakeholders and partners at the Cairngorms Nature seminar in June 2018. The on-line report is available at <http://cairngorms.co.uk/working-partnership/national-park-strategies/cnap> and describes the partnership's main achievements and progress against targets. The Cairngorms Nature action plan 2019 was launched nationally at Holyrood on 21 February 2019 and locally with the launch of the Forest Strategy on 1 March 2019;
- the Authority coordinated another successful **Cairngorms Nature's "BIG WEEKEND"** outing in May 2018 with over 60 events held across the National Park, with an estimated 1,600 people taking part. A rural skills day organised with Forestry Enterprise Scotland resulted in over 200 young people learning about outdoor job opportunities in the National park. The "Rewilding Re-peopling" discussion was sold out with 150+ attendees.

## Visitor Experience

- the Park Authority, with support from Paths for All and NHS Highland obtained a three year LEADER funding package to support **volunteering and Health Walks in the Cairngorms**, with the second year of the project successfully delivered over 2018/19;
- **Long Distance Routes (1) Speyside way** planning consent is now in place with funding from Low Carbon Travel and Transport Challenge Fund to complete the new build to extend this LDR to a new terminus in Newtonmore by Autumn 2019. **(2) Deeside Way** planning consent for the path line from Braemar to Invercauld Bridge has been granted. Both projects seek to expand high quality visitor experiences within the Cairngorms while supporting the sustainable economic development of the area within the outdoor activity sector;
- the National Lottery Heritage Fund supported project, **Mountains and People Project**, covering both Loch Lomond & the Trossachs National Park and the Cairngorm National Park, started in summer 2015 with delivery led by the Outdoor Access Trust for Scotland complete another year in the five year project, with some 67% of planned mountain path upgrade work in the Cairngorms now complete;
- **Active Aviemore**, a partnership comprising the Park Authority, Highland Council, Hi Trans and Sustrans, has now completed outline plans for delivering segregated multi-paths throughout the village;
- we were successful in obtaining funding from the Visit Scotland Rural Tourism Infrastructure Fund to construct a multi-use path through **Glenmore** linking car parks, visitor attractions and the path network;
- 14 trained **volunteer** rangers continue to support the work of the 6 partner ranger services. Volunteer output to date amounts to 1.5 years' worth of work across the Park. This significant output has helped secure an additional 10 months LEADER funding;
- Our **education and inclusion work over the year** includes supporting development of the Europarc Youth Manifesto with assistance from Cairngorms LEADER Programme, and further progressing this into sustainable youth engagement in conservation and community work with a LEADER young people project in partnership with a group of Finnish Young people. 'Into the Mountains' and 'Writer in Residence' projects, both supported by Creative Scotland and the Woodland Trust, commenced to encourage people to creatively celebrate the outstanding culture of the Cairngorms;
- **information and interpretation** are being installed at 2 key visitor attractions - Landmark in Carrbridge and the Speyside Centre in Dulnain Bridge;
- Following on from the Authority's innovation in development and creation of the **Snow Road Scenic Route**, a 'Snow Roads' website was launched by the Cairngorms Business Partnership (CBP) together with an app at their conference in November 2018. CBP also raised awareness in communities along the route with 4 half-day workshops. This work won the Aberdeen City and Shire 2018 Tourism Award for innovation. CBPA also secured funding from the Visit Scotland Growth Fund to target the Snow Road to target visitors from France, Germany, Scandinavia and North America.

## Rural Development and Planning

- **Local Development Plan 2020** consultation ended on 5 April, with 7 drop in events held across the National Park. Social Media was used as part of the consultation, particularly a video flyover of each community, which proved very successful and has been viewed over 25,000 times;
- **Cairngorms Business Barometer** showed a quarter 4 2018 decline in visitors and turnover compared to previous quarters. The funicular closure and negative national publicity around this closure and also wider coverage of uncertainties around the UK's planned exit from Europe is likely to have played a significant role in the decline;
- **Economic Action Plan** was approved by the Board in December and goes out to consultation in the spring;
- planning permission was granted for 108 **Affordable Housing** units in the National Park over 2018/19, making a good contribution to the target of 200 affordable units over the period 2017 - 2022. Affordable housing units were completed in Granttown-on Spey, while construction started on 44 units across Aviemore, Inverdrue and Carrbridge; 16 units were granted consent in Ballater and 8 at Blair Atholl. CNPA also provided support for community-led housing projects in Ballater, Braemar, Dulnain Bridge, Tomintoul and Boat of Garten;
- **Badenoch Great Place Project** is now well established and 1 year into the 3 year project. Multiple projects are progressing, including the interpretation and Marketing Strategy and scoping an Alternative Tourist Route for Badenoch.

## Corporate Services

- **Office extension project**, the new offices were occupied in August and were formally opened on 16<sup>th</sup> November by the current and previous Convenors. The £1m partnership build project has been managed within budget since inception and the building was nominated for a Royal Incorporation of Architects in Scotland design award in March 2019. The successful conclusion of this four year project is a key achievement of our Organisational Development Strategy 2;
- during the year **youth development** including supporting a short term internship for a Gaelic officer and a one year Finance Intern post. We plan to continue our commitment to Youth by supporting at least 2 intern posts a year;
- as part of our **Organisation Development Strategy 2** we are now implementing the Digital Customer Relationship Management system (CRM) which will significantly enhance organisation management information on contacts and engagement with key stakeholders while enhancing our records management processes. The system is planned to be in full operation by mid 2019 after which we plan to further enhance our commitment to digital working with a complimentary electronic document management system;
- in addition to continued close working on **shared services** with the Loch Lomond and Trossachs National Park we also continue to provide Human Resource Services support to the Scottish Land Commission (development of new policies, recruitment, and development, staff consultation and on the submission of the 2019/20 pay remit) and the Cairngorms Trust on supporting staff on developing a **visitor giving** scheme;
- the Cairngorms Trust has approved 32 projects in the Cairngorms **LEADER** programme, with a total value of over £3.8 million - 12 projects cover Park-wide operations, 2 cover all of the Aberdeenshire area of the Park with the remaining

applications coming from 13 different communities within the Cairngorms. Almost £1.5 million of the project value supports economic development and farm diversification projects. The programme is now fully committed.

- Our work toward becoming **the best small public sector organisation in Scotland** was recognised by receipt of an “Above and Beyond” award from Family Friendly Working Scotland recognising the scope and breadth of our organisational support policies and provisions goes significantly beyond the levels that may be expected of an organisation of our size.

## Communication and Engagement

- **Make it Yours Campaign** has now trained 290 visitor-facing staff across the National Park. The training programme covers why the Cairngorms is designated a National park, its special qualities, and using visitor survey data looks at experiences and information wanted by our visitors;
- **Partner Visitor Information Centres** (VIC) are now being supported with promotion, information, interpretation and knowledge sharing;
- **Corporate Communications** saw the publication of the Cairngorms Forest Strategy and the Cairngorms Nature action Plans 2018-2024. Following public consultation both were published on the Park Authority’s website. During 2018/19 our digital communications activities resulting in 240,268 website sessions and 33,072 social media followers with a combined reach of 3.9 million;
- the quinquennial **Board Elections** saw a media campaign and public meetings in each of the 5 Park wards with 25 nominations as candidates, the most ever. The elections saw 3 existing Board members returned and 2 new members elected.

## Sustainability and climate change

The Park Authority has voluntarily participated in the Scottish Government’s revised climate change modelling and measuring exercise since 2015/16. We continue to revise and update our internal monitoring methodology and due to our continued effort to reduce our carbon footprint we have reduced emissions in the year by 33%, compared to our base year’s emission levels. This represents a reduction of 100 tonnes of CO<sub>2</sub>.

Sustainability and climate change remain key underlying themes within our Corporate Plan and also within the National Park Partnership Plan, underpinning the strategic work of the Park Authority and all its partners in the National Park.

## Future activities

Many of our activities for 2019/20 build on existing work from previous plans and therefore continues the excellent work already started. The main priorities for 2019/20 include:

- delivery of the Capercaillie Framework and the conclusion of the development phase of the National Lottery Heritage Fund Capercaillie project leading to a full delivery phase application in March 2020;
- developing a Woodland Challenge fund with the support of the Woodland Trust and Forestry & Land Scotland to provide support to landowners and tenants on reforestation projects and generate uptake of the Forestry Grant Scheme;
- complete the construction of the Speyside Way extension in the autumn of 2019;

- Cairngorms Nature programme delivery, including project and communications support;
- continuing oversight of the proposed development at An Camas Mòr;
- support the Cairngorms LEADER programme over the last “active” year of project funding awards together with ongoing monitoring and funding of project delivery;
- continuing support for the Tomintoul and Glenlivet Landscape Partnership into the final stage of the delivery phase;
- supporting Active Cairngorms and especially Active Aviemore with funding agreed to produce detailed access designs into the proposed new hospital with £200,000 funding secured for the construction, with match funding anticipated once the design and access infrastructure improvements are agreed;
- work to develop and seek funding supporting implementation and improvement of Long Distance Routes within the Cairngorms National Park;
- continued support for implementation of the Cairngorms Economic Strategy, specifically on Tourism.

The main internal priorities for 2019/20 are as follows:

- further office development to remodel the original office buildings;
- implementation of the CRM project to be followed by the design and implementation of a new electronic document and records management system (EDRMS);
- supporting the Cairngorms Trust/Cairngorms LAG in its wider delivery of the LEADER programme as the Accountable Body for LEADER in the Cairngorms, assisting in audit and other external review processes and managing programme finances;
- supporting the Cairngorms Trust in achieving its charitable objectives and developing a visitor giving project for Cairngorms National Park;
- deliver the second phase of the Organisational Development Strategy (ODS) and use a staff awayday event to seek bottom-up feedback on further internal organisational improvements to help scope and develop our third phase ODS;
- undertake our biennial independent staff survey to monitor progress with staff views of the Authority as an employing organisation and further inform future ODS work;
- focusing communication activities on the agreed campaigns established in the communications strategy;
- building on Planning Service Improvement actions and delivering best value planning services.

More information on our budget and operational plan for the 2019/20 can be found at: <https://cairngorms.co.uk/resource/docs/boardpapers/29032019/190329CNPABdPaper2AABudgetOpPlanCover.pdf> Specific information on Operational Plan intentions for 2019/20 are provided as an Annex to this paper at: <https://cairngorms.co.uk/resource/docs/boardpapers/29032019/190329CNPABdPaper2Annex1BoardBudget.pdf>

Links to National Outcomes and details on leverage can be found at <https://cairngorms.co.uk/resource/docs/boardpapers/29032019/190329CNPABdPaper2Annex2Leverage.pdf>

## Key Performance Indicators

We have established a full suite of Key Performance Indicators (KPIs) against which we assess our delivery against corporate objectives and through which we establish our contribution to national performance indicators. We report on delivery against these KPIs every six months to the Board and make these reports publicly available. The most recent performance report can be accessed at:

<https://cairngorms.co.uk/resource/docs/boardpapers/14062019/190614CNPABdPaper3Annex2CorpPerformanceKPIs.pdf>

Highlights of our performance over 2018/19 include:

- Target of 1,000 hectares of peatland restoration met, with 1,052 hectares worked on in year;
- Target of 8 volunteer Rangers trained per year exceeded in first year of corporate plan delivery with 14 volunteers recruited and trained;
- On target to increase economic impact of visitors to eastern and southern Cairngorms NP from 21% to 25% of total visitor economy by 2022, with latest “STEAM” data showing 22.8% of total visitor economy in these areas;
- On target to create 6km of new paths, with 3.7km built along Speyside Way and Seven Bridges Path in Ballater (Aberdeenshire);
- Support of the Cairngorms LEADER Programme has assisted in **achieving** one of our KPI’s with objective of bringing 80 people into community development activities for the first time exceeded by the 157 people who have become involved in such activities for their first experience, supporting the sustainability of communities and community led action;
- On target to deliver 200 new affordable houses by 2022, with planning permission granted for 108 affordable houses since adoption of the Corporate Plan.

We have also highlighted one exception in our Corporate Performance to the Board over 2018/19. Our adopted target of zero instances of wildlife crime in the Park has not been met for 2018/19, with several instances of raptor and pearl muscle crime reporting in the Cairngorms over the year.

Our KPIs also include a suite of internally focused organisational performance indicators, covering our work on human resource management, financial management, management and governance, equalities and climate change. The above link gives full details of our most recent evaluation of performance in these areas as indicated by our adopted KPIs.

**The Performance report was approved by a duly authorised committee of the Board on 6 September 2019 and signed on its behalf by**



**Grant Moir**

Chief Executive and Accountable Officer

19 September, 2019

## PART 2 – ACCOUNTABILITY REPORT

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## Directors' report

The Directors' Report sets out the key aspects of the internal organisational change and development within the Park Authority during the year to 31 March 2019.

### The Senior Management Team and Board

The Chief Executive, who is also the Accountable Officer, is Grant Moir. The names of the Directors, who all served throughout the year, are listed on page 2.

Board members who served throughout the year are listed on page 2 with profiles of the current Board members on the Park Authority's website.

<https://cairngorms.co.uk/authority/board/>

Fees paid to Board members are noted in Table 4 together with the total amount of reimbursed expenses paid in the year which are not subject to audit. No pension contributions are made for any Board member.

### Staff development and management

The Park Authority continues to recognise the importance of training and development to ensure that all staff and Board members have the skills required to deliver their role in the context of the organisation's enabling and partnership ethos. Recognising the large numbers of recent changes in Board membership, the Board held a full day training course on governance and "On Board" training regarding requirements around compliance with our Code of Conduct. Conversations on staff development are held regularly as part of the appraisal review process and a reasonable training and development budget has been retained to support delivery of identified training requirements.

The Park Authority maintains oversight of its management of sickness absence through regular review of performance at Board and Management team level. Sickness absence is included as a key performance indicator in the Park Authority's balanced scorecard performance measurement tool. In 2018/19 the average number of days lost through sickness absence was 4.9 days per person (2018: 4.9 days).

### Sustainability reporting and environmental matters

A key purpose of the Park Authority is to promote partnership working and give leadership to all the bodies and agencies involved in the sustainable development of the National Park. Through coordinating development and collective agreement of the Cairngorms National Park Partnership Plan, the Park Authority aims to ensure the collective and co-ordinated delivery of the four aims of the National Park. Thus the Park Authority leads others in ensuring that we are all living in, or working and caring for, the Cairngorms National Park in such a way that it remains, and wherever possible is enhanced, to be enjoyed by future generations.

Sustainability and environmental considerations are therefore at the heart of everything this organisation does. Illustrations of our priority to deliver sustainability are presented throughout this document.



## Social, community and human rights issues

Our work on sustainability and the environment is also central to our activities around social and community development. Conserving and enhancing the special qualities of the Cairngorms National Park is essential if the Park is to build and maintain a diverse and vibrant economy.

The Park Authority's work in this area spans support for sustainable business development within the National Park, to promoting development of affordable housing, to establishing partnerships with individual communities in developing and delivering these communities' action plans, and more widely to engage with community planning partnerships.

Our "Make It Yours" campaigns seek to engage people and communities in the work required to protect and enhance the special qualities of the National Park, seeking to make residents and businesses own their role in and for the National Park.

Our various community development activities, support for community action planning and community led local development through LEADER all seek to engage communities in identifying both needs and solutions to ensure their long term sustainability.

## Diversity

The Park Authority continues to embed its approach to ensuring equality. Five Equalities Outcomes are published to provide a framework promoting equality within the work of the Park Authority and in the work undertaken to deliver the Cairngorms National Park Partnership Plan. These five Equalities Outcomes are:

- eliminating discrimination, harassment, victimisation or any other prohibited conduct;

and advancing equality of opportunity by having due regard to:

- removing or minimising disadvantage;
- meeting the needs of particular groups that are different from the needs of others;
- encouraging participation in public life; and
- fostering good relations – tackling prejudice and promoting understanding.

A third mainstreaming report published on 30 April 2019 sets out how we embed equalities into our day to day operations. The report can be access at <https://cairngorms.co.uk/wp-content/uploads/2019/05/2019UpdateEqualityMainstreamingProgressV1.0.pdf>

The Park Authority's on-going work on equalities and creating 'A Park for All' is overseen by an internal working group comprising staff drawn from across the organisation and is chaired by a senior manager. The Park Authority is accredited within the 'Positive about Disabled People' scheme.

## Information and data security

The Park Authority has continued to improve workflow and implemented the first phase of its planned improvements to digital processes, with the design, procurement, and development of a customer relationship management system (CRM). Implementation of this

system in 2019/20 will be followed in 19/20 with the installation of an electronic document management system.

The Park Authority has had no instances of loss of data or personal information over the course of the year. The Governance Statement included in this Annual Statement and Accounts sets out more information on the Park Authority's range of internal controls and review mechanism to ensure data security amongst other things:-

We have handled a number of requests for information under the Freedom of Information (Scotland) Act 2002 and Environmental Information (Scotland) Regulations 2004. All information requests in the year have been responded to within our statutory deadlines.

The Authority also has a fully developed suite of wider policies designed to ensure that feedback on our service standards, activities and performance can be given. This includes our complaints, grievance and whistleblowing policies. We have a mature approach to internal and external feedback, ensuring appropriate investigations of feedback take place and seeking to draw improvement points out of investigations where appropriate, irrespective of whether the initiating point of complaint or negative feedback is upheld. Our seeking improvement in this way supports our organisational aim of being the best small public body in Scotland, and also in securing Best Value in accordance with national objectives.

Our information access and complaints policies are published on the Authority's website.

## **Statement of the National Park Authority's Responsibilities**

Under section 25(1) of the National Parks (Scotland) Act 2000, the Cairngorms National Park Authority is required to keep proper accounts and accounting records, prepare an account of its expenditure and receipts for each financial year in accordance with directions issued by the Scottish Ministers, and send the account to the Scottish Ministers by such time as they may direct.

The financial statements are to be prepared on the accruals basis and must give a true and fair view of its expenditure and cash flow for the financial year, and of the state of affairs as at the end of the financial year.

### **Auditors**

The accounts of the Park Authority are audited by Grant Thornton who are appointed by the Auditor General for Scotland in accordance with paragraph 25(2) of the National Parks (Scotland) Act 2000.

The costs relating to the statutory audit work for the financial year were £10,940 (2018: £10,780). No other fees for non-audit related services were paid in either year.

The Independent Auditor's report is on pages 42 - 45.

# Statement of the Board and Accountable Officer's Responsibilities

## The Board

The Board has a corporate responsibility for ensuring that the Park Authority fulfils the aims and objectives set by the Scottish Ministers and for promoting the economic, efficient and effective use of staff and other resources in accordance with the principles of Best Value.

## The Convener of the Board

The Convener is responsible to Scottish Ministers, and is charged with ensuring that the Park Authority's policies and actions support the wider strategic policies of the Scottish Ministers, and that the Park Authority's affairs are conducted with probity.

The Convener has a particular leadership responsibility on:

- formulating the Board's strategy;
- ensuring that the Board, in making decisions, takes proper account of guidance provided by the Scottish Ministers/Department;
- promoting the efficient and effective use of staff and other resources;
- encouraging high standard of propriety;
- representing the view of the Board to the general public.

The Convener also ensures that all Board Members, when taking up office, are fully briefed on the terms of their duties, rights and responsibilities, and receive appropriate training. He advises the Scottish Ministers when Board vacancies arise, with a view to ensuring an appropriate spread of balance of professional and financial expertise, and also assesses the performance of Board Members annually.

## Accountable Officer

The Chief Executive of the Park Authority is designated as the Accountable Officer by the Principal Accountable Officer of the Scottish Administration in accordance with sections 14 and 15 of the Public Finance and Accountability (Scotland) Act 2000. The Accountable Officer is personally responsible for safeguarding the public funds for which he has charge; for ensuring the propriety and regularity in the handling of those funds; and for the day-to-day operations and management of the Park Authority. He is expected to act in accordance with the Management Statement/Financial Memorandum for the Park Authority and within the terms of the relevant guidance in the Scottish Public Finance Manual (SPFM) and other instructions and guidance issued by Scottish Minister, in particular the Memorandum to Accountable Officers for Other Public Bodies, and in particular,

- observe the financial statements direction issued by Scottish Ministers, including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether the applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Park Authority will continue in operation.

## **Disclosure of Information to Auditors by the Accountable Officer**

So far as the Accountable Officer is aware, there is no relevant audit information of which the Park Authority's auditors are unaware. The Accountable Officer has taken all reasonable steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the Park Authority's auditors are aware of that information.

## **Accountable Officer's statement on the Annual Report and Accounts**

The Accountable Officer takes personal responsibility for the annual report and accounts and the judgements required for determining that the annual report and accounts are fair, balanced and understandable. The Accountable Officer confirms that he believes the annual report and accounts as a whole are fair, balanced and understandable.

## **Governance Statement**

### **Scope of responsibility**

As Accountable Officer I am responsible for maintaining sound systems of internal control which support the achievement of Cairngorms National Park Authority's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible in accordance with the Management Statement agreed between the Park Authority and Scottish Government, and also responsibilities assigned to me in the Scottish Public Finance Manual (SPFM)

The SPFM, issued by the Scottish Ministers, provides guidance to the Scottish Government and other relevant bodies on the proper handling of public funds, and sets out the relevant statutory, parliamentary and administrative requirements; emphasises the need for economy, efficiency and effectiveness; and promotes good practice and high standards of propriety. I am therefore responsible as Accountable Officer to ensure the Park Authority's internal control systems comply with the requirements of the SPFM.

The Management Statement sets out the role of the Park Authority's Board in providing leadership and governance. The governance responsibilities of the Board are supported by Standing Orders last revised and adopted in 2014 (and currently in the process of revision between March and June 2019); a Code of Conduct revised and adopted in 2014; a group of professional, senior staff advisors and appropriate Board training and development processes. As a body, the Park Authority aims for the highest standard in corporate governance.

Other than the resource allocation letters issued to me over the course of the year, there are no other written authorities provided to the Accountable Officer in 2018/19 beyond those documents referred to above.

## **The operation of the Board and sub-committees**

The full Board meets regularly in pursuance of its strategic objectives, set out in the Corporate Plan. Meetings are scheduled quarterly, with additional meetings convened as required. Agendas and papers are published and placed in the public domain and meetings are open to public attendance as standard, with private meetings held only by exception.

In addition to these full formal Board meetings, Board members also participate in informal discussion sessions in which emerging policy issues and proposals can be discussed and a preferred strategic direction identified prior to fuller, open consideration at formal meetings.

## **Corporate governance**

Since the Park Authority's inception, Sub-Committees have been put in place with delegated responsibility to oversee and scrutinise the Park Authority's deployment and management of resources. There are four Sub-Committees in place: Finance and Delivery, Staffing and Recruitment, Audit and Risk, and a Planning Committee which deals with all aspects of the Park Authority's statutory planning responsibilities.

The Audit and Risk Committee leads on the oversight of all aspects of the organisation's internal management control systems, the annual accounts and audit process, as well as taking a lead in strategic risk management. The Committee takes responsibility for ensuring that risks impacting on strategic objectives are identified and mitigated as well as ensuring that risk management is embedded throughout the Park Authority's operations.

The Audit and Risk Committee is supported by the Park Authority's internal (BDO LLP) and external auditors (Grant Thornton LLP), who both have rights of independent access to the Committee and to its Convener. The Audit and Risk Committee is tasked with monitoring the operation of the internal control function and bringing any material matters to the attention of the full Board. Detailed findings of all audit reviews are made available to both management and the Audit and Risk Committee. The Audit and Risk Committee meets at least quarterly and reports annually to the Board on the adequacy and effectiveness of the Park Authority's internal controls, and more widely on its work in the preceding year.

The Board has continued a process of self-evaluation of effectiveness and governance over the course of 2018/19, these processes having been initiated under the "Leadership" element of the first Organisational Development Strategy in 2015/16. Other elements of Board governance and effectiveness are reviewed and supported by senior officers as questions or relevant matters arise.

The Board has also adopted a set of Corporate Performance Indicators through which to improve its oversight of delivery against key strategic objectives and monitor achievement of the Park Authority's Corporate Plan. The Board receives a detailed report twice each year on delivery against the Corporate Plan and National Park Partnership Plan priorities and the delivery against performance indicators adopted.

Periodic reports from independent internal and external auditors form a key and essential element in informing my review of the effectiveness of the systems of internal control within the Park Authority. The Board's Audit and Risk Committee also plays a vital role in this regard, through its consideration of audit recommendations arising from reviews of internal

control systems and its scrutiny of proposed management action to address any improvements required.

## Shared services delivery

The Authority plays an important role in providing support over a range of activities to local communities and organisation to help deliver the National Park Partnership Plan's priorities. In the last year we have supported the Outdoor Access Trust for Scotland, Cairngorms LEADER Programme Local Action Group, the Tomintoul and Glenlivet Landscape Partnership, the Great Place Badenoch Project as well as the Capercaillie Framework. Our management and internal control structures ensure that support for these entities are separated from the core activities of the Authority, while ensuring that support generally achieves "best practice".

## Internal audit

The internal audit function is an integral element of scrutiny of the Park Authority's internal control systems. BDO LLP was appointed following an open procurement process as the Park Authority's internal auditors in 2016 and have undertaken a comprehensive review of key internal control systems since their appointment. During the year to 31 March 2019, they have reported to the Audit and Risk Committee on their independent reviews of:

### **Governance & risk**

Business Performance Management

Business Continuity Planning

Follow Up Review of Prior Recommendations

### **Internal control systems**

Financial Planning

LEADER administration

Resource Planning

Partnership Management

Strategic Planning

Recommendations made by BDO are considered and implemented as appropriate.

Our internal audits over the course of the year have generally resulted in positive reports, with "substantial" or at least "moderate" ratings on the design and implementation of internal control systems. One exception relates to the review of Business Continuity Planning which has found that significant additional work is required to bring these controls to a reasonable level of assurance. The Authority's management team has committed to addressing this area of work as a matter of urgency over the first half of 2019/20 with regard to the high priority areas of work, and implementing lower priority recommendations thereafter.

The external auditors, Grant Thornton LLP, review key systems so they can form a view on the effectiveness of control arrangements which supports their audit opinion on the financial statements.

## Best value

The Audit and Risk Committee continues to monitor the Authority's adherence to Scottish Government Best Value guidelines. We launched Phase two of our Organisational

Development Strategy in 17/18, to improve the Park Authority's processes and services, and delivery has continued in 18/19.

## **Risk management**

All bodies to which the SPFM applies must operate a risk management strategy in accordance guidance issued by Scottish Ministers. The SPFM also sets out the general principles for a successful risk management strategy.

The Board recognises the importance of risk management and continues to monitor the Park Authority's Strategic Risk Register. The Strategic Risk Register records risks, action taken to mitigate the identified risks and senior management's responsibility for leading on mitigation generally. The Strategic Risk Register has continued to be reviewed and updated by Board, Audit and Risk Committee and Senior Management Team three to four times each year.

The Audit and Risk Committee with the Senior Management Team lead on embedding risk management processes throughout the Park Authority. Both groups consider the management of strategic risk in line with the Risk Strategy and seek to ensure that the required actions are appropriately reflected and incorporated in operational delivery plans. A revised Risk Management Strategy was adopted by the Audit and Risk Committee in 2016, and subsequently reviewed by the Board in 2018, with the Committee also receiving an internal audit report on the effectiveness of operations of risk management within the organisation in that year. A further internal audit of risk management is included in BDO's internal audit plan for 2019/20.

The Senior Management Team refreshed the Strategic Risk Register with reference to the new Corporate Plan, covering 1 April 2018 to 31 March 2022. The refreshed Strategic Risk Register was agreed by the Board in June 2018, and monitoring and revision is ongoing since that time.

## **Data security**

Procedures are in place to ensure that information is being managed in accordance with legislation and that data is held accurately and securely. The Park Authority has no reported nor recorded instances of data loss over the course of the year.

Shared services arrangements are in place with Loch Lomond and the Trossachs National Park Authority for the storage of the Park Authority's data back-up arrangements and work continues to enhance and improve data security.

During the year the General Data Protection Regulation (GDPR) regulations came into force and staff have been given suitable training. Also in the year the Cyber Essentials + accreditation was achieved with the Park Authority now on the path of annual reviews to ensure that its Information and Communication Technologies (ICT) remain fit for purpose and that all reasonable steps are taken to minimise the risk of data loss or compromise of systems due to Cyber Attacks.

Late in the year work began on procuring and implementing an Electronic Document Management System and CRM system, with these systems planned for introduction over the course of 2019/20.

## Conclusion

As Accountable Officer I am responsible for reviewing the effectiveness of the system of internal control. In order to do this my review is informed by:

- a) The executive managers within the organisation who have responsibility for the development and maintenance of the internal control framework and who provide assurance on systems within regular Senior Management Team meetings;
- b) Internal monitoring of control systems by staff against SPFM requirements;
- c) The work of the internal auditors, who submit regular reports to the Audit and Risk Committee which include the Head of Internal Audit's independent and objective opinion on the adequacy and effectiveness of our systems of internal control together with recommendations for improvement;
- d) Comments made by the external auditors in their management letter and other reports.

I am supported by a Corporate Services Director, who in turn is supported by the Corporate Services staff group, and provides senior management leadership on the financial management, internal controls and governance arrangements. I take assurance from the effectiveness of internal control systems, financial management and planning processes and risk management from the assurances received from the Corporate Services Director.

I have also been advised on the effectiveness of the system of internal control by the Board and its Audit and Risk Committee. Appropriate action is taken against any weaknesses identified and to ensure continuous improvement of our system. The internal auditor's annual report for 2018/19 states that, based on the work undertaken over the course of the year, and in the context of materiality, the Park Authority's internal control processes provides reasonable, but not absolute assurance that the related risk management, control and governance objectives were achieved in the period under review, in all areas except business continuity where further work is required.



## REMUNERATION AND STAFF REPORT

The Remuneration and Staff Report is subject to audit except for the sections on pay policies, staffing and recruitment, and Board members' expenses which are reviewed by the auditor for consistency with the audited accounts.

### Pay policy

The fees and expenses paid to Board members comply with guidance issued by Scottish Ministers. Board members' fees are approved annually by the Scottish Government through the Authority's interaction with appropriate Public Sector Pay Policies.

Staff salary levels, including the Chief Executive, are reviewed by the Staffing and Recruitment Committee and the overall pay remit established by the Authority is subject to agreement with its sponsoring department within Scottish Government, the Environment and Forestry Directorate, Natural Resources Division, in consultation with the Scottish Government Finance Pay Policy Team. Approval is normally annually, unless a multi-year arrangement has been agreed. The remit for 2018/19 was on an annual basis, and is within the terms and conditions set out in the Scottish Government Public Sector Pay Policy.

Members of staff covered by this report hold appointments which are either open-ended or fixed term. Early termination, other than for misconduct would result in the individual receiving compensation. As fixed term contracts normally end automatically when the agreed end date is reached, unless the contract is for 4 years or more which may lead to the employee being treated as permanent, provision is made for the expected redundancy costs incurred on an individual basis.

### Performance management

Performance of all staff members is monitored and reviewed through the staff appraisal arrangements. A new performance management approach was adopted on the 25 March 2019 which is based on regular, positive, open and constructive dialogue between a staff member and their line-manager.

Successful performance management will be achieved by regular and frequent Performance Development Conversations (PDCs) throughout the year with their-manager and giving "real-time" feedback. The feedback is to help staff act/work more constructively and support their growth and are expected to be an appropriate mix of "recognition" (acknowledging strengths and skill which have contributed to success) or "guidance" (given with the intention of increasing effectiveness or success in the future). The PDCs will be frequent, "in the moment" and in person, strengthening the working relationship between staff and their line-managers, and reinforcing the meaningfulness of the feedback given through immediacy of connection to performance to which feedback is linked.

The new policy has been designed to be a key tool in achieving optimal operational effectiveness throughout the Park Authority as we acknowledged that a high level of organisational performance is directly dependent on the skills, talent, engagement and well-being of our staff.

## Staffing and recruitment

The Park Authority has a Staffing and Recruitment Committee (6 Board members) which meets throughout the year. Its membership and remit are agreed annually by the Board.

The Committee's remit includes:

- oversight and monitoring the Park Authority's human resource policies, including in particular the pay and grading, performance appraisal and the associated performance related pay systems when appropriate;
- advising the Board on annual pay awards;
- providing an interface between staff representative group(s) and the Board, and participation in arbitrating on staffing issues as set out in the Authority's procedures, and as otherwise required; and
- oversight of recruitment of senior staff (Directors and Chief Executive) including agreeing the job descriptions, adverts and salary, to take responsibility for interviewing and selecting the successful candidates and seeking the endorsement of the Board, and, in the case of the Chief Executive, of Scottish Ministers.

For the purposes of this report, persons in senior positions having authority or responsibility for directing or controlling the major activities of the Park Authority are taken to comprise the Board members, and the Chief Executive and Directors (the Management Team).

In reaching its recommendations, the Committee has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- to take account of regional/local variations in labour markets and the effects on the recruitment and retention of staff;
- funds available to the sponsoring department as set out in the Scottish Government's departmental expenditure limits;
- to take account of Scottish Government policies for improving the public services including the requirement to meet the output targets for the delivery of departmental services; and
- The Scottish Government's Public Sector Pay Guidance.

## Staff involvement

The Park Authority has a Staff Consultative Forum (SCF) in place, through which it ensures effective two-way communications with staff and Prospect Trade Union representatives in resolving any issues arising and consulting on new initiatives. The SCF comprises a maximum of five staff representatives, one place amongst these representatives being reserved for a nominee of staff who are members of Prospect Trade Union with which the Authority has a voluntary recognition agreement. During 2018/19 key matters on which staff were consulted through the Staff Consultative Forum were:

- pay awards for the years commencing 1 April 2018 and 1 April 2019;
- internal communication and consultative mechanisms;
- implementation of the staff survey and evaluation of the results;
- review and update of a range of employment policies;

- refreshing the process of staff consultation and terms of reference of the SCF.

To complement the standard consultative processes in place through the SCF, the Park Authority has also established a series of subject-specific, fixed-life staff working groups to help implement the Organisational Development Strategy.

## Equality and diversity

The Park Authority is an equal opportunities employer with policies against discrimination and to ensure no unfair or illegal discriminatory treatment or barriers to employment or advancement. We are committed to meeting our duties under the Equality Act 2010. The Park Authority is accredited as a Positive about Disability employer.

The equalities policies ensure that all staff should be treated equally irrespective of their sex, marital/civil partnership status, age, race, ethnic origin, sexual orientation, disability, religion or belief, work pattern, employment status, gender identity (transgender), caring responsibility or trade union membership. Employment and promotion are on merit on the basis of fair and open competition.

At the end of the financial and operational year our gender split of staff, including project staff was:

Table 3	Male		Female	
	2019	2018	2019	2018
Chief executive and directors	4	4	-	-
Heads of Service	4	3	2	2
Staff	22	25	47	34
	30	32	49	36

## Staff union time

The disclosures relating to the Trade Union (Facility Time Publication Requirements) Regulations 2017 by public bodies is contained in Appendix II.

## Board members' fees and expenses

The Park Authority has a non-executive Board, which is supported by a Planning Committee, Finance and Delivery Committee, Audit and Risk Committee and a Staffing and Recruitment Committee. Members of the Board are appointed by Scottish Government by open recruitment (7 members for 4 year period) or by local authorities with boundaries within the National Park (7 members for 5 year period), and five members by direct election from 5 wards within the National Park for a 4 year period. Board members have no pension entitlement. The expenses disclosed in Table 4 are not subject to audit.

Table 4	Beginning of current term	End of term or date stood down	Fees £	2019 Expenses £	Fees £	2018 Expenses £
Angela Douglas	01 10 14	30 09 18	<b>3,579</b>	<b>680</b>	7,312	1,231
Paul Easto	20 03 14	28 02 18	-	-	6,690	319
Janet Hunter	08 09 15	07 09 19	<b>7,532</b>	<b>1,413</b>	7,156	2,075
Gregor Hutcheon	01 10 14	30 09 18	<b>3,099</b>	<b>59</b>	6,793	469
Douglas McAdam	01 11 18	31 10 22	<b>3,205</b>	<b>977</b>	-	-
Anne Rae MacDonald	01 11 18	31 10 22	<b>3,205</b>	<b>526</b>	-	-
Dr F McLean	01 11 18	31 10 22	<b>3,205</b>	<b>563</b>	-	-
William Munro	01 11 18	31 10 22	<b>3,205</b>	<b>788</b>	-	-
Gordon Riddler	01 10 14	30 09 18	<b>2,938</b>	<b>307</b>	7,208	1,361
Dr Gaener Rodger	01 10 18	31 10 22	<b>3,045</b>	<b>457</b>	-	-
Judith Webb	01 02 15	31 01 19	<b>7,052</b>	<b>2,240</b>	6,690	1,894
Brian Wood	01 10 14	30 09 18	<b>5,556</b>	<b>601</b>	10,579	2,210
<b>Local Authority nominees</b>						
Peter Argyle	08 09 15	07 09 22	<b>14,798</b>	<b>762</b>	21,572	2,677
Carolyn Caddick	01 10 17	30 09 22	<b>7,693</b>	<b>934</b>	3,734	764
Jeanette Gaul	01 10 12	30 09 17	-	-	3,734	1,069
Pippa Hadley	01 10 17	30 09 22	<b>7,693</b>	<b>554</b>	3,734	267
Kate Howie	01 10 12	30 09 17	-	-	3,734	760
John Latham	01 10 12	30 09 22	<b>7,372</b>	<b>285</b>	6,482	189
Bill Lobban	01 10 12	04 05 17	-	-	2,800	244
Xander McDade	01 10 17	30 09 22	<b>14,799</b>	<b>4,650</b>	3,734	322
Ian Maclaren	01 10 17	30 09 22	<b>7,693</b>	<b>1,819</b>	3,734	1,062
Fiona Murdoch	01 10 12	30 09 17	-	-	3,734	461
Gregor Rimell	01 10 12	30 09 17	-	-	3,215	341
Derek Ross	01 11 18	31 10 22	<b>3,205</b>	<b>467</b>	-	-
Walter Wilson	01 10 17	18 06 18	<b>1,245</b>	<b>74</b>	3,267	144
<b>Locally elected</b>						
Rebecca Badger	20 03 15	19 03 19	<b>7,693</b>	<b>305</b>	7,467	408
Geva Blackett	31 03 17	19 03 23	<b>8,777</b>	<b>4,064</b>	6,969	609
Deirdre Falconer	20 03 19	19 03 23	-	-	-	-
Dave Fallows	22 03 19	21 03 23	<b>7,693</b>	<b>861</b>	7,364	850
John Kirk	28 03 19	19 03 23	-	-	-	-
Eleanor Mackintosh	22 03 19	21 03 23	<b>11,112</b>	<b>1,519</b>	10,786	1,835
William McKenna	22 03 19	19 03 23	<b>7,693</b>	<b>174</b>	7,364	207
			<b>153,087</b>	<b>25,079</b>	155,852	21,768

A register of Board member's interests can be found on the National Park's website at <https://cairngorms.co.uk/wp-content/uploads/2019/04/190416BoardMembersRegisterOfInterests.pdf>

## Board members' attendance at meetings

Table 5	committees	public 4	Board discussion 9	Planning 11
<b>Scottish Government appointees</b>				
Angela Douglas		2/2	4/5	2/5
Janet Hunter	A,C	2/2	9/9	9/11
Gregor Hutcheon		1/2	2/5	5/5
Douglas McAdam	C	2/2	1/3	4/5
Anne Rae MacDonald	F	1/2	1/3	4/5
Dr Fiona McLean	C,S	2/2	2/3	4/5
William Munro	F	2/2	3/3	3/5
Gordon Riddler		2/2	3/5	3/5
Dr Gaener Rodger	A	2/2	3/3	4/5
Judith Webb	A	3/4	5/9	6/11
Brian Wood	S	2/2	4/5	4/5
<b>Local Authority nominees</b>				
Peter Argyle	A	4/4	4/9	8/11
Carolyn Caddick	S	4/4	8/9	11/11
Pippa Hadley		4/4	8/9	11/11
John Latham	A	3/4	8/9	7/11
Xander McDade	F,S	4/4	9/9	11/11
Ian Maclaren	F	4/4	8/9	11/11
Derek Ross	S	4/2	3/3	5/5
Walter Wilson		1/1	0/3	1/2
<b>Locally elected</b>				
Rebecca Badger		3/3	7/8	10/10
Geva Blackett	C,S	4/4	6/7	8/11
Deirdre Falconer		1/1	1/1	0/1
Dave Fallows		3/3	7/8	9/10
John Kirk	F	0/1	0/1	0/0
Eleanor Mackintosh	C,F	4/4	8/9	11/11
William McKenna	S	4/4	9/9	11/11

Committees: F – Finance and delivery; A – Audit and risk; S – Staff and recruitment; C – Communications & Brand: appointments are shown as at 31 March 2019

## Senior Management Team salary and pension entitlements

The Constitutional Reform and Governance Act 2010 requires appointments to be made on merit and on the basis of fair and open competition. The members of the senior management team hold appointments which are open ended. Early termination, other than for misconduct, would result in the individual requiring compensation as set out in the Civil Service Compensation Scheme.

The following sections provide details of the remuneration and pension interests of the Senior Management Team of the Park Authority.

## Senior Management Team remuneration

Table 6 Single total figure of remuneration						
	Salary		Pension benefits		Total	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
	£'000	£'000	£'000	£'000	£'000	£'000
Grant Moir	<b>80-85</b>	75-80	<b>32</b>	31	<b>110-115</b>	110-115
David Cameron	<b>60-65</b>	60-65	<b>23</b>	14	<b>85-90</b>	75-80
Murray Ferguson	<b>60-65</b>	55-60	<b>14</b>	4	<b>75-80</b>	60-65
Dr Peter Mayhew	<b>50-55</b>	20-25	<b>21</b>	9	<b>70-75</b>	30-35

No member of the management team received either a bonus payment or benefits in kind in the year (2018: £nil).

\*The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decrease due to a transfer of pension rights.

## Pay multiples

The Authority is required to disclose the relationship between the total remuneration of its highest paid director and the median remuneration of its staff (the mid-point of banded remuneration, using the full time equivalent remuneration). Total remuneration includes salary, non-consolidated performance-related pay, and any benefits in kind and severance payments. It does not include employer pension contributions and the cash equivalent value of pensions.

The banded remuneration of the highest-paid director in the Park Authority in the financial year 2018/19 was £80-85,000 (2017/18: £75-80,000). This was 2.7 times (2017: 2.7) the median of staff remuneration which was £30,077 (2017/18: £28,900).

No member of staff received remuneration in excess of the highest paid director in either the year or the previous year.

## Senior Management Team pension entitlements

Table 7	Accrued pension at age 65 as at 31 03 2019	Real increase in pension and related lump sum at pension age	CETV at 31 03 2019	CETV at 31 03 2018	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Grant Moir	10 - 15	0 - 2.5	<b>113</b>	79	12
David Cameron	30 - 35	0 - 2.5	<b>565</b>	489	12
Murray Ferguson	20 - 25 + lump sum 60 - 65	0 - 2.5 + lump sum 0 - 2.5	<b>496</b>	432	11
Peter Mayhew	0 - 5	0 - 2.5	<b>28</b>	8	15

## Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined **alpha**. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (**classic**, **premium** or **classic plus**) with a normal pension age of 60; and one providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus**, **nuvos** and **alpha** are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into **alpha** sometime between 1 June 2015 and 1 February 2022. All members who switch to **alpha** have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of **classic**, **premium**, **classic plus**, **nuvos** and **alpha**. Benefits in **classic** accrue at the rate of 1/80<sup>th</sup> of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60<sup>th</sup> of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in **alpha** build up in a similar way to **nuvos**, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)

## Cash Equivalent Transfer Value (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

## The real increase in the value of the CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in the accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

## Average number of persons employed

The average number of whole-time equivalent persons employed during the year was:

Table 8	Permanently employed staff	Others	2019 Total	2018 Total
Senior management team	4	-	4	4
Staff (whole time equivalent)	57	8	65	57

No staff were seconded to the Authority in the year (2018: nil) nor were any members of the staff seconded to other parties during the year (2018: nil)

## Exit packages and compensation for loss of office

There were no exit packages agreed under the Civil Service Compensation Scheme in the year to 31 March 2019 (2018: nil) nor voluntary exit packages. (2018: none.)



## Sickness absence

The average numbers of days lost to sickness absence during the year was 4.9 per employee (2018: 4.9).

## Staff costs and Board Members' fees

Table 9	Permanently employed staff and Board Members £,000	Others £,000	2019 Total £,000	2018 Total £,000
Board members fees and costs	156		156	159
Management Team	352		352	328
Staff	2,246	457	2,703	2,239
	<u>2,754</u>	<u>457</u>	<u>3,211</u>	<u>2,726</u>
<b>Board members</b>				
Fees	153		153	156
Social security costs	3		3	3
	<u>156</u>		<u>156</u>	<u>159</u>
<b>Senior Management Team</b>				
Salaries	261		261	244
Social security salaries costs	31		31	29
Pensions	60		60	55
	<u>352</u>		<u>352</u>	<u>328</u>
<b>Staff</b>				
Salaries	1,715	356	2,071	1,708
Social security costs	172	30	202	167
Pensions	359	71	430	364
	<u>2,246</u>	<u>457</u>	<u>2,703</u>	<u>2,239</u>

## Number of staff with salaries above £50,000

Table 10	2019	2018
£80,001 - £85,000	1	-
£75,001 - £80,000	-	1
£70,001 - £75,000	-	-
£65,001 - £70,000	-	-
£60,001 - £65,000	2	1
£55,001 - £60,000	-	1
£50,001 - £55,000	4	-

The increase of 4 staff with salaries of £50,001 to £55,000 in the year relates to the retention of a number of Heads of Service who have now progressed to the top of their salary band which falls in this salary level. These are not new posts and reflects the success of the Authority's retention policies.

# ACCOUNTABILITY REPORT

## Fees and charges

During the year the Authority received 60% of planning fees for called in planning applications to the 5 local authorities within the National Park boundaries.

## Losses and special payments

There were no special payments in the year to 31 March 2019, or the previous year. There was neither gain nor loss on the disposal of non-current assets in the year (2018: gain of £875).

## Gifts

In recognition of their service as Board members, retiring members in the year were presented with a framed photograph of one of the icon scenes of natural beauty within the National Park. The cost was £404. (2018: £nil)

## Significant remote contingencies

In addition to contingent liabilities reported within the context of IAS 37, the Authority is not aware of any liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of a contingent liability.

**The report was approved by a duly authorised committee of the Board on 6 September 2019 and signed on behalf by**



### **Grant Moir**

Chief Executive and Accountable Officer  
19 September, 2019

# **INDEPENDENT AUDITOR'S REPORT TO CAIRNGORMS NATIONAL PARK AUTHORITY, THE AUDITOR GENERAL FOR SCOTLAND AND THE SCOTTISH PARLIAMENT**

## **Report on the audit of the financial statements**

### **Opinion on financial statements**

We have audited the financial statements in the annual report and accounts of Cairngorms National Park Authority for the year ended 31 March 2019 under the National Parks (Scotland) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2018/19 Government Financial Reporting Manual (the 2018/19 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2019 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 FReM; and
- have been prepared in accordance with the requirements of the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

### **Basis of opinion**

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 31 May 2016. The period of total uninterrupted appointment is three years. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern basis of accounting

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the body has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about its ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Risks of material misstatement

We have reported in a separate Annual Audit Report, which is available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that we identified and our conclusions thereon.

## Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of the Accountable Officer Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. We therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Other information in the annual report and accounts**

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration and Staff Report, and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

In connection with our audit of the financial statements, our responsibility is to read all the other information in the annual report and accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Report on regularity of expenditure and income**

### **Opinion on regularity**

In our opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

### **Responsibilities for regularity**

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. We are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

## **Report on other requirements**

### **Opinions on other prescribed matters**

In our opinion, the audited part of the Remuneration and Staff Report has been properly prepared in accordance with the National Parks (Scotland) Act 2000 directions made thereunder by the Scottish Ministers.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the National Parks (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

### **Matters on which we are required to report by exception**

We are required by the Auditor General for Scotland to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration and Staff Report are not in agreement with the accounting records; or
- We have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

### **Conclusions on wider scope responsibilities**

In addition to our responsibilities for the annual report and accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in our Annual Audit Report.

### **Use of our report**

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Joanne Brown, (for and on behalf of Grant Thornton UK LLP)

Grant Thornton UK LLP  
110 Queen Street  
Glasgow  
G1 3BX

10 October, 2019

## PART 3 – FINANCIAL STATEMENTS

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## Statement of Comprehensive Net Expenditure

for the year ended 31 March 2019

		2019		2018	
	notes	£'000	£'000	£'000	£'000
Operational plan income	3	1,936		1,506	
Other operating income	3	301		140	
<b>Total operating income</b>	6		<b>2,237</b>		1,646
Board members and staff costs	3	3,211		2,726	
Operational Plan expenditure	3	2,941		2,695	
Other operating costs	3,5	670		604	
			<b>6,822</b>		6,025
<b>Operating expenditure before depreciation</b>			<b>4,585</b>		4,379
Depreciation and impairment charges	8		<b>119</b>		75
<b>Comprehensive net expenditure for the year</b>			<b>4,704</b>		4,454

No activities were discontinued during the year.

The notes on pages 51 to 60 form part of these accounts.



# Statement of Financial Position

as at 31 March 2019

	notes	2019 £'000	2018 £'000
<b>Non-current assets</b>			
Property, plant and equipment	8	714	653
Intangible assets	8	41	43
Financial assets	7	-	-
<b>Total non-current assets</b>		<b>755</b>	<b>696</b>
<b>Current assets</b>			
Trade and other receivables	9	634	931
Cash and cash equivalents	10	948	512
<b>Total current assets</b>		<b>1,582</b>	<b>1,443</b>
<b>Total assets</b>		<b>2,337</b>	<b>2,139</b>
<b>Current liabilities</b>			
Trade and other payables	11	1,270	1,133
<b>Total current liabilities</b>		<b>1,270</b>	<b>1,133</b>
<b>Total assets less current liabilities</b>		<b>1,067</b>	<b>1,006</b>
<b>Taxpayers' equity</b>	SCTE	<b>1,067</b>	<b>1,006</b>

The financial statements were approved by a duly authorised committee by the Board and authorised for issue on 6 September 2019.



**Grant Moir**

Chief Executive and Accountable Officer  
19 September, 2019

The notes on pages 51 to 60 form part of these accounts.

## Statement of Cash Flows

for the year ended 31 March 2019

		2019		2018	
	notes	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Net expenditure for year	SCNE	(4,704)		(4,454)	
Adjustment for non-cash transactions	8	119		75	
(Increase)/decrease in trade and other receivables		297		(659)	
Increase in trade and other payables		137		438	
<b>Net cash outflow from operating activities</b>			(4,152)		(4,600)
<b>Cash flows from investing activities</b>					
Purchase of property, plant & equipment	8	(170)		(195)	
Purchase of intangible assets	8	(12)		(15)	
Reclassified as capital grant	8	5		-	
Proceeds from the disposal of assets		-		1	
<b>Net cash outflow from investing activities</b>			(177)		(209)
<b>Cash flows from financing activities</b>					
Grants from sponsoring Directorate	4		4,765		4,575
<b>Net (decrease) increase in cash</b>			436		(234)
<b>Cash and cash equivalents at 1 April</b>			512		746
<b>Cash and cash equivalents at 31 March</b>			948		512

The notes on pages 51 to 60 form part of these accounts.

# Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2019

	notes	2019 £'000	2018 £'000
<b>Balance at 1 April, 2018</b>		1,006	885
Grants from sponsoring Directorate	4	4,765	4,575
Net expenditure	SCNE	(4,704)	(4,454)
		<hr/>	<hr/>
Movement for year		61	121
		<hr/>	<hr/>
<b>Balance as at 31 March, 2019</b>		1,067	1,006
		<hr/>	<hr/>

The notes on pages 51 to 60 form part of these accounts

# Notes to the Financial Statements

for the year ended 31 March 2019

## 1. Basis of preparation of accounts

The accounts are prepared in accordance with the direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000, Government Financial Reporting Manual (FrEM) issued by HM treasury as adopted and interpreted by the Scottish Government. The accounts direction is included as Appendix I to the accounts.

The accounts are prepared in sterling under the historical cost convention, and cover the period from on 1 April 2018 and ended on 31 March 2019.

## 2. Accounting policies

Where FrEM permits a choice of accounting policy, those which are considered to be most appropriate in giving a true and fair view have been adopted, and have been applied consistently to all material transactions throughout the financial year. (see also 2.15)

### 2.1 Significant judgements and estimates

Preparation of financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- **Investment** – in deciding whether the Park Authority's investment in National Parks Partnership LLP has been impaired in management's judgement as the capital contributions made to the LLP are non-returnable an impairment provision was recognised against the full value of the capital contributions made.
- **LEADER irregularities** – as accountable body for the Cairngorms Local Action Group, which will deliver the Local Development Strategy, the Park Authority is liable for any funding advanced that may not be recoverable (irregularities) from funds made available from the EU through the LEADER rural development program.
- Based on management's experience of the previous LEADER programme an estimate of the small percentage of costs found to be irregular has been used to make a provision against irregularities in the current 2014-2020 programme. As LEADER funds are committed and advanced the level of provision for irregularities will be closely managed and adjustments made in future accounting periods when warranted.

### 2.2 Non-current assets – property, plant and equipment (PPE)

The minimum level for the capitalisation of individual non-current assets, other than information technology, is £500. Information technology systems are capitalised where the pooled value exceeds £500. Substantial improvements to leasehold properties are also capitalised. Assets in the course of construction are carried at cost and are transferred to the appropriate asset heading once completed and in use.

All PPE is reviewed annually for impairment and adjustments are made if necessary.

## 2.3 Non-current assets – intangible assets

Purchased computer software are capitalised as intangible assets in accordance with FreM guidance and amortised on a straight line basis over their estimated useful lives.

## 2.4 Depreciation

Depreciation is provided on all non-current assets at rates calculated to write down the cost or valuation by equal instalments over their estimated useful lives once the asset is brought into use. Depreciation is applied in the following ranges:

- park entry markers 25 years
- operational plant and equipment 5 years or over length of lease on land for “Scenic Routes” assets
- information technology 3 – 5 years
- leasehold improvements over the length of the lease, or shorter period depending on the nature of the asset capitalised as a leasehold improvement

## 2.5 Financial instruments and exposure to risks

The Park Authority’s cash operating and capital expenditure is met from DEL, cash budget allocation from the Scottish Government, from other income sources and from contributions from partners to jointly fund projects. The Park Authority has now powers to borrow money or invest surplus funds. Other than financial assets and liabilities which are generated in day-to-day operational activities, the investment in National Parks Partnerships LLP, the Park Authority holds no financial instruments.

### Liquidity risk

The Authority’s net revenue resource requirements are financed by Scottish Government, as is capital expenditure. The Park authority is therefore not exposed to material liquidity risks.

### Credit risk

The Park Authority’s funders are mainly Scottish Government or European Union Departments, executive agencies of other public bodies. The Authority is therefore not exposed to any material credit risk.

### Foreign currency risk

The Authority is not exposed to foreign currency risk.

The Park Authority’s financial assets and liabilities are categorised by groups under IFRS 9 as

	2019 £'000	2018 £'000
<b>Financial assets</b>		
Trade and other receivables	634	931
Cash and cash equivalents	948	512
	<b>1,582</b>	<b>1,443</b>
<b>Financial liabilities</b>		
Trade and other payables	1,270	1,133

The carrying value of the financial assets and liabilities noted above is considered a reasonable approximation of fair value.

## **2.6 Cash and cash equivalents**

Cash and cash equivalents include cash in hand and deposits held at call with banks.

## **2.7 Trade payables**

All material amounts due at 31 March 2019 have been brought into the Statement of Comprehensive Net Expenditure irrespective of when actual payments were received.

## **2.8 Income and expenditure recognition**

Operating income is income directly related to the operational activities of Park Authority and includes planning fees and project grants and recoveries from partners

Where income or expenditure has been recognised but cash has not been received or paid, a receivable or payable for the corresponding amount is recognised in the Statement of Financial Position.

Where cash has been received or paid in advance of the activity or expenditure, no income or expenditure is recognised and the amount payable or receivable is recognised in the Statement of Financial Position.

## **2.9 Scottish Government funding and grant-in-aid**

The Authority receives grant-in-aid from the Scottish Government to finance its net expenditure.

The authority receives a budget from the Scottish Government, (Departmental Expenditure Limit or DEL) to fund non-cash expenditure (depreciation) and the cash costs of acquiring tangible and intangible assets and operating expenditure. Taxpayers' Equity is credited with the DEL cash allocation and charged with the net expenditure on the DEL cash allocation in the Statement of Changes in Taxpayers' Equity.

## **2.10 Pension costs**

Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which is a defined benefit scheme. The Authority recognises the expected cost of providing pensions for their employees on a systematic and rational basis over the period during which they benefit from their services by payment to the PCSPS of amounts calculated on an accruing basis. Relevant disclosures are reported in Note 12. Liability for the payment of future benefits is a charge to the PCSPS.

## **2.11 Leases**

Operating leases rentals are charged to the Statement of Comprehensive Net Expenditure in the month in which the payment relates.

## **2.12 Value Added Tax (VAT)**

Most of the activities of the Authority are outside the scope of VAT, and in general output VAT does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is

charged to the relevant expenditure category or is included in the capitalised purchase cost of when incurred.

### **2.13 Short-term employee benefits**

A liability for accrued unused annual leave, flexi-time and time off in lieu of leave (TOIL) is recognised to 31 December, the end of the holiday year. The movement for the year is charged or credited to net expenditure.

### **2.14 Interest in other entities**

IFRS 12: Disclosure of interests in other entities, requires disclosure on interests in subsidiaries, joint arrangement, associates and unconsolidated structured entities. The Authority is a Designate Member of National Parks Partnerships LLP, which was incorporated on 11 June 2016. The Authority, along with the 14 other National Parks, holds an equal share in the Partnership. The investment does not meet the criteria of a subsidiary, joint, venture or associate and has been recognised as an investment.

### **2.15 Changes in Accounting Standards**

#### **2.15.1 Standards, amendments and interpretations effective in 2018/19**

IFRS 9, Financial Instruments, and IFRS 15, Revenue from Contracts with Customers, have been applied for the first time in 2018/19.

IFRS 9 replaces IAS 39 and introduces a single approach to classification and measurement of financial instruments, a new forward looking expected loss impairment model and a revised approach to hedge accounting.

Given the non-complex nature of the Park Authority's assets and liabilities, there is no impact on the Statement of Financial Position or the Statement of Comprehensive Net Expenditure as a result of adopting IFRS 9.

IFRS 15 introduces greater disclosure requirements, as well as a new five stage model for assessing and recognising revenue from contracts with customers.

This standard has not impacted the Park Authority's Statement of Financial Position or Statement of Comprehensive Net Expenditure.

IFRS 16, Lease, was published by the International Accounting Standards Board in January 2016. The standard requires lessees to recognise leases on the Statement of Financial Position as an asset which reflects the right to use the underlying asset and a liability which represents the obligation to make lease payments. This has not been adopted in the 19/20 FREM. It is applicable for accounting periods beginning on or after 1 January 2020 for public bodies. For the Park Authority, the standard will be effective for the year ending 31 March 2021 and the impact has not yet been quantified.

#### **2.15.2 Standards, amendments and interpretations early adopted this year**

There are no new standards, amendments or interpretations early adopted this year.

## 2.16 Assets held on behalf of others

When the authority holds an asset on behalf of a third party and may have a future beneficial right if certain conditions are not met, both the asset and liability are recognised in the Statement of Financial Position.

## 3 Segmental reporting

IFRS 8: Segmental Reporting, requires operating segments to be identified on the basis of internal reports about components of the Park Authority's work. The categories reported for 18/19 are from the National Park plan for the 3 years to 2022. No restatement has been made to the segmental disclosure for 17/18 which relates to the previous Corporate Plan.

<b>2019</b>	<b>Board and staff costs £'000</b>	<b>Operational plan expenditure £'000</b>	<b>Other operating costs £'000</b>	<b>Operational plan income £'000</b>	<b>Other income £'000</b>	<b>Net segmental reporting £'000</b>
<b>Conservation</b>						
Landscape scale conservation	677	280	144	(116)	(43)	<b>942</b>
Deer management	34	25	8	-	-	<b>67</b>
Moorland management	82	47	19		(73)	<b>75</b>
	<b>793</b>	<b>352</b>	<b>171</b>	<b>(116)</b>	<b>(116)</b>	<b>1,084</b>
<b>Visitor experience</b>						
Infrastructure	143	143	33	(40)	(10)	<b>269</b>
Active Cairngorms	63	186	14	(15)	(47)	<b>201</b>
Visitor experience	147	210	34	(5)	(1)	<b>385</b>
	<b>353</b>	<b>539</b>	<b>81</b>	<b>(60)</b>	<b>(58)</b>	<b>855</b>
<b>Rural development</b>						
Housing for local needs	189	28	43	-	(71)	<b>189</b>
Community support	374	542	58	(538)	-	<b>436</b>
Support for Park economy	191	854	16	(959)	-	<b>102</b>
Service delivery	325	201	75	(83)	-	<b>518</b>
	<b>1,079</b>	<b>1,625</b>	<b>192</b>	<b>(1,580)</b>	<b>(71)</b>	<b>1,245</b>
<b>Corporate services</b>						
OD strategy	88	-	20	-	-	<b>108</b>
Facilities & accommodation	21	9	5	-	-	<b>35</b>
Service improvement	436	73	100	-	(20)	<b>589</b>
Governance & community	154	36	35	-	(36)	<b>189</b>
Europarc conference	6	259	1	(177)	-	<b>89</b>
	<b>705</b>	<b>377</b>	<b>161</b>	<b>(177)</b>	<b>(56)</b>	<b>1,010</b>
<b>Communications &amp; engagement</b>						
	281	48	65	(3)	-	<b>391</b>
	<b>3,211</b>	<b>2,941</b>	<b>670</b>	<b>(1,936)</b>	<b>(301)</b>	<b>4,585</b>



<b>2018</b>	<b>Board member and staff costs £'000</b>	<b>Operational plan expenditure £'000</b>	<b>Other operating costs £'000</b>	<b>Operational plan income £'000</b>	<b>Other income £'000</b>	<b>Net segmental expenditure £'000</b>
<b>Conservation</b>						
Habitat restoration	141	56	31	(1)	-	227
Priority Species	183	87	41	(28)	(1)	282
Moorland management	38	1	8	-	(35)	12
Catchment management	13	25	3	-	-	41
	<b>375</b>	<b>169</b>	<b>83</b>	<b>(29)</b>	<b>(36)</b>	<b>562</b>
<b>Visitor experience</b>						
Glenmore	17	1	4		-	22
Infrastructure	34	268	7	(102)	-	207
Active Cairngorms	171	266	38	(11)	(1)	463
Visitor experience	47	49	10	(23)		83
	<b>269</b>	<b>584</b>	<b>59</b>	<b>(136)</b>	<b>(1)</b>	<b>775</b>
<b>Rural Development</b>						
Planning	606	80	134	-	(85)	735
Economic strategy	141	796	31	(732)	(1)	235
Tomintoul & Glenlivet regeneration	119	724	28	(604)	(1)	266
Community support	47	168	10	(3)	-	222
	<b>913</b>	<b>1,768</b>	<b>203</b>	<b>(1,339)</b>	<b>(87)</b>	<b>1,458</b>
<b>Corporate services</b>						
OD strategy	371	6	82	-	(2)	457
Facilities and accommodation	124	11	28	-	-	163
Service improvement	222	65	49	-	(12)	324
Governance & community	222	21	49	-	(1)	291
	<b>939</b>	<b>103</b>	<b>208</b>	<b>-</b>	<b>(15)</b>	<b>1,235</b>
<b>Communications</b>	<b>230</b>	<b>71</b>	<b>51</b>	<b>(2)</b>	<b>(1)</b>	<b>349</b>
	<b>2,726</b>	<b>2,695</b>	<b>604</b>	<b>(1,506)</b>	<b>(140)</b>	<b>4,379</b>

#### 4 Grant-in-aid

	<b>2019 £'000</b>	<b>2018 £'000</b>
Grant-in-aid allocated to meet operational expenditure	<b>4,565</b>	4,315
Grant-in-aid allocated to meet capital expenditure	<b>200</b>	260
	<b>4,765</b>	4,575

## 5 Other operating costs

	2019 £'000	2018 £'000
Office running costs	147	170
Board and staff costs (excluding salary/fee costs)	166	168
Information technology	74	68
Professional support fees	66	37
Land and buildings rentals	142	91
Vehicles and office equipment rentals	64	59
Independent auditor's fees	11	11
	<b>670</b>	<b>604</b>

## 6 Other income

	2019 £'000	2018 £'000
Operational Plan income from EU sources	1,053	701
Operational Plan income from other sources	1,030	795
Planning fees and other income	154	150
	<b>2,237</b>	<b>1,646</b>

## 7 Financial assets

	2019 £'000	2018 £'000
Balance as at 1 April 2018 and 31 March 2019	-	-

In 2016 payments were made towards the commercialisation of National Parks in the UK. The payments were expensed as incurred during the year. In 2017 National Parks Partnership LLP was established as the body to represent 15 National Parks in exploring ways to benefit jointly from pursuing commercial activities e.g. sponsorship, licensing. On incorporation the payments made were recognised by the LLP as capital contributions from the partners.

As the result of a review of the carrying value of the capital contributions, full provision against the carrying value of the financial asset was recognised as the capital contributions are non-returnable.

## 8 Tangible and intangible assets

	Leasehold improvements	Assets in the course of construction	Park entry markers	Operational plant and equipment	Motor vehicles	ICT	Tangible Total	Intangible Software
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>								
At 1 April, 2018	139	195	57	380	-	256	1,027	73
Additions	9	91	-	33	-	37	170	12
Transfers	81	(281)	-	200	-	-	-	0
Reclassified	-	(5)	-	-	-	-	(5)	0
Disposals	-	-	-	(37)	-	(92)	(129)	(3)
At 31 March, 2019	229	-	57	576	-	201	1,063	82
<b>Depreciation</b>								
At 1 April, 2018	(80)	-	(25)	(96)	-	(173)	(374)	(29)
Charge for year	(19)	-	(2)	(48)	-	(35)	(104)	(15)
Disposals	-	-	-	37	-	92	129	3
At 31 March, 2019	(99)	-	(27)	(107)	-	(116)	(349)	(41)
<b>Cost</b>								
At 1 April, 2017	418	65	57	375	22	196	1,133	58
Additions	-	131	-	4	-	60	195	15
Transfers	-	(1)	-	1	-	-	-	-
Disposals	(279)	-	-	-	(22)	-	(301)	-
At 31 March, 2018	139	195	57	380	-	256	1,027	73
<b>Depreciation</b>								
At 1 April, 2017	(346)	-	(23)	(78)	(22)	(144)	(614)	(16)
Charge for year	(12)	-	(2)	(18)	-	(29)	(62)	(13)
Disposals	279	-	-	-	22	-	301	-
At 31 March, 2018	(80)	-	(25)	(96)	-	(173)	(374)	(29)
<b>Net book value</b>								
At 31 March, 2019	130	-	30	469	-	85	714	41
At 31 March, 2018	59	195	32	284	-	83	653	43

At both year ends all assets were owned. No assets were held on finance lease.

## 9 Trade receivable and other current assets

	2019 £'000	2018 £'000
Amounts falling due within one year:		
Project income debtors	575	890
Prepayments and accrued income	59	41
	<b>634</b>	<b>931</b>

## 10 Cash and cash equivalents

	2019 £'000	2018 £'000
Balance as at 1 April:	512	746
Net change in cash and cash equivalent balances	436	(234)
Balance as at 31 March	<b>948</b>	<b>512</b>

The year end balances were held in commercial bank accounts.

## 11 Trade payables and other current liabilities

	2019 £'000	2018 £'000
Amounts falling due within one year:		
Trade payables	69	203
Accruals and deferred income	806	694
Provisions	248	188
Other liabilities	147	48
	<b>1,270</b>	<b>1,133</b>

## 12 Pensions

The Authority is a member of the Principal Civil Service Pensions Scheme (PCSPS) which is an unfunded multi-employer defined benefit scheme. The Authority is unable to identify its share of the underlying assets and liabilities of the scheme. A full actuarial valuation was carried out as at 31 March 2007, details of which can be found in the Resources Accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk))

For the year ended 31 March 2019 employer's contributions of £489,472 (2018: £453,205) were paid to the PCSPS. The contributions were payable at one of four rates, from 20% to 24.5% of pensionable pay, based on salary bands. All employees have the opportunity to join the scheme.

### 13 Capital commitments

	2019 £'000	2018 £'000
--	---------------	---------------

Contracted capital commitments at 31 March 2019 not otherwise included in the financial statements

Property, plant and equipment	17	103
-------------------------------	----	-----

### 14 Commitments under lease

	Land and buildings		Motor vehicles and other equipment	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Not later than one year	143	10	26	17
Later than one and less than five years	568	-	29	10
Later than five years	2,532	-	-	-
	<b>3,243</b>	<b>10</b>	<b>55</b>	<b>27</b>

### 15 Contingent liabilities

The Park Authority is the lead body for Heritage Lottery Fund supported projects (Tomintoul & Glenlivet Landscape Partnership, the Great Place Badenoch Project, and the Capercaillie Framework Project) as well as being the Accountable Body for Cairngorms LEADER which administers the European funded project on behalf of the Cairngorms Local Action Group. Given the nature of these arrangements advances are made to projects and grant applicants which in turn are reclaimed from the funders. It is possible that funds advanced may fall to be irrecoverable. At this time there is uncertainty whether any liability will arise or its value.

### 16 Related party transactions

The Authority is a Non-departmental Public Body of the Scottish Government. The Authority's sponsoring body is the Natural Resources Division, Environment & Forestry Directorate.

The Scottish Government and the Natural Resources Division, Environment & Forestry Directorate are regarded as related parties with whom there have been various material transactions during the year in the normal course of operations.

In addition, the Authority has had a small number of material transactions with other Government departments and other Non-departmental Public Bodies.

No Board member, senior manager or other related parties has undertaken any material transactions with the Authority during the year.

# APPENDIX I

## Accounts Direction



### CAIRNGORMS NATIONAL PARK AUTHORITY

#### DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of The National Parks (Scotland) Act 2000, hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FRM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 20 April 2004 is hereby revoked.

Signed by the authority of the Scottish Ministers

*IR HENDERSON, Head of Grants and  
Natural Heritage Division*

Dated 12 January 2006

## APPENDIX II

### Staff Union Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 the publication by public bodies to reproduce the information in the following statutory format:

#### 1 Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
----------------------------------------------------------------------------------	--------------------------------------

1 (2017/18 -1)	<b>68.97</b> (2017/18 - 60.39)
----------------	--------------------------------

#### 2 Percentage of time spend on facility time

% of time	Number of employees
-----------	---------------------

0%	-
1-50%	<b>1</b> (2017/18 – 1)
51-99%	-
100%	-

#### 3 Percentage of pay bill spent on facility time

Total cost of facility time	<b>£240</b> (2017/18 - £348)
Total pay bill	<b>£3,211,481</b> (2017/18 - £2,975,661)
% of total pay bill spend on facility time	<b>0.007%</b> (2017/18 - 0.012%)

#### 4 Trade union activities

Time spent on paid trade union activities as a % of total paid facility time hours	<b>0.003%</b> (2017/18 - 0.025%)
------------------------------------------------------------------------------------	----------------------------------