

Internal Audit Report

Key Financial Systems
2015/16 – Final report
**Dartmoor National Park
Authority**

December 2015

OFFICIAL

Devon Audit Partnership

The Devon Audit Partnership has been formed under a joint committee arrangement comprising of Plymouth, Torbay and Devon councils. We aim to be recognised as a high quality internal audit service in the public sector. We work with our partners by providing a professional internal audit service that will assist them in meeting their challenges, managing their risks and achieving their goals. In carrying out our work we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards.

The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at robert.hutchins@devonaudit.gov.uk.

Confidentiality and Disclosure Clause

This report is protectively marked in accordance with the National Protective Marking Scheme. Its contents are confidential and, whilst it is accepted that issues raised may well need to be discussed with other officers within the organisation, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation's disclosure policies.

This report is prepared for the organisation's use. We can take no responsibility to any third party for any reliance they might place upon it.

1 Introduction

Section 151 of the Local Government Act 1972 requires that every local authority in England and Wales should "... make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs". The County Treasurer, Devon County Council as the responsible financial officer, has this statutory responsibility and must establish an appropriate control environment and effective internal controls for all financial activity and systems of the Dartmoor National Park Authority (DNPA).

An effective internal audit service reports on, and gives an objective opinion to management, on the effectiveness of the control environment and internal controls in managing the risks, including the financial risks, facing the Authority. This audit was undertaken as part of the annual plan agreed with the Head of Business Support. The review of the Financial Systems in operation throughout the Authority was mainly carried out during late October 2015.

Our summary opinion is provided below. This is based on a review of the effectiveness of the controls to mitigate the exposure to the identified risks, and the results of testing a restricted sample of transactions and/or documentation.

2 Audit Opinion

High Standard - The system and controls in place adequately mitigate exposure to the risks identified. The system is being adhered to and substantial reliance can be placed upon the procedures in place. We have made only minor recommendations aimed at further enhancing already sound procedures.

3 Executive Summary

The Authority continues to maintain effective internal control over its financial systems to mitigate key financial risks.

There have been noted improvements to the processing of Payroll since the last financial year. This includes improvement in the performance of the Payroll provider (3rd party), and the introduction of a new variance report to enable effective monitoring of Payroll outputs.

In this year's audit we reviewed the inventory adopted by the Authority and found there to be a high standard of controls to manage and monitor inventory records.

The Authority continues to have a high standard of control over its main accounting system, and there was evidence to support that bank reconciliations undertaken in this financial year have been completed correctly and timely.

The detailed findings and recommendations regarding these issues and less important matters are described in the Appendices. Recommendations have been categorised to aid prioritisation. Definitions of the priority categories and the assurance opinion ratings are also given in the Appendices to this report.

4 Assurance Opinion on Specific Sections

The following table summarises our assurance opinions on each of the areas covered during the audit. These combine to provide the overall assurance opinion at Section 2. Definitions of the assurance opinion ratings can be found in the Appendices.

Risk Areas Covered		Level of Assurance
1	The Main Accounting System may not comply with accounting standards and may not accurately report the financial standing of the organisation.	High Standard
2	Spend against the organisation's budget may not be suitably controlled and reported, resulting in the risk of overspend.	High Standard
3	Bank reconciliation procedures may not be effective and errors or discrepancies may not be promptly identified and addressed.	High Standard
4	Inadequate or inappropriate inventory held.	High Standard
5	Purchasing arrangements and payments to creditors may not be secure or effective resulting in incorrect and / or unauthorised payments.	High Standard
6	Income due to the organisation may not be suitably controlled (Invoice raising, income collection and banking).	High Standard
7	The Payroll (Salaries and Wages) may not be suitably controlled resulting in incorrect and/ or unauthorised payments being made	High Standard
8	Non-compliance with Treasury Management statutory requirements, regulations and best practice.	High Standard
9	Financial loss and undetected error or fraud	High Standard

The findings and recommendations in relation to each of these areas are discussed in the "Detailed Audit Observations and Action Plan" appendix. This appendix records the action plan agreed by management to enhance the internal control framework and mitigate identified risks where agreed.

5 Issues for the Annual Governance Statement

The evidence obtained in internal audit reviews can identify issues in respect of risk management, systems and controls that may be relevant to the Annual Governance Statement.

Based on the evidence we have found in this audit, there are no issues arising that would warrant inclusion in the Annual Governance Statement.

6 Scope and Objectives

Main Accounting System:

To ensure that the Main Accounting System is operated in accordance with the organisation's Financial Regulations so that the Authority's financial position is accurately reported.

Bank reconciliation:

To ensure that bank reconciliation procedures are carried out efficiently and effectively to safeguard the Authority's financial balances.

Inventory:

To ensure that there are reasonable procedures to record, monitor and safeguard assets owned by the authority.

Income and Cash Collection:

To confirm that income due to the organisation is suitably controlled (invoice raising, income collection and banking).

Ordering and Payments:

To ensure that purchasing is carried out in compliance with the Authority's financial regulation and also European procurement regulations, so that the Authority obtains the best value for money.

Investments:

To review and ensure that regulatory requirements, performance targets and best practice expectations are met. To ensure controls are in place to prevent financial loss as a result of error or fraud.

Payroll and Travel Expenditure:

To confirm that Payroll and Travel Expenditure is suitably controlled resulting in correct and / or authorised payments being made.

7 Inherent Limitations

The opinions and recommendations contained within this report are based on our examination of restricted samples of transactions / records and our discussions with officers responsible for the processes reviewed.

8 Acknowledgements

We would like to express our thanks and appreciation to all those who provided support and assistance during the course of this audit.

Robert Hutchins
Head of Partnership

Appendix A

Detailed Audit Observations and Action Plan

1. Risk Area Covered: The Main Accounting System may not comply with accounting standards and may not accurately report the financial standing of the organisation	Level of Assurance
Opinion Statement: The Authority continues to use FINEST as its Main Accounting System. The system is supported by the "FINEST" team at Devon County Council who also operate the programme. The system controls in place ensure compliance with accounting standards and also provide a good audit trail. We found sound controls in place as to which officers have access to the system. We found suitable restrictions in place for users to ensure that unauthorised use is prevented.	High Standard
No observations and recommendations recorded.	

2. Risk Area Covered: Spend against the organisations budget may not be suitably controlled and reported, resulting in the risk of overspend	Level of Assurance
Opinion Statement: The system supports the budget monitoring process and the Finance Team's ability to report to Committee on income and expenditure throughout the year as required by the Authority's financial regulations. Budget holders and members of the Leadership Team are provided with regular budget monitoring reports, which were found to be sound and provides clear commentary in relation to variations. The budget information being provided to the Audit and Governance Committee and Dartmoor National Park Authority to inform their decision making was found to be of good quality and comprehensive. All of these factors have enabled the Auditor to offer a high level of assurance in this area. There is clear evidence that the approved annual budget is uploaded to the financial system. This in turn is closely monitored by the Head of Business Support with procedures in place to ensure that the expenditure is controlled within the agreed levels.	High Standard
No observations and recommendations recorded.	

3. Risk Area Covered: Bank reconciliation procedures may not be effective and errors or discrepancies may not be promptly identified and addressed.	Level of Assurance
Opinion Statement: Bank reconciliations are carried out effectively and efficiently and relatively promptly, usually within one month. We noted that this was despite some resource issues with vacancy and sickness. Access to the banking system is well controlled.	High Standard
No observations and recommendations recorded.	

4. Risk Area Covered: Inadequate or inappropriate inventory held.			Level of Assurance
Opinion Statement: The control framework in respect of inventories was found to be robust, and there was a good audit trail to demonstrate compliance with the framework, thereby the risk in this area is deemed to be mitigated enabling a high level of assurance to be given in this area. One recommendation has been made in relation to the delegation around disposal of assets, where is it felt there is unnecessary exposure to risk where the officer responsible for the safeguarding of the IT assets is also delegated to approve the disposal of IT equipment as per the scheme of delegation. This may be an area that the Leadership team and the Audit & Governance Committee may wish to review.			High Standard
No.	Observation and implications		
4.1	Sample testing confirmed that for a sample of disposal the correct process had been followed and approved in accordance with the scheme of delegation. However the scheme of delegation currently gives the Head of IT powers to approve the write off of his own assets, which is not deemed best practice and exposes the member of staff to unnecessary risk.		
	Recommendation	Priority	Management response and action plan including responsible officer
4.1.1	The Authority should consider whether the delegation for the disposal of IT equipment within the scheme of delegation should be revised, removing the Head of IT as having delegated authority to approve disposal of IT.	Low	Agreed. The Chief Executive (NPO) will amend his delegation under para H2 to remove reference to the Head of ICT and authorise an alternative officer.

5. Risk Area Covered: Purchasing arrangements and payments to creditors may not be secure or effective resulting in incorrect and / or unauthorised payments.	Level of Assurance
<p>Opinion Statement:</p> <p>We found the authority has a high standard of controls to enable effective purchasing of supplies and services. There is reasonable guidance provided to spending officers to advise them on how to raise orders for goods and services, and clear tendering requirements are documented within the procurement procedures.</p> <p>Access to processing of invoices is mainly restricted to Finance staff, and there is adequate segregation of duties built into the accounting system for raising, processing and authorisation of creditor invoices.</p> <p>In discussions with the Finance team, there are reasonable procedures to update supplier details, which therefore should mitigate the risk of a payment being paid to an incorrect supplier.</p> <p>We found only one instance within our sample testing of invoices where a purchase order had not been raised by a service in advance of a service being provided.</p> <p>In our sample of creditor payments, we found that spending officers had adhered to the tendering requirements as per the Authority's procurement procedures and there was a reasonable audit trail maintained by the relevant service to record the tendering process followed.</p> <p>We tested a small sample of creditor payments including manual payments and purchases made by credit card, and found these to be subject to appropriate levels of checking and authorisation. We found all of the creditor invoices included in the sample testing had been correctly coded into the accounting system.</p>	<p>High Standard</p>
No observations and recommendations recorded.	

6. Risk Area Covered: Income due to the organisation may not be suitably controlled (Invoice raising, income collection and banking).			Level of Assurance
<p>Opinion Statement:</p> <p>The Authority has effective processes in place to manage debtor income, and there is reasonable separation of duties applied when raising and processing debtor invoices and credit notes onto the accountancy system.</p> <p>We found there to be a reasonable audit trail to support all invoices and credit notes that we tested.</p> <p>In review of cash procedures, we found there to be good controls to manage, check and reconcile cash through the three national park Visitor Centres and also through other income streams including Planning and parking. A separate audit of car park income is currently being undertaken. We also found evidence to support that banking had been done completely and promptly.</p> <p>The National Park reviews and sets their fees and charges each year as part of its budget setting process. They are formally agreed at the Authority meeting. In testing a small sample of invoices raised in this financial year, the invoices had been raised promptly and we were able to get assurance that the invoices had been issued for the correct amount owed to the Authority, and also the correct VAT codes were applied.</p>			High Standard
No.	Observation and implications		
6.1	<p><u>Advertising Income</u></p> <p>Currently the Authority receives a regular annual income from selling advertising space in the Enjoy Dartmoor Magazine. This is managed on behalf of the Authority by a 3rd party company who are responsible for selling the advertising space and collecting the income from the businesses and organisations.</p> <p>We were able to get confirmation that the income due for advertising in 2014/15 had been paid to the Authority as per the contract agreement. At present the 3rd party provide the authority with the total sales figure, but do not provide a breakdown of sales. As discussed with the Promotion and Development Officer, there could be benefit in obtaining a breakdown of sales, to get assurance that the authority receives all of the income that is due to them.</p>		
	Recommendation	Priority	Management response and action plan including responsible officer
6.1.1	As agreed, the Promotion and Development Officer should consider the need to get a breakdown of sales from the contractor in order to verify and reconcile all of the income that is due to the Authority.	Low	Agreed and implemented. A breakdown was requested from Zara Media and it was provided immediately. All figures were correct. This will be an ongoing requirement for subsequent editions.

7. Risk Area Covered: The Payroll (Salaries and Wages) may not be suitably controlled resulting in incorrect and/ or unauthorised payments being made			Level of Assurance
<p>Opinion Statement:</p> <p>Whilst there has been no significant change to the processes themselves since the last financial year, and the Authority continues to use HR One (DCC) to administer the payroll, there have been improvements in processing: Errors are recorded on an 'error log' and the numbers are low, and the payroll provider now also provides the Authority with a variance report on a monthly basis, and this has helped the HR team to review significant variances to gross pay more effectively.</p> <p>As part of this audit we undertook sample testing and included the following areas:</p> <ul style="list-style-type: none"> • Starters and leavers • Changes and amendments to employees' salaries • Additional hours • Member's allowances • Members' travel and subsistence claims. <p>Our sample testing confirmed that salaries and wages have in the main, been paid correctly, accurately and timely.</p> <p>Currently the Authority maintains separate HR and Payroll records for its employees. We noted that in some instances the HR records had not been updated in a timely manner. However, we did recognise that the authority do have a reasonable process to check both sets of records at the start of the financial year to ensure standing data including salary details are correct. This would include a review of any incremental changes.</p> <p>The Payroll provider has yet to provide the Authority with the ability to use 'self-service'. This could enable more efficient processing of claims in future.</p>			High Standard
No.	Observation and implications		
7.1	<p><u>Checking and reconciling HR and Payroll records.</u></p> <p>The HR team continue to reconcile HR records and the Payroll record as part of an annual check. However it was identified in this audit review that the HR record may not be updated on a timely basis to reflect changes during the financial year.</p> <p>Whilst we acknowledge there is a low risk of payment of a 'ghost' employee, the authority should ensure the HR record is kept up to date to ensure its information is reliable, and for ease of reconciling against Payroll data.</p>		
	Recommendation	Priority	Management response and action plan including responsible officer
7.1.1	The Head of Organisational Development should ensure that HR records are updated promptly during the financial year and to explore the use of an alternative system providing there is added benefit in doing so.	Medium	Agreed. HR checklists for starters/leavers and any other pay related changes to be completed promptly on DNPA HR system - HR.net. Head of OD to explore options to enable more efficient processing/reduce duplication (e.g. greater use of existing payroll provider for management information/reporting)

8. Risk Area Covered: Non-compliance with Treasury Management statutory requirements, regulations and best practice.	Level of Assurance
<p>Opinion Statement:</p> <p>There was no evidence of non-compliance with Treasury Management statutory requirements or regulations, and the control framework surrounding this was found to be robust. The corporate governance around investments was considered sound including having the relevant policies and formalised financial framework established, namely investment strategy, policy, financial regulations and scheme of delegation, and there is evidence of clear reporting to the both Audit and Governance and the Authority.</p> <p>There was one issue that the Authority had ongoing at the time of the audit relating to the downgrading of the AAA rating of Barclays Bank, which has resulted in the Authority being in breach of their investment strategy. Due to this external influence, Devon County Council found themselves in a similar situation. This resulted in the Section 151 officer presenting a paper to the Council proposing a change to the strategy. A similar paper has been prepared for presentation to the next Authority meeting in December, seeking amendment to the investment strategy so that funds can continue to be invested with Barclays. This demonstrates that the Authority has good awareness of changes in the external environment, and takes the necessary management action to minimise risk.</p>	<p>High Standard</p>
<p>No observations and recommendations recorded.</p>	

9. Risk Area Covered: Financial loss and undetected error or fraud	Level of Assurance
<p>Opinion Statement:</p> <p>Controls in this area were found to be sound and suitably mitigate risk. There was good evidence on cash flow and Treasury management performance monitoring both at LT and committee level, transactions only able to be made through the official bank accounts held by the Authority, as well as there being regular reconciliation and independent verification of the investment of funds.</p> <p>No issues were identified that would warrant inclusion within the audit report.</p>	<p>High Standard</p>
<p>No observations and recommendations recorded.</p>	

Definitions of Audit Assurance Opinion Levels

Assurance	Definition
High Standard.	The system and controls in place adequately mitigate exposure to the risks identified. The system is being adhered to and substantial reliance can be placed upon the procedures in place. We have made only minor recommendations aimed at further enhancing already sound procedures.
Good Standard.	The systems and controls generally mitigate the risk identified but a few weaknesses have been identified and / or mitigating controls may not be fully applied. There are no significant matters arising from the audit and the recommendations made serve to strengthen what are mainly reliable procedures.
Improvements required.	In our opinion there are a number of instances where controls and procedures do not adequately mitigate the risks identified. Existing procedures need to be improved in order to ensure that they are fully reliable. Recommendations have been made to ensure that organisational objectives are not put at risk.
Fundamental Weaknesses Identified.	The risks identified are not being controlled and there is an increased likelihood that risks could occur. The matters arising from the audit are sufficiently significant to place doubt on the reliability of the procedures reviewed, to an extent that the objectives and / or resources of the Council may be at risk, and the ability to deliver the service may be adversely affected. Implementation of the recommendations made is a priority.

Definition of Recommendation Priority

Priority	Definitions
High	A significant finding. A key control is absent or is being compromised; if not acted upon this could result in high exposure to risk. Failure to address could result in internal or external responsibilities and obligations not being met.
Medium	Control arrangements not operating as required resulting in a moderate exposure to risk. This could result in minor disruption of service, undetected errors or inefficiencies in service provision. Important recommendations made to improve internal control arrangements and manage identified risks.
Low	Low risk issues, minor system compliance concerns or process inefficiencies where benefit would be gained from improving arrangements. Management should review, make changes if considered necessary or formally agree to accept the risks. These issues may be dealt with outside of the formal report during the course of the audit.

Confidentiality under the National Protective Marking Scheme

Marking	Definitions
Official	The majority of information that is created or processed by the public sector. This includes routine business operations and services, some of which could have damaging consequences if lost, stolen or published in the media, but are not subject to a heightened threat profile.
Secret	Very sensitive information that justifies heightened protective measures to defend against determined and highly capable threat actors. For example, where compromise could seriously damage military capabilities, international relations or the investigation of serious organised crime.
Top Secret	The most sensitive information requiring the highest levels of protection from the most serious threats. For example, where compromise could cause widespread loss of life or else threaten the security or economic wellbeing of the country or friendly nations.

Service Level Agreement

**Between
Devon Audit Partnership
And
Dartmoor National Park Authority**

2016 - 2017

Dartmoor National Park Authority

PROVISION of INTERNAL AUDIT SERVICES

Service Level Agreement

To cover the period 1 April 2016 to 31 March 2017

Service Provider

For the purposes of this service level agreement (“**SLA**”), the service provider shall be Devon Audit Partnership (“**DAP**”), an internal audit partnership hosted by Devon County Council.

General

The client in respect of this SLA will be Dartmoor National Park Authority (“the **Client**”). The Head of Business Support is responsible for ensuring the provision of an effective and appropriate internal audit service.

The Head of Business Support requires an internal audit plan to be prepared for each financial year, in consultation with officers of the Client, for approval by the appropriate committee. In 2016-17 the Head of Business Support will commission work from DAP to aid the completion of the approved annual audit plan. It is expected that this input will involve 20 days of work and will cover the following areas:

Financial Systems -	19 days
Ordering and Payments	
Income and Cash Collection	
Bank Reconciliation / Investments/Cheque Control	
Main Accounting System	
Budget monitoring	
Payroll & Travel Expenditure	
Inventories / Disposals	
Planning / attendance at Audit & Governance Committee	1 day
Total	20 days

This may be subject to reasonable amendment during the year, depending upon the requirements of the service.

Remuneration shall be in accordance with the details set out below. Any anticipated variations between actual and planned delivery should be notified to the Head of Business Support in advance for agreement. Charges are to be raised quarterly in arrears.

The Head of Business Support will require the attendance of appropriate DAP officers at appropriate committee meetings as required. Meeting dates will be notified to DAP at least one month in advance.

DAP are to report to the Head of Business Support, or his/her agent, without delay, any serious weaknesses, frauds and major accounting or other control breakdowns.

Standards and Approach

DAP's work shall be performed in accordance with the Public Sector Internal Audit Standards.

DAP shall be expected to take on board any legislative or regulatory changes and to keep abreast of developments in audit matters generally, and particularly in their application to the Client.

DAP will work with the Head of Business Support when agreeing with the External Auditor joint working arrangements.

The audit objectives should be to:

- Ascertain the extent to which the whole system of internal control ensures compliance with established procedures
- Assist the service in identifying and analysing the risks associated with the processes and activities that may be subject to audit review
- Identify all systems and controls on which management proposes to rely and advise on cyclical coverage
- Evaluate such systems and controls in accordance with the annual plan, highlight inappropriate or inadequate controls and recommend improvements in practices and procedures
- Ascertain that systems and controls have been established and are working to achieve the most economic, efficient and effective use of resources
- Draw attention to any apparently uneconomical or otherwise unsatisfactory results flowing from management's decisions, practices or policies
- Ascertain the extent to which assets and other interests are properly controlled and safeguarded from losses of all kinds
- Ascertain the integrity and reliability of information provided to management
- Conduct any value for money studies or other specific reviews as commissioned by the Head of Business Support
- Have regard to Best Value requirements
- Provide a report on the level of assurance that can be given to the internal control environment in support of the Client's requirement to produce an Annual Governance Statement.

Access

DAP officers shall be provided with appropriate access to relevant personnel, premises, documents, records, information and assets and shall be authorised to obtain such information and explanations considered necessary to fulfil the audit responsibility. A number of documents may be sensitive and confidential and these are required to be treated confidentially and in accordance with the Data Protection Act as regards protection against unlawful or unauthorised use of, or accidental loss or destruction of personal data. In certain instances data may be held

that is not applicable for DAP to view due to the nature of the service involved. DAP should seek advice from the Head of Business Support regarding any disputes over access to documents.

Both parties agree:

- To keep confidential all confidential information (whether written or oral) which they have obtained or received as a result of the discussions leading up to or the entering into, or obtain or receive in performance of their respective obligations under this agreement (“the Confidential Information”).
- When accessing the Client’s computer systems, DAP officers must observe the Client’s Computer Security Policies.
- To comply with the provisions of the Data Sharing Protocol agreed by both parties in 2014. (A signed copy is held by both parties).

Indemnity

Each party agrees to indemnify and keep indemnified and defend at its own expense the other party against all costs, claims, damages or expenses incurred by the other party or for which the other party may become liable due to any failure by the first party or its employees or agents to comply with any of its obligations under this agreement.

The Client acknowledges that DAP is reliant on the Client for direction as to the extent to which DAP is entitled to use and process the Confidential Information (whether written or oral) which it has obtained or received as a result of the discussions leading up to or the entering into, or obtained or received in the performance of its obligations under this agreement. Consequently, DAP will not be liable for any claim brought by any subject of the Confidential Information arising from any action or omission by DAP, to the extent that such action or omission resulted directly from the Client’s instructions.

Audit Briefs and Reports

Prior to commencing an audit, an audit brief, which sets out the audit and control objectives to be covered, will be produced. This shall be agreed with the Head of Business Support and the Client’s relevant managers.

Upon completion of the audit DAP will informally debrief the Client’s managers and subsequently issue a draft report which will be reviewed by the DAP Audit Manager prior to being passed onto to the Head of Business Support for their review. This report should state the areas reviewed, provide an audit opinion and make prioritised recommendations where appropriate. The Head of Business Support will arrange for the Client’s managers to receive a copy of the draft report for their response.

Managers (or appropriate person) will be required to respond to the audit report and should state, against each recommendation, their proposed action, the person responsible and an implementation date.

Upon receipt of the response, the Head of Business Support will review it and forward the report to DAP for finalisation. If, however, the manager has any queries which necessitate additional

information from DAP, then it is beholden to DAP to resolve the points with the Head of Business Support and the manager/appropriate person.

The following reporting deadlines are to be adhered to:

- Draft reports (other than interim reports) are to be issued within 10 working days of the completion of the field work.
- Final reports are to be issued within 10 working days of the receipt of the Client's response.

Material recommendations will usually be followed up six months after the issue of the final report.

DAP are to make the necessary information available to the Head of Business Support to enable these requirements to be monitored effectively.

Rights to material: reports and working papers will be the property of the Client and shall not be passed to third parties except where permission from the Client has been agreed, or where DAP are required to disclose it by law.

Audit Fee

Our audit fee will be charged to the Client on a day rate basis; the agreed daily rate for 2016/17 is £260 per day (excluding VAT). A standard day is expected to be 7 hours 24 minutes.

It is expected that our work will involve 20 days of input, resulting in an expected charge of £5,200 + VAT. There will be no liability on behalf of the Client if the expected work varies from the days involved stated in this agreement.

This rate is an inclusive rate and applies to all staff used on the assignment. Travel costs for staff will be borne by DAP and will not be charged to the client.

Specialist staff are available to assist the Client should the need arise. Specialist staff include:-

- Fraud and forensic examination
- Contract and procurement
- Business process re-engineering

We will be pleased to provide indicative day rates for specialist staff as requested by the Client.

Force Majeure

Either party shall be entitled to suspend performance of its obligations under this Agreement to the extent that such performance is impeded, dangerous or made unreasonably difficult or costly by any of the following circumstances: industrial disputes and other circumstances beyond the control of the parties such as fire, war, terrorist activities, restrictions in the use of power and delays in deliveries by sub-suppliers caused by any circumstances as mentioned in this clause.

The party claiming to be affected by Force Majeure from fulfilling its obligations shall notify the other party in writing without delay as soon as such circumstances interfere or cede.

Either party shall be entitled to terminate this Agreement by notice in writing if performance is suspended under this clause for more than six months.

Termination

If DAP (acting reasonably) shall be unable to provide the Services it will give the Client a minimum of three months written notice to terminate, giving reasons.

In any event the Client shall be able to terminate the contract by giving DAP a minimum of three months written notice.

Termination is by way of written notice to the officers named at the bottom of this agreement.

Upon termination of this agreement DAP agrees to deliver to the Client all Confidential Information in its possession and under its control or, should the Client agree, to securely destroy all such Confidential Information and to provide a log of the disposal to the Client.

Arbitration

Any dispute arising out of this Agreement shall be settled amicably between the parties. In the absence of an agreement to that effect any remaining dispute shall be finally settled by arbitration by a single arbitrator to be agreed upon by the parties or in default of agreement to be nominated by the President for the time being of the Chartered Institution of Arbitrators in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment of it for the time being in force.

Agreed..... *Robert Hutchins* ... Date...18 January 2016.....

For Devon Audit Partnership (Devon County Council)

Agreed..... Date.....

For Dartmoor National Park Authority

Audit Committee Update for Dartmoor National Park Authority

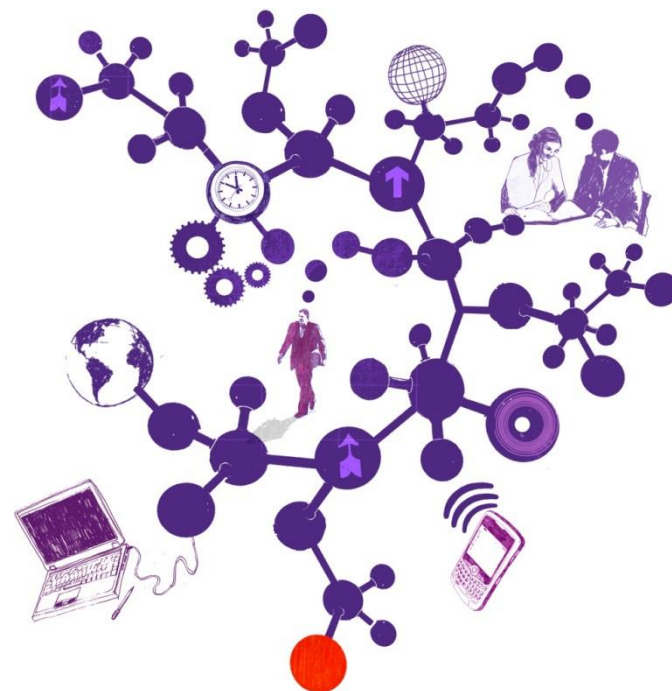
Year ended 31 March 2016

January 2016

Geraldine Daly
Associate Director
T 0117 305 7741
E geri.n.daly@uk.gt.com

Andrew Shaw
Audit Manager
T 0117 305 7755
E andrew.j.shaw@uk.gt.com

Emma Dowler
Executive
T 0117 305 7619
E emma.dowler@uk.gt.com



The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Introduction

This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors. The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you; and
- a number of challenge questions in respect of these emerging issues which the Committee may wish to consider.

Members of the Audit Committee can find further useful material on our website www.grant-thornton.co.uk, where we have a section dedicated to our work in the public sector (<http://www.grant-thornton.co.uk/en/Services/Public-Sector/>). Here you can download copies of our publications including:

- Making devolution work: A practical guide for local leaders
- Supporting members in governance

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Audit Manager.

Geraldine Daly Engagement Lead T 0117 305 7741 M 07500 783 992 geri.n.daly@uk.gt.com
Andrew Shaw Audit Manager T 0117 305 7755 M 07841 563896 andrew.j.shaw@uk.gt.com

Progress at January 2016

Work	Planned date	Complete?	Comments
2015-16 Accounts Audit Plan We are required to issue a detailed accounts audit plan to the Authority setting out our proposed approach in order to give an opinion on the Authority's 2015-16 financial statements.	May 2016	No	The audit plan will be presented to a future Audit Committee following the completion of our interim accounts audit.
Interim accounts audit Our interim fieldwork visit includes: <ul style="list-style-type: none"> • updating our review of the Authority's control environment • updating our understanding of financial systems • review of Internal Audit reports on core financial systems • early work on emerging accounting issues • early substantive testing; and • Our proposed Value for Money conclusion work. 	February 2016	No	Our interim accounts visit is due to start on 15 February 2016.
2015-16 final accounts audit Including: <ul style="list-style-type: none"> • audit of the 2015-16 financial statements • proposed opinion on the Authority's accounts • proposed Value for Money conclusion. 	July/August 2016	No	Year end fieldwork to be carried out and audit to be completed in line with the statutory deadline.

Progress at January 2016

Work	Planned date	Complete?	Comments
Value for Money (VfM) conclusion The scope of our work to inform the 2015-16 VfM conclusion comprises: <ul style="list-style-type: none">• Review of the annual governance statement• An update on our risk assessment to be performed at our interim visit.	July/August 2016	No	

Guidance on auditor panels

The Chartered Institute of Public Finance & Accountancy

The Local Audit & Accountability Act 2014 (the Act) abolished the Audit Commission, paving the way for local authorities to appoint their own external (local) auditors.

Principal authorities must have their local auditors appointed by 31 December 2017 in order for them to begin their engagement on 1 April 2018. Smaller authorities that have decided not to opt in to sector led body audit procurement arrangements will need to appoint their auditors by 31 December 2016.

The main method for principal authorities and those smaller authorities that decide to opt out to carry out this responsibility will be through auditor panels, so authorities must therefore begin to consider the method of appointment as soon as possible to allow themselves to have the necessary arrangements in place to undertake this process sooner rather than later.

The Chartered Institute of Public Finance & Accountancy has published guidance on auditor panels which can be found [here](#).

The guide covers the following:

- Options for establishing an auditor panel
- Details on appointing and operating the auditor panel
- Functions of the panel
- Appointing the auditor

Code of Audit Practice

National Audit Office

Under the Local Audit and Accountability Act 2014 the National Audit Office are responsible for setting the Code of Audit Practice which prescribes how local auditors undertake their functions for public bodies.

The NAO have published the Code of Audit Practice which applies for the audit of the 2015/16 financial year onwards. This is available at <https://www.nao.org.uk/code-audit-practice/wp-content/uploads/sites/29/2015/03/Final-Code-of-Audit-Practice.pdf>

The Code is principles based and will continue to require auditors to issue:

- Opinion on the financial statements
- Opinion on other matters
- Opinion on whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (the "VFM conclusion".)

The audit guidance on the auditor's work on value for money arrangements was published on 9 November 2015. The guidance includes the following.

- The legal and professional framework
- Definitions of what constitute "proper arrangements" for securing economy, efficiency and effectiveness in the use of resources
- Guidance on the approach to be followed by auditors in relation to risk assessment, with auditors only required to carry out detailed work in areas where significant risks have been identified
- Evaluation criteria to be applied
- Reporting requirements.

Guidance Note AGN03 is available at <https://www.nao.org.uk/code-audit-practice/wp-content/uploads/sites/29/2015/03/Auditor-Guidance-Note-03-VFM-Arrangements-Work-09-11-15.pdf>

Code of Audit Practice

National Audit Office

As well as providing guidance on the value for money arrangements, the NAO has supplemented the new Code with detailed auditor guidance on Specified Procedures for Assurance Engagements at Smaller Authorities. This was published on 17 December 2015. The guidance includes the following.

- For smaller authorities where an assurance engagement is required
- Details on the accounts and audition regulations
- Specified procedures to be followed for assurance engagements

Guidance Note AGN02 is available at <https://www.nao.org.uk/code-audit-practice/wp-content/uploads/sites/29/2015/03/Auditor-Guidance-Note-02-Smaller-Authorities-Assurance-17-12-15.pdf>

Making devolution work: A practical guide for local leaders

Grant Thornton market insight

Our latest report on English devolution is intended as a practical guide for areas and partnerships making a case for devolved powers or budgets.

The recent round of devolution proposals has generated a huge amount of interest and discussion and much progress has been made in a short period of time. However, it is very unlikely that all proposals will be accepted and we believe that this the start of an iterative process extending across the current Parliament and potentially beyond.

With research partner Localis we have spent recent months speaking to senior figures across local and central government to get under the bonnet of devolution negotiations and understand best practice from both local and national perspectives. We have also directly supported the development of devolution proposals. In our view there are some clear lessons to learn about how local leaders can pitch successfully in the future.

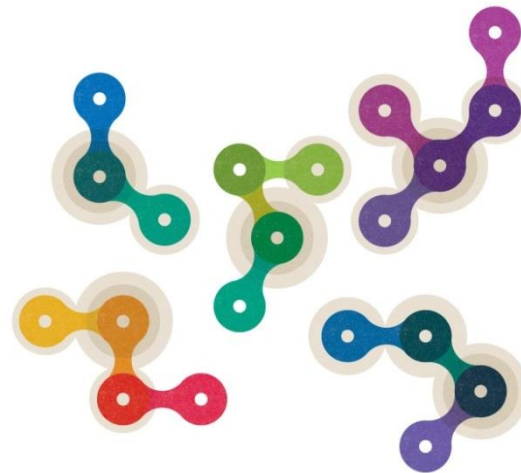
In particular, our report seeks to help local leaders think through the fundamental questions involved:

- what can we do differently and better?
- what precise powers are needed and what economic geography will be most effective?
- what governance do we need to give confidence to central government

The report 'Making devolution work: A practical guide for local leaders' can be downloaded from our website:

<http://www.grantthornton.co.uk/en/insights/making-devolution-work/>

Hard copies of our report are available from your Engagement Lead and Audit Manager



Supporting members in governance

Grant Thornton and the Centre for Public Scrutiny

We have teamed up with the Centre for Public Scrutiny to produce a member training programme on governance. Elected members are at the forefront of an era of unprecedented change, both within their own authority and increasingly as part of a wider local public sector agenda. The rising challenge of funding reductions, the increase of alternative delivery models, wider collaboration with other organisations and new devolution arrangements mean that there is a dramatic increase in the complexity of the governance landscape.

Members at local authorities – whether long-serving or newly elected – need the necessary support to develop their knowledge so that they achieve the right balance in their dual role of providing good governance while reflecting the needs and concerns of constituents.

To create an effective and on-going learning environment, our development programme is based around workshops and on-going coaching. The exact format and content is developed with you, by drawing from three broad modules to provide an affordable solution that matches the culture and the specific development requirements of your members.

- Module 1 – supporting members to meet future challenges
- Module 2 – supporting members in governance roles
- Module 3 – supporting leaders, committee chairs and portfolio holders

The development programme can begin with a baseline needs assessment, or be built on your own understanding of the situation.

Further details are available from your Engagement Lead and Audit Manager

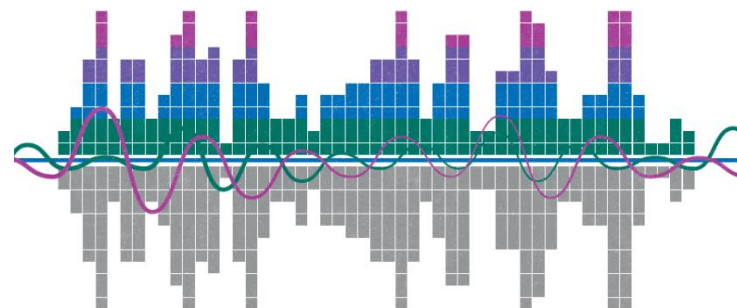


Turning up the volume: The Business Location Index

Grant Thornton market insight

Inward investment is a major component of delivering growth, helping to drive GDP, foster innovation, enhance productivity and create jobs, yet the amount of inward investment across England is starkly unequal.

The Business Location Index has been created to help local authorities, local enterprise partnerships, central government departments and other stakeholders understand more about, and ultimately redress, this imbalance. It will also contribute to the decision-making of foreign owners and investors and UK firms looking to relocate.



Based on in-depth research and consultation to identify the key factors that influence business location decisions around economic performance, access to people and skills and the environmental/infrastructure characteristics of an area, the Business Location Index ranks the overall quality of an area as a business location. Alongside this we have also undertaken an analysis of the costs of operating a business from each location. Together this analysis provides an interesting insight to the varied geography that exists across England, raising a number of significant implications for national and local policy makers.

At the more local level, the index helps local authorities and local enterprise partnerships better understand their strengths and assets as business locations. Armed with this analysis, they will be better equipped to turn up the volume on their inward investment strategy, promote their places and inform their devolution discussions.

The report 'Turning up the volume: The Business Location Index' can be downloaded from our website:

<http://www.grantthornton.co.uk/globalassets/1.-member-firms/united-kingdom/pdf/publication/2015/business-location-index-turning-up-the-volume.pdf>

Hard copies of our report are available from your Engagement Lead and Audit Manager

Knowing the Ropes – Audit Committee Effectiveness Review

Grant Thornton

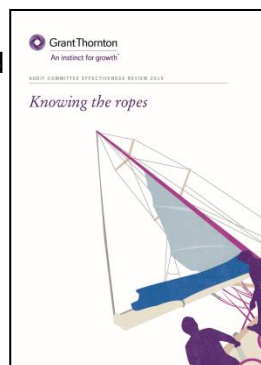
This is our first cross-sector review of audit committee effectiveness encompassing the corporate, not for profit and public sectors. It provides insight into the ways in which audit committees can create an effective role within an organisation's governance structure and understand how they are perceived more widely. It is available at <http://www.grantthornton.co.uk/en/insights/knowning-the-ropes--audit-committee-effectiveness-review-2015/>

The report is structured around four key issues:

- What is the status of the audit committee within the organisation?
- How should the audit committee be organised and operated?
- What skills and qualities are required in the audit committee members?
- How should the effectiveness of the audit committee be evaluated?

It raises key questions that audit committees, board members and senior management should ask themselves to challenge the effectiveness of their audit committee.

Our key messages are summarised opposite.





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DARTMOOR NATIONAL PARK AUTHORITY

AUDIT & GOVERNANCE COMMITTEE

5 February 2016

**FINANCIAL MANAGEMENT 1 APRIL TO 31 DECEMBER 2015
AND FORECAST FINANCIAL OUTTURN 2015/16**

Report of the Head of Business Support

Recommendation : **That the content of the report be noted**

1 Monitoring and Management of Revenue Budgets (April to December 2015)

- 1.1 This report enables Members to monitor income and expenditure variations against the approved budget for 2015/16. Effective budgetary control is essential to ensure priorities are delivered in accordance with the Authority's plans. Budget management is a dynamic process, resulting in the budget being subject to many varying pressures throughout the year.
- 1.2 The Authority's Financial Regulations provide delegated authority for the Chief Executive (National Park Officer) in consultation with the Chief Financial Officer to enact budget virement below £30,000. Above that sum, Members' approval would be sought.
- 1.3 Processes for sound budget management are well established within the Authority, with quarterly reports to the Leadership Team and detailed and continuous budget monitoring being carried out across all Directorates involving Heads of Service, spending officers and finance staff. This ensures the early identification of pressures and variances so that timely management action can be taken to adjust the budget and/or work programmes accordingly.

2 Forecast Outturn Position as at 31 December 2015

- 2.1 The 2015/16 net budget was set at £3,588,586 (NPA/15/006) funded by National Park Grant (NPG) fees and charges and Earmarked Reserves. The Authority approved various appropriations to reserves at the end of the 2014/15 financial year (NPA/15/016) which are then allocated to the 2015/16 budget so that projects can be completed in the new financial year. This has resulted in the net budget increasing to £3,852,098.
- 2.2 Current projections, based on figures at the end of September (month 6) indicate that a surplus of £78,888 may arise (£35,587 reported at month 6). A Cost Centre summary can be found at Appendix 1 and a detailed Cost Centre analysis at Appendix 2.

- 2.3 The most significant items that have contributed to the increase in the forecast outturn surplus (£43,301) include:

Table 1:

Budget savings	£
Communications – specialist support not required	5,000
Enjoy Dartmoor – print cost savings	2,950
Voluntary Wardens	9,500
Support services - operational budgets and corporate training	11,000
National Parks Conference	15,000
Income	
Retail sales at Visitor Centres	8,000
Airwick sponsorship	3,000
Increased Treasury income	3,000

The items listed above have offset some increased salary costs (deficit of £4,384 against a reported surplus of £12,534 at month 6). The movement in variation is mainly due to sickness absence being covered by agency staff, additional hours being offered to existing staff (Access and Rangers) and some extra capacity being bought in to support staff in Planning and Historic Buildings.

- 2.4 Within the budget the Authority set aside a Project Fund budget of £157,675 for this financial year. At the time of writing this report £117,771 expenditure has been approved:

Table 2:

Project Fund	£
Mires evaluation	4,500
Dartmoor Farming Futures Internship post	7,000
Peatland Study – c/fwd	15,000
Mires PR14 – c/fwd	10,000
Princetown Visitor Centre HLF bid	1,000
VMWare Upgrade (ICT system)	3,375
Dartmoor Society (grant)	2,000
Staff support: Enforcement	7,000
LEP – rural enterprise area concept	2,500
Wild camping film	4,500
Re-decoration of public WCs at Parke	879
Website	25,000
Scanning historic plans & surveys	659
2 Minute Clean Project	1,800
Telephone system upgrade	6,158
Additional hours – Ranger Service	2,400
Heart of the South West Devolution programme	5,000
Repairs - Postbridge Ranger store	1,500
All Moor Butterflies (NPA/15/037) – c/fwd	17,500

- 2.5 The Authority's financial regulations allows for the carrying forward of certain balances at year end and some projects also span more than one financial year. The

following new commitments and / or grant income received with specific conditions attached are likely to be taken forward to the 2016/17 financial year:

Table 3:

Carry Forwards:	£
Defra grant – storm & flood repairs	36,702
Peatland Study	15,000
White Horse Hill	4,500
Mires PR14	10,000
All Moor Butterflies	17,500
SWW grant towards scientific monitoring	2,000

- 2.6 The Authority has been successful in its Heritage Lottery Fund (HLF) bid for “Discovering Dartmoor’s Wild Stories” project at the National Park Visitor Centre Princetown. The total project cost is £97,500 and is 50% funded by the HLF (up front grant received to date is £24,400).
- 2.7 The Authority also agreed to match fund (£8,000) project focused on management of common land for “Our Common Cause: Our Upland Commons”, which is being led by the Foundation for Common Land and the National Trust with a stage 1 application to the HLF due to be submitted in February 2016 (NPA/16/006).

3 Reserves

- 3.1 The level of reserve balances is determined in part by our on-going work programmes and projects (see Appendix 3) and by using a risk based analysis and methodology as set out at Appendix 4. Reserve funding is allocated or matched with expenditure according to project / programme requirements, but it should be noted that some projects straddle more than one financial year, or is dependent on partnerships where timing of spend is uncertain. Based on the current financial position, the year-end balance for earmarked reserves is anticipated to be:

Table 4:

Earmarked Reserves	£
Opening Balance	(2,695,057)
Spent in year	620,581
New contributions to reserves / carry forwards	(851,702)
Forecast outturn (at month 9)	(78,888)
Closing Balance (forecast)	(2,230,066)
General unallocated Reserve	(300,000)

- 3.2 At the time of writing this report the level of National Park Grant for 2016/17 had not been confirmed.

4 Sustainability and Equality Impact

- 4.1 Consideration is always given, when deciding which areas of expenditure should be supported, of the impact on under-represented groups, and the need to promote equal opportunities both as an employer and in respect of the services provided.

5 Conclusions

- 5.1 The forecast outturn surplus of £78,888 represents a -2% variance against the budget. The budget savings and additional income generated this year means that the Authority has once again demonstrated robust financial management, and a continued desire to become more commercial and entrepreneurial. This will stand us in good stead for the future.
- 5.2 Members will be notified before year-end if any new budget pressures, or significant variations occur.

DONNA HEALY

Background Papers:

NPA/15/006 - 2015/16 Net Revenue Budget, Medium Term Financial Plan & Capital Budget
NPA/15/005 - Treasury Management Investment Strategy 2015/16
NPA/15/016 - Financial Outturn 2014/15
NPA/AG/15/013 - Financial Management 1 April – 30 September 2015 & Forecast Outturn

Attachments – **Appendix 1 - Outturn Summary**
Appendix 2 - Variance Analysis
Appendix 3 - Reserve Balances
Appendix 4 - Reserves Risk Based Analysis

2015/16 Revenue Budget Monitoring: Summary Report 1 April to 31 December 2015

Appendix 1 to Report No. NPA/AG/16/001

Functional Strategy	2015/16 Original Budget £	2015/16 Budget Variation/ Virement £	2015/16 Revised Budget	2015/16 Actual & Committed Month 9 £	2015/16 Budget Remaining	2015/16 Projected Outturn	2015/16 Year End Deficit/ (Surplus) £
Biodiversity	120,196	29,500	149,696	81,316	(68,380)	134,134	(15,562)
Mires - SWW Funded	0	0	0	9,887	9,887	5,597	5,597
Land Management	10,538	7,000	17,538	13,294	(4,244)	18,759	1,221
Woodlands	41,512	0	41,512	30,357	(11,155)	40,236	(1,276)
Hill Farm Project - Princes Countryside Fund	14,734	0	14,734	7,009	(7,725)	14,735	1
Hill Farm Project	14,433	0	14,433	11,705	(2,728)	13,681	(752)
Directorate Costs	7,850	0	7,850	6,268	(1,582)	6,697	(1,153)
Natural Environment	209,263	36,500	245,763	159,836	(85,927)	233,839	(11,924)
Archaeology	91,151	2,659	93,810	58,362	(35,448)	75,871	(17,939)
Built Environment	38,012	5,230	43,242	35,896	(7,346)	46,517	3,275
Higher Uppacott	30,052	0	30,052	55,737	25,685	57,157	27,105
Cultural Heritage	159,215	7,889	167,104	149,995	(17,109)	179,545	12,441
Visitor Management	78,137	6,300	84,437	43,429	(41,008)	79,091	(5,346)
Access	101,511	0	101,511	66,342	(35,169)	101,672	161
Public Rights of Way	83,942	131,687	215,629	96,998	(118,631)	178,927	(36,702)
Sustainable Transport & Tourism	28,915	1,750	30,665	20,715	(9,950)	32,604	1,939
Recreation Management, Traffic & Transport	292,505	139,737	432,242	227,484	(204,758)	392,294	(39,948)
Visitor Centres	162,900	12,650	175,550	121,546	(54,004)	153,758	(21,792)
Communications	167,295	25,000	192,295	159,963	(32,332)	185,368	(6,927)
Naturally Healthy Dartmoor - part externally funded	0	0	0	(2,235)	(2,235)	0	0
Education	118,829	0	118,829	87,001	(31,828)	117,857	(972)
Education, Information & Communication	449,024	37,650	486,674	366,275	(120,399)	456,983	(29,691)
Rangers	424,712	2,400	427,112	312,323	(114,789)	416,135	(10,977)
Conservation Works Service	226,777	1,500	228,277	167,370	(60,907)	226,861	(1,416)
Development Management	331,899	7,000	338,899	235,356	(103,543)	323,185	(15,714)
Forward Planning & Community	187,730	68,017	255,747	190,451	(65,296)	268,752	13,005
Your Dartmoor Grant Fund - ceased	0	53,500	53,500	33,880	(19,620)	53,500	0
Corporate and Democratic Core	325,761	5,000	330,761	240,382	(90,379)	300,218	(30,543)
Information Technology	173,393	15,053	188,446	140,811	(47,635)	186,296	(2,150)
Corporate Operating Costs	117,652	6,158	123,810	105,389	(18,421)	119,539	(4,271)
Finance & Administration	170,289	0	170,289	127,520	(42,769)	166,720	(3,569)
Legal & Democratic Services	87,321	0	87,321	61,479	(25,842)	90,544	3,223
Human Resources	142,269	0	142,269	110,735	(31,534)	140,685	(1,584)
Office Accommodation (Parke)	97,732	879	98,611	90,041	(8,570)	102,838	4,227
Office Accommodation (Princetown)	35,369	0	35,369	25,337	(10,032)	36,806	1,437
Business Support	824,025	22,090	846,115	661,312	(184,803)	843,428	(2,687)
Project Fund	157,675	(117,771)	39,904	0	(39,904)	39,904	0
Total Net Expenditure	3,588,586	263,512	3,852,098	2,744,664	(1,107,434)	3,734,644	(117,454)
Funded By:	£			£	£	£	£
National Park Grant	(3,573,586)	0	(3,573,586)	(2,788,768)	784,818	(3,573,586)	0
2014/15 Brought forward reserve balances	(15,000)	(281,012)	(296,012)	0	296,012	(296,012)	0
Balances from Reserves: Uppacott	0	0	0	0	0	(29,636)	(29,636)
Transfers to Reserves at year end	0	17,500	17,500	0	(17,500)	85,702	68,202
Total	(3,588,586)	(263,512)	(3,852,098)	(2,788,768)	1,063,330	(3,813,532)	38,566
Budget Variation - (Under) / Over Spend	0	0	0	(44,104)	(44,104)	(78,888)	(78,888)

2015/16 BUDGET MONITORING REPORT: VARIANCE ANALYSIS AS AT MONTH 9	Salaries £	Travel & Subsistence £	Premises £	Transport £	Supplies & Services £	Expenditure Overspend (Underspend) £	Grants £	Sales Fees & Charges £	Income Deficit (Surplus) £	Total Variance Deficit (Surplus) £	Explanation
BIODIVERSITY	(14,545)	(201)			1,184	(13,562)	(2,000)		(2,000)	(15,562)	Budget included MIRES end of project costs, but part funded by SWW. PR14 & Peatland projects could have yr-end c/fwd bals
MIRES PROJECT	12,664	403				13,067	(7,470)		(7,470)	5,597	Final salary costs after project end, met by DNPA & redundancy costs met in 2014/15. SWW grant funded partly in 15/16
LAND MANAGEMENT	1,168				53	1,221			0	1,221	Internship salary & costs to be met from reserves
WOODLANDS	(52)	359			(1,000)	(693)		(583)	(583)	(1,276)	Estate works budget not required
HILL FARM PROJECT - PCF	145	382			(526)	1			0	1	
HILL FARM PROJECT	929	247			2,502	3,678	(2,500)	(1,930)	(4,430)	(752)	Duchy & Farmer Agency Training income meeting overtime & increased project costs
DIRECTORATE COSTS		222		389	(1,764)	(1,153)			0	(1,153)	Uniform allocated to individual budgets
NATURAL ENVIRONMENT	309	1,412	0	389	449	2,559	(11,970)	(2,513)	(14,483)	(11,924)	
ARCHAEOLOGY	(5,463)	(310)		(124)	1,984	(3,913)	(12,399)	(1,627)	(14,026)	(17,939)	Salary saving due to recruitment at lower graded post. WHH income to be spent or carried forward & increased income from FEPS. Reconstruction illustration of Fernworthy Stone Circle to be funded by Forestry Commission. HER grant from Historic England
BUILT ENVIRONMENT	3,275					3,275			0	3,275	Temporary / additional staff cover and additional Employers NI costs
UPPACOTT			45,952			45,952	(15,958)	(2,889)	(18,847)	27,105	MTMTE Project spend to be met from reserves
CULTURAL HERITAGE	(2,188)	(310)	45,952	(124)	1,984	45,314	(28,357)	(4,516)	(32,873)	12,441	
VISITOR MANAGEMENT	(355)		62	(89)	314	(68)	(6,030)	752	(5,278)	(5,346)	Agency staff covered sickness absence . Mobile vending licence income under budget. Granite & gears exp & funding for Princetown railway. WC cleaning budget savings
ACCESS & RECREATION	963	(87)		(120)	3,163	3,919		(3,758)	(3,758)	161	Extra hours allocated to re-negotiation of access agreements under CROW. Get Active leaflet. £ for the park income
PUBLIC RIGHTS OF WAY	622				38,176	38,798	(75,500)		(75,500)	(36,702)	Swincombe Bridge met by external grant funding. Possible carry forwards: Flood repair grant
SUSTAINBLE TOURISM & TRANSPORT	26	343			70	439		1,500	1,500	1,939	Welcome guide income unlikely
RECREATION MANAGEMENT	1,256	256	62	(209)	41,723	43,088	(81,530)	(1,506)	(83,036)	(39,948)	
VISITOR CENTRES	4,073	(92)	(1,190)	179	2,318	5,288		(27,080)	(27,080)	(21,792)	Postbridge Visitor Centre Design contract cancelled / deferred. Increased retail sales income.
COMMUNICATIONS	155	(950)			(7,732)	(8,527)		1,600	1,600	(6,927)	Specialist support budget not required. Enjoy Dartmoor advertising income may not achieve budget
NATURALLY HEALTHY DARTMOOR	(88)	513		410	2,679	3,514	(3,514)		(3,514)	0	Matchfunding for this project is held in reserves and received annually for this 3 year project
EDUCATION	348			(207)	(2,240)	(2,099)		1,127	1,127	(972)	Education walks income unlikely to achieve budget
PROMOTING UNDERSTANDING	4,488	(529)	(1,190)	382	(4,975)	(1,824)	(3,514)	(24,353)	(27,867)	(29,691)	
RANGERS	(1,885)	(468)	100	1,893	(7,807)	(8,167)		(2,810)	(2,810)	(10,977)	Repair costs for returning lease vehicles and overspends H&S, subscriptions etc, being offset by savings in overtime & Voluntary Warden budgets
CONSERVATION WORKS	(8,662)		(189)	1,300	6,191	(1,360)		(56)	(56)	(1,416)	Salary savings due to sickness, cover being provided by agency staff. Storage facility improvements at the Yard, extended vehicle lease costs and vehicle repairs at lease termination
RANGERS, ESTATES & VOLUNTEERS	(10,547)	(468)	(89)	3,193	(1,616)	(9,527)	0	(2,866)	(2,866)	(12,393)	
DEVELOPMENT MANAGEMENT	8,273	2,838		280	6,187	17,578		(33,292)	(33,292)	(15,714)	Legal costs re enforcement and professional legal advice. Linhay Quarry consultancy contract to be offset by planning application fee. Temporary cover and agency staff & recruitment costs. Increased planning fees.
DEVELOPMENT MANAGEMENT	8,273	2,838	0	280	6,187	17,578	0	(33,292)	(33,292)	(15,714)	
FORWARD PLANNING & COMMUNITIES	1,648	(396)		78	11,675	13,005			0	13,005	Honorarium. Public Realm works. Ashburton MP: SA/SEA & HRA & legal advice. Mineral permisssions legal advice
FORWARD PLANNING	1,648	(396)	0	78	11,675	13,005	0	0	0	13,005	
CORPORATE & DEMOCRATIC CORE	971	(700)		(600)	(10,972)	(11,301)		(19,242)	(19,242)	(30,543)	Increased Treasury income, Airwick sponsorship & budget provision set aside for the Conference not required
CORPORATE & DEMOCRATIC CORE	971	(700)	0	(600)	(10,972)	(11,301)	0	(19,242)	(19,242)	(30,543)	
INFORMATION TECHNOLOGY	(793)	(380)		(400)	7	(1,566)		(584)	(584)	(2,150)	Salaries saving appointment at lower grade. Recharge of Officer Time to DPA
CORPORATE OPERATING COSTS				(1,564)	(2,699)	(4,263)		(8)	(8)	(4,271)	Vehicles, printing & stationery and Insurance savings
FINANCE & ADMINISTRATION	(1,059)	57			(2,567)	(3,569)			0	(3,569)	Apprenticeship post now at an end. Training budget underspend
LEGAL	1,542	(100)			4,051	5,493		(2,270)	(2,270)	3,223	Honorarium. Professional legal advice - Vires. Legal costs recovered
HUMAN RESOURCES	482	266			1,642	2,390		(3,974)	(3,974)	(1,584)	Secondment to support National Park Conference and Visitor Centres. Occupational Health, specialist legal advice, recruitment & Health & safety costs. Cycle scheme costs offset by recovery from pay
OFFICE ACCOMMODATION (PARKE)	2	5	4,220			4,227			0	4,227	New cleaning contract commenced July & extra end of previous contract costs
OFFICE ACCOMMODATION (PRINCETOWN)			2,065			2,065		(628)	(628)	1,437	New cleaning contract commenced July & extra end of previous contract costs
BUSINESS SUPPORT	174	(152)	6,285	(1,964)	434	4,777	0	(7,464)	(7,464)	(2,687)	
TRANSFERS TO / (FROM) RESERVES						0			0	38,566	
REVENUE EXPENDITURE	4,384	1,951	51,020	1,425	44,889	103,669	(125,371)	(95,752)	(221,123)	(78,888)	

2015/16 RESERVE BALANCES

Appendix 3 to NPA/AG/16/001

Earmarked Reserves	2015/16 Opening Balance £	2015/16 Movements within £	2015/16 Movements From / (To) £	2015/16 Closing Balance (forecast) £	Notes
Grants & Contributions with Restrictions					
Defra: Flood & Winter Storm Damage - Grant	(120,703)		120,703	0	Transferred to revnue budget
Defra: Flood & Winter Storm Damage - Grant			(36,702)	(36,702)	Possible carry forward at year end
Your Dartmoor Grant Fund	(53,500)		53,500	0	Grants awarded not paid out at 31.03.15 (scheme now ended)
Prince's Countryside Fund: Hill Farm Project	(7,891)		7,891	0	Project runs from 2015-2017 allocate at year end
Natural England - Farming futures	(14,230)		2,230	(12,000)	Approval to employ and Intern 2015-2016
English Heritage: White Horse Hill	(15,536)		(4,500)	(20,036)	To fund the Exhibition at Postbridge VC
English Hertiage: Historic Farmsteads	(5,230)		5,230	0	Project runs from 2014-2015
Natural England & Partners: Haytor Hoppa	(1,750)		1,750	0	For the 2015 summer service
DCC: Public Rights of Way	(10,984)		10,984	0	Service Level Agreement fund balance allocated to 2015/16
2013/14 New Homes Bonus	(6,750)		6,750	0	For 2015-2016 financial year
WDBC: Communities Fund Grant 2015/16	(15,000)		15,000	0	For 2015-2016 financial year
TDC: Communities Fund Grant 2015/16	(25,000)		25,000	0	For 2015-2016 financial year
WDBC: Communities Fund Grant 2014/15	(17,627)		17,627	0	Grants awarded not paid out as at 31.03.15
SHDC: Communities Fund Grant 2014/15	(15,755)		15,755	0	Grants awarded not paid out as at 31.03.16
DCC: Naturally Healthy Dartmoor Project	(12,294)		12,294	0	Project runs from 2014-2017 possible c/fwd
DCLG: Vanguard Right to Buy	(10,000)		0	(10,000)	Grant received at year end, will support the project in 2015-2017
SWW contribution towards upstream scientific monitoring			(2,000)	(2,000)	Received in 2015
Budget management Fund - Provisions (risk based)					
Employees	(351,000)	89,000		(262,000)	See risk assessment for breakdown
Appeals/Public Enquiries/Litigation	(250,000)			(250,000)	See risk assessment for breakdown
Loss of Income & Inflation	(102,000)	22,000		(80,000)	See risk assessment for breakdown
Future reductions in NPG	(571,588)	55,816		(515,772)	To support revenue budget and / or redundancy costs
2014/15 Year end Surplus	(210,184)	210,184		0	Allocated in year within movements column
Moor than Meets the Eye - cash flow provision		(300,000)		(300,000)	Based on project cash flow - retention and final claim in year 5
2015/16 Forecast Outturn		(33,846)	(78,888)	(112,734)	
Capital Expenditure Fund					
Vehicles - Sinking Fund - Replacement	(24,596)	(12,000)	9,004	(27,592)	Pool Vehicle delivered 2015 & vehicle replacement fund
Property - Sinking Fund - Repairs & maintenance	(150,000)			(150,000)	See risk assessment for breakdown
Known Commitments					
Broadband phase 1	(10,000)		10,000	0	Rural Community Broadband Project - tbc when payment due
Aerial Photography	(11,678)		11,678	0	Completed 2015
Princetown Visitor Centre	(33,846)	33,846	0	0	Internal improvements met from revenue in year
Postbridge Visitor Centre	(11,650)		0	(11,650)	Deferred
Ashburton Mater Planning	(4,809)		4,809	0	On-going contracts (BDP)
Chagford Cattle Grid	(3,000)		0	(3,000)	Timing not known
Dartmoor Local Plan	(122,500)		0	(122,500)	Between 2015 & 2019 (estimates only/timing unknown)
Gypsy and Traveller Accommodation Assessment	(1,996)		1,996	0	2015
Strategic Housing Market Needs Assessment (SHMNA)	(3,580)		3,580	0	2015
All Moor Butterflies			(17,500)	(17,500)	NPA/15/037
Peatland Study			(15,000)	(15,000)	Allocated from project fund
PR14			(10,000)	(10,000)	Allocated from project fund
Match Funding Reserve					
HLF - Moor Than Meets the Eye match funding	(200,000)		200,000	0	Allocated
Superfast Broadband - connecting Dartmoor & Exmoor		(65,000)	0	(65,000)	Approved in-year - to be paid 2016/17
Cycling in National Parks (DFT) match funding	(30,000)		30,000	0	NPA/13/015 to be paid over in 2016
NPA/14/044 Princes Countryside Fund match funding	(30,000)		15,000	(15,000)	NPA/14/044 for years 2015-2017
Greater Dartmoor LEAF 2015-2020	(20,700)		0	(20,700)	NPA/14/038 for years 2018-2020
Naturally Healthy Dartmoor Project	(25,000)		0	(25,000)	NPA/14/031 for years 2016-2017
Princetown Visitor Centre	(146,680)	146,680		0	See Dartmoor Wild Stories below. Project scaled down
Dartmoor's Wild Stories		(48,800)	48,800	0	HLF match funding
Unallocated fund balance	(48,000)	(89,880)		(137,880)	See Dartmoor Wild Stories below. Project scaled down
Our Common Cause: Our Upland Commons		(8,000)		(8,000)	NPA/16/006
0					
	(2,695,057)	0	464,991	(2,230,066)	
General Reserve (unallocated emergency reserve)	(300,000)		0	(300,000)	
Total General Fund Balance	(2,995,057)	0	464,991	(2,530,066)	

2015/16 RESERVES: RISK BASED ANALYSIS	Risk Level	Rate	2015/16 Opening Balance £'000
Grants & Contributions with Restrictions carried forward:			
Grants & Contributions with Restrictions	N/A	Actual	332
Employees:			
Allowance for increased pay awards	Low	1% extra PA	28
Maternity / Paternity Cover	High	Based on 4 staff	42
Equal Pay Claims / Employment Tribunals	Low	Est.	50
Pension Fund - Past Deficit Recovery	Low	Est.	231
Costs & Awards:			
Appeals / Public Enquiries / Litigation	High	Est.	250
Loss of Income:			
Planning related fees	Medium	5%	10
Reduced Sales, Fees & Charges	Medium	10%	29
Partnership Income / Grants	High	10%	17
General Inflation:	Medium	Average of 3%	46
Property:			
Repairs & maintenance (sinking fund)	Medium	Est.	150
Known Commitments			
Chagford Cattle Grid	N/A	Actual	3
Dartmoor Local Plan Review	Medium	Est.	123
Aerial photography contract	N/A	Actual	12
Broadband	N/A	Actual	10
Princetown Visitor Centre refurbishment	N/A	Actual	33
Postbridge Visitor Centre design fees	N/A	Actual	12
Forward planning related contracts	N/A	Actual	11
Pool car purchase & livery	N/A	Actual	12
Capital			
Provision for future replacement of Landrovers (sinking fund)	N/A	Est.	12
Match Funding Reserve			
Moor than Meets the Eye	N/A	Actual	200
Hill Farm Project	N/A	Actual	30
Cycling in National Parks	N/A	Actual	30
Greater Dartmoor LEAF	N/A	Actual	21
Naturally Healthy Dartmoor	N/A	Actual	25
Princetown Visitor centre - Phase II	N/A	Est.	147
Unallocated to match future opportunities	N/A	Actual	48
Revenue			
Future Reductions in NPG	High	Est. Uncertain	571
2014/15 Revenue Outturn	N/A	Actual	210
General Reserve - Minimum amount to cover unanticipated costs / emergencies			300
Total Reserve Balance			2,995

DARTMOOR NATIONAL PARK AUTHORITY

AUDIT AND GOVERNANCE COMMITTEE

5 February 2016

**2016/17 DRAFT NET REVENUE BUDGET, MEDIUM TERM FINANCIAL PLAN
AND CAPITAL BUDGET**Report of the Head of Business SupportRecommendations : **That Members:**

- (i) **review the draft Net Revenue Budget of £3,671,177 for the 2016/17 financial year as shown in Appendix 1;**
- (ii) **note the need to commence work on producing a detailed Medium Term Financial Plan for the following 3 years, now that Defra has confirmed National Park Grant for the financial years 2017/18 to 2019/20**

1 Background

- 1.1 The Authority is required by statute to set a balanced revenue budget for each financial year. The basis for the revenue expenditure is the pursuit of the 'Special Purposes' for which the National Parks were designated in the Environment Act 1995 (the Act). Section 65 of the Act determines the purposes as conserving and enhancing the natural beauty, wildlife and cultural heritage of National Parks and of promoting opportunities for the understanding and enjoyment of the Parks by the public. The Authority also has a duty to seek to foster the economic and social well-being of local communities within the National Park.

2 Historical Financial Context

- 2.1 Over the life-time of the last Parliament (financial years 2010/11 to 2015/16) the Authority's income reduced by over 40 per cent in real terms. National Park Grant (our core funding from the Department of the Environment, Food and Rural Affairs [Defra]) reduced by £1,404,984 in cash terms and we also saw reductions in secondary income, for example, the sum of money available under the Service Level Agreement with Devon County Council for the management of Public Rights of Way has reduced by over 33% since 2010/11.

3 2016/17 National Park Grant

- 3.1 In November 2015 the Chancellor of the Exchequer announced the outcome of the CSR 2015. His statement included a commitment to protect the funding for National Parks and AONBs (Areas of Outstanding Natural Beauty). The Minister with responsibility for National Parks wrote on 21 January 2016 to confirm that this protection will be in real terms and that the Government have provided additional funding for the recently announced extensions of the Yorkshire Dales and Lake District National Parks. This announcement means that Dartmoor National Park Authority now has a protected grant settlement for the financial years 2016/17 to 2019/20 as set out in the table below.

DNPA National Park Grant 2015/16 to 2018/19

Financial Year	Grant Amount	Increase (£)	Increase (%)
2015-2016	£3,573,586		
2016-2017	£3,635,052	£61,466	1.72%
2017-2018	£3,697,575	£62,523	1.72%
2018-2019	£3,761,173	£62,598	1.72%
2019-2020	£3,825,865	£64,692	1.72%

- 3.2 After five years of deep cuts, that saw our income decline by over 40 per cent and our staff numbers reduce by over 25 per cent, we now face a period of relative financial stability that will provide an opportunity to plan ahead and re-focus our efforts on sustaining the National Park for the benefit of current and future generations. This is the first time in eight years that we have been given a “confirmed” four year settlement. Whilst it provides an opportunity to prepare a detailed Medium Term Financial Plan it does not mean that our efforts to diversify our income base will reduce; this will remain a priority for the Authority (see the separate paper on the draft Business Plan for 2016/17).

4 2016/17 Draft Net Revenue Budget

- 4.1 The draft Net Revenue Budget for 2016/17 is attached at Appendix 1 for Member consideration. It was initially constructed based on a standstill NPG, so further work will now be required to reflect the confirmed settlement. We will need to make amendments to allocate the extra £61,446 against projects, capacity and resources that meet the 2016/17 Business Plan priorities. The increase in NPG has, for the moment, been allocated to the Project Fund. The intention is to present the final budget (incorporating any comments from the Audit and Governance Committee) to the Authority in March for approval.
- 4.2 The priorities agreed by the Authority in October 2015 (NPA/15/033), together with the themes and actions in the National Park Management Plan – Your Dartmoor - pertinent to the Authority, have guided the budget process.
- 4.3 Budget bids submitted by officers have been scrutinised by the Leadership Team, taking into consideration the approved priorities, available funding and the capacity available to take work programmes forward. The output from that process translates into the draft Net Revenue Budget for 2016/17. Although the Authority does not budget incrementally, choosing instead to zero-base its budget each year, Appendix 2 provides an overview of the % change from 2015/16.
- 4.4 Members’ attention is specifically drawn to the following:
- (i) We have been successful in securing external funding for the Hill Farm Project from The Prince’s Countryside Fund but this will end during the next financial year so a priority is to secure new funding for this project.
 - (ii) The Communities Fund Grant scheme has been established, initially in partnership with South Hams District Council and West Devon Borough Council but now also including Teignbridge District Council. Funding, which is via the New Homes Bonus money these authorities receive and attributable to development in the National Park, is secured for 2016/17 from Teignbridge District Council, but we await formal confirmation of the South Hams District Council and West Devon Borough Council contributions.

- (iii) The Moor than meets the eye Landscape Partnership Scheme is in its second year of delivery. The Authority is the lead and accountable body. The partnership budget and accounts are held separately and are therefore not included in the Authority's Revenue Budget. Members receive separate progress and monitoring reports via the Audit and Governance Committee.
- (iv) We have once again included a specific allocation in the Authority's reserves for future work on the Dartmoor Local Plan review. This money will be drawn down as we progress this work programme.
- (v) At the end of March 2014 we secured additional funding from Defra to help fund work to restore public rights of way damaged by the extreme weather experienced in the winter of 2013/14. This money is all committed and projects have been progressed but not all of the money has been spent.
- (vi) We have, in partnership with Natural England, appointed a twelve month internship to evaluate Dartmoor Farming Futures and explore ways in which this approach could be extended to other parts of Dartmoor and beyond.

4.5 In recent years the Authority has operated a Project Fund as part of its revenue budget. This Fund has enabled us to buy-in support for staff during the financial year to meet unforeseen work demands; to fund new projects; and to invest in new equipment if a business case is proven. It is proposed to continue with this approach, as it has worked well and gives us the flexibility to respond to new opportunities, buy in extra capacity and plan for the future. For 2016/17 the Project Fund has been set at £167,226 plus (temporarily) the recently announced increase in NPG of £61,466.

5 Medium Term Financial Plan

5.1 This paper proposes a balanced budget for 2016/17 initially based on a standstill settlement, but has since been updated to reflect the recently announced NPG settlement. The letter from Defra also sets out NPG for the years 2017/18 to 2019/20. This means that the Authority can now start work on building a detailed Medium Term Financial Plan (MTFP). It does not mean no change but that change can be driven by our vision and priorities rather than the need to save money. This work will commence immediately and will be presented to the Authority for approval in the early part of the 2016/17 financial year.

5.2 In building a MTFP we must consider and provide for ongoing issues and uncertainties such as:

- Opportunities to invest in order to diversify our income base and develop new sources of funding for National Park Purposes
- Uncertainty over national pay settlements for the public sector; currently there is a weighted increase on offer from the Employers' side, from around 6.6% on scale point 6 and sliding scale increases until scale point 17 of 1.3% and then 1% on scale point 18 and above.
- Maintaining the pension contributions determined by the actuary as the workforce reduces and to reflect the triennial valuation.
- State pension and National Insurance changes (for example, changes to the latter have already increased our costs by over £50,000 in 2016/17).

5.3 Much of the work carried out by the Authority is undertaken directly by its staff, with a smaller percentage of expenditure being on project costs. In 2016/17 staff costs as a percentage of NPG is 78% (76% in the last 2 years and 68% in 2013/14). If we

assume only small inflationary pay awards (1%) going forward this % would increase further each year. This is understandable in the context of no significant staffing changes since 2012/13; a reducing budget in the last 5 years; 1% pay rise in 2013/14 and a 2.2% pay rise in 2015; staff increments and re-grading; and the changes in National Insurance contribution rates in relation to a revised State Pension provision (from 2016).

- 5.4 As noted above, we also need to re-focus our efforts on income generation. We have already been successful in securing considerable sums of external grant funding but such bids require staff time to develop and match funding. Unlike some National Park Authorities we do not have many assets that have the potential to generate income. However, we have developed a Sponsorship Policy and were successful in securing considerable sponsorship for the UK National Parks Conference hosted by Dartmoor in October 2015. A separate paper on this agenda asks Members to consider and approve a Fundraising Action Plan.
- 5.5 The last triennial valuation of the Local Government Pension Fund took place in 2013/14 and our Employer Contribution rate was set at 18% of pensionable pay, by the Actuary. For the last 7 years we have been making payments to the pension fund in excess of our target rate (19.7% instead of 18%) in order to provide further resilience and future-proof our deficit recovery strategy. This also means that we do not have to make annual cash contributions to the pension fund, although we do have made a provision for the future risk of a falling payroll and the impact of adverse fund valuations in our reserves. The next valuation is due this year, and the resulting contributions and/or cash contributions will need to be included in the MTFP.

6 Reserves

- 6.1 During 2010/11 the Audit & Governance Committee, at the request of the Authority, undertook work on a risk based approach to determining the level and use of reserves required by the Authority. The outcome of that work was an agreed methodology (NPA/AG/10/014) which has been applied to determine the level of reserves held, on an annual basis.
- 6.2 The Chief Finance Officer (CFO) is satisfied that there are sufficient reserves in place to deliver the budget for 2016/17 and that the decisions taken on the level of balances held and the reasons for holding them represent proper stewardship of public funds. As we work through the process of building the new MTFP in the coming months, due consideration will be given to the level and use of reserves to meet future requirements and to deliver National Park Purposes and Business Plan priorities.
- 6.3 Attached at Appendix 3 is the Risk Based analysis to guide the level of reserves anticipated to be held at 1 April 2016 and Appendix 4 shows the likely Earmarked and General (unallocated) Reserve Balances for 2015/16 – 2016/17. Members will note that from the opening balance in 2015/16 to the closing balance in 2016/17, if all projected requirements are fully utilised, the reserve balance will reduce by £834,041.

7 Capital Programme & Prudential Code

- 7.1 The Government introduced the Prudential Code in 2004 and was revised in 2009 and 2011. It is a professional code of practice to support local authorities when taking capital investment (fixed asset) decisions. The objectives are to ensure, within

a clear framework, that capital investment plans are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice.

- 7.2 The Code sets out a number of indicators to be used to demonstrate compliance with the Code's objectives. However, they are not designed to be comparative performance indicators, and should be considered in parallel with the treasury management indicators. The Authority does not have a capital programme in 2016/17 and has no plans to take up any external borrowing. Therefore, the Prudential Indicators do not currently apply (see Appendix 5).
- 7.3 If sources of additional capital income become available during the year, for example via additional grants or external contributions, the Authority will be requested to approve a capital programme and any resulting prudential indicators.

8 Equality & Sustainability Impact

- 8.1 Consideration is given when deciding which areas of expenditure should be supported of the impact on under-represented groups, and the need to promote equal opportunities both as an employer and in respect of the services provided.

9 Conclusions

- 9.1 Members will note from this report that the Authority has positioned itself well in respect of setting a balanced budget for 2016/17 and beyond. The work undertaken in prior years to reduce the budget requirement, robustly manage work programmes and associated spending and generate other income streams, means that the Authority is very well positioned to meet the challenges ahead. With a renewed financial commitment from Defra and a personal endorsement from the Secretary of State and our own Minister, we can look to the future with renewed confidence.
- 9.2 Following Member consideration and any recommendations for change, the final budget will be presented for approval at the next meeting of the Authority on 5 March 2016. The Medium Term Financial Plan will be presented for consideration and approval during the 2016/17 financial year.

DONNA HEALY

Attachments: **Appendix 1 – Draft 2016/17 Revenue Budget**
 Appendix 2 – % change from 2015/16 to 2016/17
 Appendix 3 – Reserves risk based analysis
 Appendix 4 – Reserve balances
 Appendix 5 – Summary of Prudential Indicators

DRAFT BUDGET 2016/2017	Salaries	Travel	Transport	Premises	Supplies & Services	2016/17 GROSS EXPENDITURE	Grants	Treasury	Fees & Charges	Sales	Rents	2016/17 INCOME	2016/17 NET EXPENDITURE
	£	£	£	£	£	£	£	£	£	£	£	£	£
BIO-DIVERSITY	90,585	1,300			21,503	113,388						0	113,388
LAND MANAGEMENT	8,260				21,859	30,119						0	30,119
WOODLANDS	38,735	2,000			2,000	42,735						0	42,735
DIRECTORATE CENTRAL COSTS		1,100			2,000	3,100						0	3,100
HILL FARM PROJECT	44,137	1,000			25,472	70,609	(34,822)					(34,822)	35,787
NATURAL ENVIRONMENT	181,717	5,400	0	0	72,834	259,951	(34,822)	0	0	0	0	(34,822)	225,129
ARCHAEOLOGY	92,012	2,600	150		10,318	105,080	(36,129)					(36,129)	68,951
BUILT ENVIRONMENT	39,335	500				39,835						0	39,835
UPPACOTT				13,011		13,011					(5,138)	(5,138)	7,873
CULTURAL HERITAGE	131,347	3,100	150	13,011	10,318	157,926	(36,129)	0	0	0	(5,138)	(41,267)	116,659
VISITOR FACILITIES	42,750		3,880	12,176	86,066	144,872			(59,607)			(59,607)	85,265
ACCESS & RECREATION	78,710	200	250		22,007	101,167						0	101,167
PROW	87,238				43,000	130,238	(43,000)					(43,000)	87,238
SUSTAINABLE TOURISM & TRANSPORT	18,175	50			8,270	26,495			(1,250)			(1,250)	25,245
RECREATION MANAGEMENT	226,873	250	4,130	12,176	159,343	402,772	(43,000)	0	(60,857)	0	0	(103,857)	298,915
VISITOR CENTRES	187,944	1,800		10,966	116,498	317,208			(3,700)	(150,000)		(153,700)	163,508
COMMUNICATIONS	157,331	450			45,264	203,045			(29,000)			(29,000)	174,045
NATURALLY HEALTHY DARTMOOR	20,152					20,152	(20,152)					(20,152)	0
EDUCATION	112,607	2,850	2,380		9,442	127,279			(4,200)			(4,200)	123,079
PROMOTING UNDERSTANDING	478,034	5,100	2,380	10,966	171,204	667,684	(20,152)	0	(36,900)	(150,000)	0	(207,052)	460,632
RANGERS	353,570	400	40,920	2,800	31,785	429,475						0	429,475
CONSERVATION WORKS SERVICE	173,019	50	17,477	12,649	8,897	212,092						0	212,092
RANGERS, ESTATES & VOLUNTEERS	526,589	450	58,397	15,449	40,682	641,567	0	0	0	0	0	0	641,567
DEVELOPMENT MANAGEMENT	469,601	5,400			48,370	523,371			(189,500)			(189,500)	333,871
DEVELOPMENT MANAGEMENT	469,601	5,400	0	0	48,370	523,371	0	0	(189,500)	0	0	(189,500)	333,871
FORWARD PLANNING & COMMUNITY	151,095	1,000			93,900	245,995	(25,000)		0			(25,000)	220,995
FORWARD PLANNING	151,095	1,000	0	0	93,900	245,995	(25,000)	0	0	0	0	(25,000)	220,995
CORPORATE CENTRE	201,369	3,500	1,400		59,123	265,392		(10,000)				(10,000)	255,392
MEMBERS					56,226	56,226						0	56,226
CORPORATE & DEMOCRATIC CORE	201,369	3,500	1,400	0	115,349	321,618	0	(10,000)	0	0	0	(10,000)	311,618
INFORMATION TECHNOLOGY	132,200	1,700	200		32,120	166,220						0	166,220
CORPORATE OPERATING COSTS			7,200		110,062	117,262			(125)			(125)	117,137
FINANCE AND ADMINISTRATION	167,382	100			11,533	179,015						0	179,015
LEGAL SERVICES	87,467	300			6,650	94,417			(4,500)			(4,500)	89,917
HUMAN RESOURCES	92,130	220			35,258	127,608						0	127,608
OFFICE ACCOMMODATION (PARKE)	23,550			91,254		114,804			(5,519)			(5,519)	109,285
OFFICE ACCOMMODATION (PRINCETOWN)				60,761		60,761			(15,722)		(1,122)	(16,844)	43,917
SUPPORT SERVICES	502,729	2,320	7,400	152,015	195,623	860,087	0	0	(25,866)	0	(1,122)	(26,988)	833,099
PROJECT FUND					228,692	228,692						0	228,692
OTHER	0	0	0	0	228,692	228,692	0	0	0	0	0	0	228,692
TOTAL	2,869,354	26,520	73,857	203,617	1,136,315	4,309,663	(159,103)	(10,000)	(313,123)	(150,000)	(6,260)	(638,486)	3,671,177

Summary:

Gross Expenditure	4,309,663
Income	(638,486)
Net Budget	3,671,177
Reserves (HFP, GD Leaf & Intern)	(36,125)
National Park Grant	(3,635,052)
Deficit / (Surplus)	0

% Change between the 2015/16 and the Draft 2016/17 Revenue Budge

Appendix 2 to NPA/AG/16/002

HIGH LEVEL SUMMARY	2015/16 NET BUDGET £	2016/17 NET BUDGET £	% Change	Explanation
SALARIES	2,811,528	2,869,354	2.1%	Pay Award 1% PLUS annual progression increments. Also change in NI reflecting state pension changes. Offset by some new staff / personnel changes that has resulted in lower salaries
TRAVEL	25,800	26,520	2.8%	Increased public transport costs & mileage claims
TRANSPORT	74,357	73,857	-0.7%	
PREMISES	204,733	203,617	-0.5%	
SUPPLIES AND SERVICES	1,157,643	1,136,315	-1.8%	See below
INCOME	(685,475)	(638,486)	-6.9%	Reduction in external grant funding, prudent budget set for planning fees, increased forecast for retail sales income
NET BUDGET	3,588,586	3,671,177	2%	

SUPPLIES & SERVICES	2015/16 Supplies & Services £	2016/17 Supplies & Services £	Explanation
BIO-DIVERSITY	15,981	21,503	Magnificent Mires Project in 2016
LAND MANAGEMENT	14,607	21,859	Our Common Cause: Our Upland Commons
WOODLANDS	2,000	2,000	
CENTRAL COSTS	7,000	2,000	Uniform budget allocated to services
HILL FARM PROJECT	11,950	25,472	Project funding via Princes Countryside Fund, means a slight change in emphasis/ timing of activity over 2 years
NATURAL ENVIRONMENT	51,538	72,834	
ARCHAEOLOGY	10,887	10,318	
CULTURAL HERITAGE	10,887	10,318	
VISITOR FACILITIES	71,887	86,066	Key campaigns & Tour of Britain
ACCESS & RECREATION	22,507	22,007	
PROW	43,000	43,000	
SUSTAINABLE TOURISM & TRANSPORT	13,500	8,270	One-off cost: Visit Devon membership in 2015/16
RECREATION MANAGEMENT	150,894	159,343	
VISITOR CENTRES	106,086	116,498	Increased retail stock purchases reflecting retail strategy and to increase sales revenue
COMMUNICATIONS	44,358	45,264	
EDUCATION	14,645	9,442	First Aid training for guides biennial
PROMOTING UNDERSTANDING	165,089	171,204	
RANGERS	37,724	31,785	One-off Voluntary Warden costs (equipment) in 2015/16
CONSERVATION WORKS SERVICE	9,250	8,897	
RANGERS, ESTATES & VOLUNTEERS	46,974	40,682	
DEVELOPMENT MANAGEMENT	76,989	48,370	One-off planning appraisal costs in 2015/16
DEVELOPMENT MANAGEMENT	76,989	48,370	
FORWARD PLANNING & COMMUNITY	92,211	93,900	
FORWARD PLANNING	92,211	93,900	
CORPORATE CENTRE	119,842	59,123	One-off costs in 2015: National Parks Conference
MEMBERS	58,088	56,226	
CORPORATE & DEMOCRATIC CORE	177,930	115,349	
INFORMATION TECHNOLOGY	37,188	32,120	Reduction in GIS costs and one-off projects completed in 2015
CORPORATE OPERATING COSTS	109,876	110,062	
FINANCE & ADMIN	13,742	11,533	Reduction in training budget - course completed
LEGAL SERVICES	21,360	6,650	Legal support SLA with Devon County Council included under salaries this year
HUMAN RESOURCES	45,290	35,258	Corporate training budget consistently under-spent, therefore reduced this year
CORPORATE SERVICES	227,456	195,623	
PROJECT FUND	157,675	228,692	Unallocated NPG to be bid for in-year, plus increase in NPG £61,466
OTHER	157,675	228,692	
TOTAL	1,157,643	1,136,315	

2016/17 RESERVES: RISK BASED ANALYSIS <i>Dependent on 2015/16 closing balances</i>	Risk Level	Rate	2016/17 Opening Balance £'000
Grants & Contributions with Restrictions carried forward: Grants & Contributions with Restrictions	N/A	Actual	81
Employees: Allowance for increased pay awards Maternity / Paternity Cover Equal Pay Claims / Employment Tribunals Pension Fund - Past Deficit Recovery	Low High Low Low	1% extra PA Based on 4 staff Est. Est.	24 42 50 145
Costs & Awards: Appeals / Public Enquiries / Litigation	High	Est.	250
Loss of Income: Planning related fees Reduced Sales, Fees & Charges Partnership Income / Grants	Medium Medium High	10% 10% 10%	19 23 16
General Inflation:	Medium	Average of 3%	22
Capital - Property: Repairs & maintenance (sinking fund)	Medium	Est.	150
Capital - Vehicles Provision for future replacement of Landrovers (sinking fund)	N/A	Est.	28
Known Commitments Chagford Cattle Grid Dartmoor Local Plan Review Postbridge VC Broadband All Moor Butterflies Peatland Study	N/A Medium N/A N/A N/A N/A	Actual Est. Actual Actual Actual Actual	3 123 12 18 15 10
Match Funding Reserve Superfast Broadband Princes Countyside Fund matchFunding Greater Dartmoor LEAF Naturally Healthy Dartmoor Our Common Cause National Parks Partnerships LLP Unallocated to match future opportunities	N/A N/A N/A N/A N/A N/A N/A	Actual Actual Actual Actual Actual Actual Actual	65 15 21 25 8 10 127
Revenue Future Reductions in NPG Moor Than Meets The Eye - cash flow provision 2015/16 Outturn to be allocated	High High	Est. Uncertain C/F forecast Est	516 300 112
General Reserve - Minimum amount to cover unanticipated costs / emergencies			300
Total Reserve Balance			2,530

2015/16 to 2016/17 RESERVE BALANCES

Appendix 4 to NPA/AG/16/002

Earmarked Reserves	2015/16 Opening Balance	2015/16 Movements within	2015/16 Movements From / (To)	2016/17 Opening Balance	2016/17 Movements Within / From / (To)	2016/17 Closing Balance	Notes
	£	£	£	£	£	£	
Grants & Contributions with Restrictions							
Defra: Flood & Winter Storm Damage - Grant b/fwd	(120,703)		120,703	0.00		0.00	Transferred to revenue budget
Defra: Flood & Winter Storm Damage - Grant c/fwd			(36,702)	(36,702.00)		(36,702.00)	Carry forward at year end
Your Dartmoor Grant Fund	(53,500)		53,500	0.00		0.00	Grants awarded not paid out at 31.03.15 (scheme now ended)
Prince's Countryside Fund: Hill Farm Project	(7,891)		7,891	0.00		0.00	Project runs from 2015-2017 allocate at year end
Natural England - Internship	(14,230)		2,230	(12,000.00)		(12,000.00)	Approval to employ and Intern 2015-2016
English Heritage: White Horse Hill	(15,536)		(4,500)	(20,036.00)		(20,036.00)	To fund the Exhibition at Postbridge VC
English Heritage: Historic Farmsteads	(5,230)		5,230	0.00		0.00	Project runs from 2014-2015
Natural England & Partners: Haytor Hoppa	(1,750)		1,750	0.00		0.00	For the 2015 summer service
DCC: Public Rights of Way	(10,984)		10,984	0.00		0.00	Service Level Agreement fund balance allocated to 2015/16
2013/14 New Homes Bonus	(6,750)		6,750	0.00		0.00	For 2015-2016 financial year
WDBC: Communities Fund Grant 2015/16	(15,000)		15,000	0.00		0.00	For 2015-2016 financial year
TDC: Communities Fund Grant 2015/16	(25,000)		25,000	0.00		0.00	For 2015-2016 financial year
WDBC: Communities Fund Grant 2014/15	(17,627)		17,627	0.00		0.00	Grants awarded not paid out as at 31.03.15
SHDC: Communities Fund Grant 2014/15	(15,755)		15,755	0.00		0.00	Grants awarded not paid out as at 31.03.16
DCC: Naturally Healthy Dartmoor Project	(12,294)		12,294	0.00		0.00	Project runs from 2014-2017 possible c/fwd
DCLG: Vanguard Right to Buy	(10,000)		0	(10,000.00)		(10,000.00)	Grant received at year end, will support the project in 2015-2017
SWW contribution towards upstream scientific monitoring			(2,000)	(2,000.00)	2,000.00	0.00	Received in 2015 for 2016 onwards
Budget management Fund - Provisions (risk based)							
Employees	(351,000)	89,000		(262,000.00)		(262,000.00)	See risk assessment for breakdown
Costs and Awards: Appeals/Public Enquiries/Litigation	(250,000)			(250,000.00)		(250,000.00)	See risk assessment for breakdown
Loss of Income and Inflation	(102,000)	22,000		(80,000.00)		(80,000.00)	See risk assessment for breakdown
Future reductions in NPG	(571,588)	55,816		(515,772.00)		(515,772.00)	To support revenue budget and / or redundancy costs
2014/15 Year end Surplus	(210,184)	210,184		0.00		0.00	Allocated in year within movements column
Moor than Meets the Eye - Cash Flow		(300,000)		(300,000.00)		(300,000.00)	Based on project cash flow - retention and final claim in year 5
2015/16 Forecast Outturn		(33,846)	(78,888)	(112,734.00)	12,000.00	(100,734.00)	
Capital Expenditure Fund							
Vehicles - Sinking Fund - Replacement	(24,596)	(12,000)	9,004	(27,592.00)	(12,000.00)	(39,592.00)	Pool Vehicle delivered 2015 & vehicle replacement fund
Property - Sinking Fund - Repairs & Maintenance	(150,000)			(150,000.00)		(150,000.00)	See risk assessment for breakdown
Known Commitments							
Broadband phase 1	(10,000)		10,000	0.00		0.00	Rural Community Broadband Project - tbc when payment due
Aerial Photography	(11,678)		11,678	0.00		0.00	Completed 2015
Princetown Visitor Centre	(33,846)	33,846	0	0.00		0.00	Internal improvements met from revenue in year
Postbridge Visitor Centre	(11,650)		0	(11,650.00)	11,650.00	0.00	Deferred
Ashburton Mater Planning	(4,809)		4,809	0.00		0.00	On-going contracts (BDP)
Chagford Cattle Grid	(3,000)		0	(3,000.00)	3,000.00	0.00	Timing not known
Dartmoor Local Plan	(122,500)		0	(122,500.00)		(122,500.00)	Between 2015 & 2019 (estimates only/timing unknown)
Gypsy and Traveller Accommodation Assessment	(1,996)		1,996	0.00		0.00	2015
Strategic Housing Market Needs Assessment (SHMNA)	(3,580)		3,580	0.00		0.00	2015
All Moor Butterflies			(17,500)	(17,500.00)	17,500.00	0.00	Approved by Authority Dec 2015 - NPA/15/037
Peatland Study			(15,000)	(15,000.00)	15,000.00	0.00	Allocated from project fund - spans more than 1 year
PR14			(10,000)	(10,000.00)	10,000.00	0.00	Allocated from project fund - spans more than 1 year
Match Funding Reserve							
HLF - Moor Than Meets the Eye match funding	(200,000)		200,000	0.00	200,000.00	200,000.00	Allocated but held by DNP until required
Superfast Broadband - connecting Dartmoor & Exmoor		(65,000)	0	(65,000.00)	65,000.00	0.00	Approved in-year - to be paid 2016/17
Cycling in National Parks (DFT) match funding	(30,000)		30,000	0.00		0.00	NPA/13/015 to be paid over in 2016
NPA/14/044 Princes Countryside Fund match funding	(30,000)		15,000	(15,000.00)	15,000.00	0.00	NPA/14/044 for years 2015-2017
Greater Dartmoor LEAF 2015-2020	(20,700)		0	(20,700.00)	6,900.00	(13,800.00)	NPA/14/038 for years 2018-2020
Naturally Healthy Dartmoor Project	(25,000)		0	(25,000.00)	15,000.00	(10,000.00)	NPA/14/031 for years 2016-2017
Princetown Visitor Centre	(146,680)	146,680	0	0		0.00	HLF match funding
Dartmoor's Wild Stories		(48,800)	48,800	0		0.00	May run into 2016/17
National Parks Partnerships LLP		(10,000)		(10,000)		(10,000.00)	
Unallocated fund balance	(48,000)	(79,880)		(127,880)		(127,880.00)	
Our Common Cause: Our Upland Commons		(8,000)		(8,000)	8,000.00	0.00	NPA/16/006 Match towards a HLF bid
	(2,695,057.00)	0.00	464,991.00	(2,230,066.00)	369,050.00	(1,861,016.00)	
General Reserve (unallocated emergency reserve)	(300,000.00)	0.00	0.00	(300,000.00)	0.00	(300,000.00)	
Total General Fund Balance	(2,995,057.00)	0.00	464,991.00	(2,530,066.00)	369,050.00	(2,161,016.00)	

SUMMARY OF PRUDENTIAL INDICATORS

Capital Expenditure, Capital Financing Requirement, Limits for External Debt and Capital Financing Costs

	Prudential Indicator	2016/17	2017/18	2018/19
1	Forecast Annual Capital Expenditure	Nil	Nil	Nil
2	Capital Financing Requirement as at 31 March	Nil	Nil	Nil
3	Total Authorised Limit for External Debt	Nil	Nil	Nil
4	Total Operational Boundary for External Debt	Nil	Nil	Nil
5	Ratio of Financing Costs to Net Revenue Stream	Nil	Nil	Nil
6	Net borrowing will only be for a capital purpose. Net borrowing will not, except in the short term, exceed the total of the capital financing requirement in the preceding year, plus the estimate of any additional capital financing requirement for the current and next two financial years.			

Treasury Management

7	The Dartmoor National Park Authority has adopted the CIPFA Code of Practice for Treasury Management in the Public Services		
		Upper Limit %	Lower Limit %
8	Limits on borrowing at fixed interest rates	Nil	Nil
9	Limits on borrowing at variable interest rates	Nil	Nil
10	Percentage of Fixed Rate Debt maturing in:		
	Under 12 months	Nil	Nil
	12 months to within 24 months	Nil	Nil
	24 months to within 5 years	Nil	Nil
	5 years to within 10 years	Nil	Nil
	10 years and above	Nil	Nil

DARTMOOR NATIONAL PARK AUTHORITY
AUDIT AND GOVERNANCE COMMITTEE

5 February 2016

2016/17 DRAFT BUSINESS PLAN

Report of the Chief Executive (National Park Officer)

Recommendations : **That Members review the draft business plan for 2016/17**

1 Background

- 1.1 Members will be aware that the Authority has endeavoured to refine its Business Planning processes and documents over the years in order to be clear about priorities and become more efficient and effective.
- 1.2 The Business Plan is a strategic document. The intention of the document is not to describe all that the Authority does, nor to describe every action we plan to undertake. The purpose of the Business Plan is to:
 - Explain the vision for the Authority and outline the way we will work to achieve National Park purposes;
 - Identify the core values which will guide our work ;
 - Set out the Authority's strategic priorities and the key actions to achieve these over a 12 month period;
 - Detail the funding available to deliver the Business Plan.
- 1.3 The Business Plan also provides a link between the National Park Management Plan (Your Dartmoor) and individual work programmes and staff appraisals. As approved by the Authority a separate annual review is produced to report on performance and highlight key projects undertaken in each financial year.
- 1.4 Due to funding uncertainties (ie National Park Grant only being confirmed for a year at a time and being subject to potential inyear cuts) we have produced an annual Business Plan rather than a three year plan. The announcement of a four year funding settlement (see NPA/AG/16/002) provides an opportunity to review this decision.

2 Priorities for 2016/17

- 2.1 The Authority agreed the priorities for 2016/17 at the October 2015 Authority meeting (NPA/15/033). In no particular order they are:
 - Conservation of the natural and historic environment;
 - Work to support a sustainable farming economy;

- Promote a positive experience of Dartmoor National Park for residents and visitors;
- Work towards ensuring Dartmoor has a thriving local economy;
- Improve support to and engagement with local communities;
- Be an excellent organisation.

2.2 The Business Plan (see appendix 1) also sets out the way we will work. Whilst our work is presented under three themes that link to Your Dartmoor – the National Park Management: Sustain, Enjoy and Prosper our overall goal is to work in an integrated way (often with partners) to ensure that each work area or priority action considers and delivers across all three themes. A project might be focused on sustaining the natural environment but we will always look to ensure we consider and deliver links with the prosperity and enjoyment themes.

2.3 The Business Plan identifies key actions to help deliver these six priorities. The actions also reflect the desire of Members for our work programmes to have a clearer focus on:

- **Engagement** – how we work with local communities and communities of interest to deliver for Dartmoor.
- **Communication** – more effective at talking with people about what we do, why and how and listening and responding to their views and ideas.
- **Evidence** – able to base our actions on evidence: to demonstrate the impact and value of what we do.
- **Funding** – opportunities to generate external income.

2.4 Over the last twelve months we have developed a new approach to performance management that comprises three elements:

Dashboards for key services/teams - these are intended to provide management information on how a service/team is performing and an opportunity to highlight key achievements and pressure points. They use existing data sets and should not be time consuming to produce. Their primary value should be to the manager for that service area - for them to use to review and potentially improve performance. They are also reported quarterly to Leadership Team (as part of the meeting that focuses on performance) and are currently presented to Audit and Governance Committee (once per annum) so that Members of this Committee have a better understanding of all of the services that we provide. They help to demonstrate the 'day job' whilst the Business Plan focuses on key strategic projects.

Performance indicators (PIs) - these are data sets that we use to gauge the 'quality of the service' we provide and/or potential impact. The current set comprise a mixture of PIs: some are set nationally by Government (eg speed of planning decision); some have been agreed collectively by the English National Park Authorities so that we can benchmark performance; and some are agreed locally (i.e. by Dartmoor National Park Authority). The PIs are reported quarterly to Leadership Team (where the data exists) and to Audit and Governance Committee. We are currently reviewing the PIs to see if we can provide a clearer focus on outcomes (the impact of our services) and potentially simplify.

Business Plan monitor - this document tracks progress with the key actions identified in the Business Plan. It is reported quarterly to Leadership Team and to Audit and Governance Committee. The intention is to better project manage the key actions identified in the Business Plan, ideally to ensure they are delivered on time and within budget but also to identify at an early stage if there are any actions we are at risk of not delivering and to consider any support measures to address project slippage or whether we signal to Members that action will not be completed and why.

3 Equality and Impact Assessment

- 3.1 Under the Equality Act 2010 (the Act) the Authority must prepare and publish one or more objectives it thinks it should achieve in pursuance of the general duty under the Act. Members will note that the Business Plan includes specific priorities to promote a positive experience of Dartmoor National Park for residents and visitors and to be an excellent organisation. These priorities will include actions which promote equality of access and awareness and understanding of diversity and have been incorporated into the performance monitoring framework.

4 Financial Implications

- 4.1 The draft Business Plan has been developed in parallel with the draft revenue budget. There is a clear emphasis within the plan on developing new funding streams and working up potential bids for external funding.

KEVIN BISHOP

**DARTMOOR NATIONAL PARK AUTHORITY
BUSINESS PLAN 2016-2017**

WORKING DRAFT

Welcome

The Authority is charged by Parliament to help conserve and sustain the National Park, promote its enjoyment and understanding and foster the well-being of local communities. This is a challenging and rewarding role. We want to hand on to future generations a Dartmoor that is a living, working landscape that can be enjoyed by all.

Following a period of deep and sustained cuts the Government has protected the Dartmoor's National Park Grant for 2016/17 and the following three years. This is welcome news and enables us to plan ahead with greater financial certainty.

Our ambition to act as a powerful and effective enabler and advocate for Dartmoor National Park; working with others to deliver a National Park that is thriving, inspirational and valued remains. The business plan sets out what this means in practice and how we will seek to achieve it. It supports the wider National Park Management Plan – *Your Dartmoor*. *Your Dartmoor* which sets a long-term vision for the National Park shared by the Authority and other partners; there is a close correlation between the Authority's priorities and those identified through consultation and engagement in the preparation of the Management Plan.

Our challenge is to work, in partnership, to conserve Dartmoor's special qualities; enable people to enjoy them; and to do this in ways which help develop understanding of the National Park and contribute to the local economy. We look forward to working with you to deliver this Business Plan and the Vision for Dartmoor National Park.

Peter Harper, Chairman
Kevin Bishop, Chief Executive

Vision for Dartmoor National Park

Dartmoor, an inspirational place where, in 2034:

- *The natural beauty, wildlife and cultural heritage are conserved, **sustained** and enhanced*
- *Local people and visitors **enjoy** and learn more about the National Park*
- *Local communities and businesses **prosper** and benefit from Dartmoor's human and natural resources*

The National Park is an exemplar in delivering a range of public benefits, and leading the way in developing new approaches and thinking¹

How we will deliver for Dartmoor National Park

“We will act as an enabler and advocate for Dartmoor National Park; working with others to deliver a National Park that is thriving, inspirational and valued”

By this we mean:

Enabler	Making things happen Generating and receiving ideas Experimenting and learning Prepared to take managed risks
Advocate	Raise the profile The voice for Dartmoor National Park Lead by example
Others	From local communities to Ministers
Thriving	From local businesses, farming, biodiversity to cultural heritage and local services
Inspirational	Through the work we do, and the special qualities of the National Park, inspire people to: <ul style="list-style-type: none"> • Engage, enjoy and help look after the National Park; • Support and demonstrate how to live differently (i.e. within environmental limits); • Encourage people to try new things, learn more.
Valued	Support for the National Park Recognition by local communities, visitors, Government and partners of the importance of the National Park and the work of the Authority

In addition a number of core values will underpin the way in which we work.

We will:

- ensure that our relationships with the public, partners and each other are founded on honesty, transparency impartiality and consistency, demonstrating equality and fairness in everything that we do and being open to challenge
- value the people who work for Dartmoor - our staff, Members, and volunteers and seek to involve, empower and develop them
- place the environment at the heart of everything we do

¹ Dartmoor National Park Management Plan 2014 – 2019 www.yourdartmoor.org.uk

Our Business Plan

Dartmoor National Park Authority is a small organisation with limited resources available to fulfil our two statutory purposes of:

- *conserve and enhance the natural beauty, wildlife and cultural heritage of the National Park*
- *promote opportunities for the understanding and enjoyment of the special qualities of the area by the public.*
-

In carrying out this work, we are also required to:

- *seek to foster the economic and social well-being of local communities within the National Park.*

Much of the work we do is undertaken in partnership with others in order to achieve the best outcomes for Dartmoor National Park, the people who live and work here and those who visit this special place.

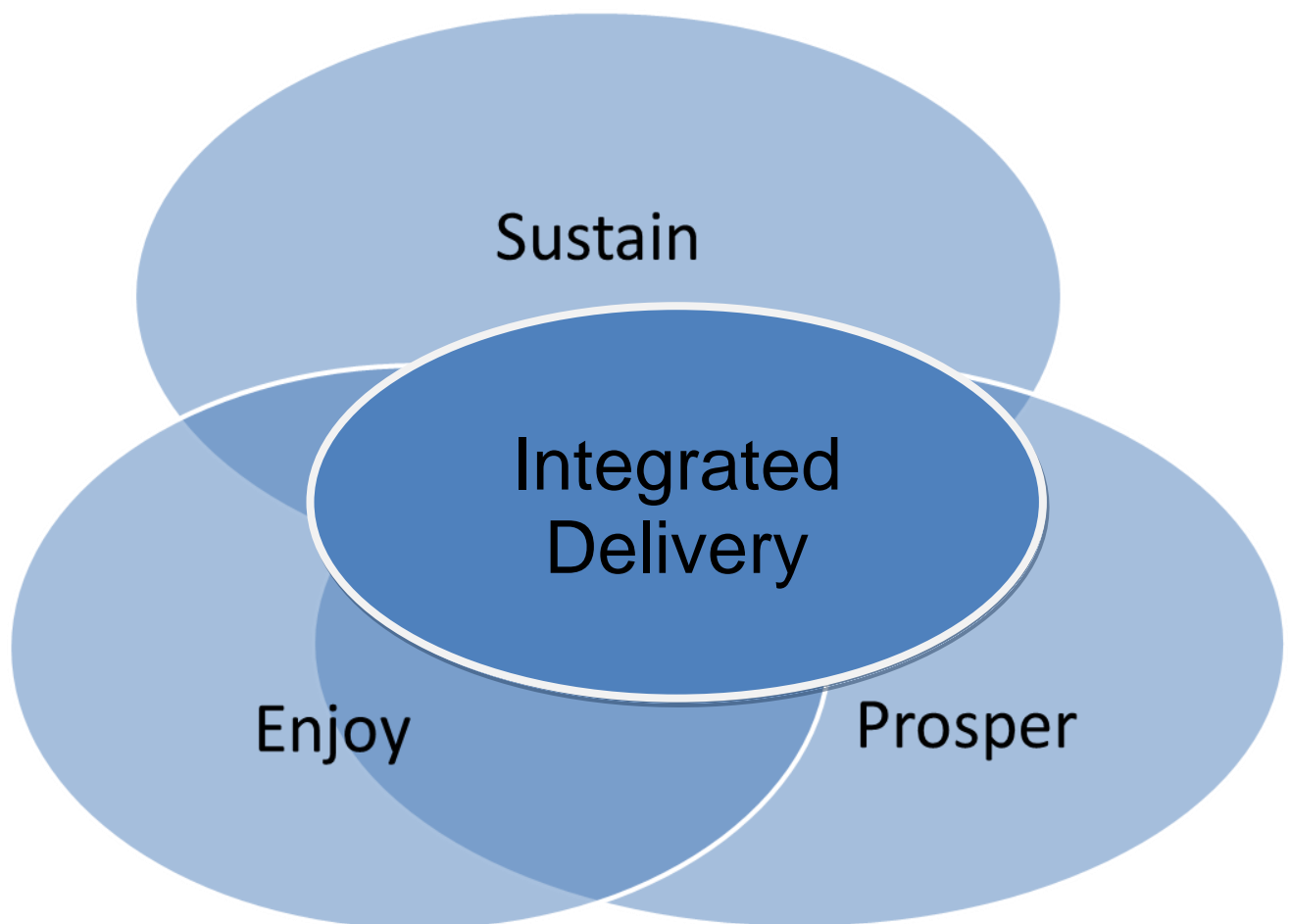
The Business Plan includes actions that are co-funded through the Heritage Lottery Fund Landscape Partnership scheme – Moor than meets the eye.

The priorities in the Business Plan are led by our requirements to meet outcome targets in Your Dartmoor – the National Park Management Plan, but are also informed by Government; the views of Members and staff; and the residents of Dartmoor National Park (through for a such as the Management Plan Steering Group, National Park Forum, Dartmoor Farmers' Forum, Dartmoor Access Forum etc).

Due to the strong link to the National Park Management Plan, this Business Plan carries the same headline themes of *Sustain, Enjoy and Prosper*.

The Way we Work

Whilst our work is presented under three themes: *Sustain*, *Enjoy* and *Prosper* our overall goal is to work in an integrated way (often with partners) to ensure that each work area or priority action considers and delivers across all three themes. A project might be focused on sustaining the natural environment but we will always look to ensure we consider and deliver links with the prosperity and enjoyment themes; and vice versa.



Measuring progress

At the end of each financial year the Authority completes an annual performance review which contains information about the progress made in delivering the actions in the Business Plan together with achievement against a comprehensive set of performance indicators.

The Work of the Authority

This plan sets out the key strategic actions we will develop in 2016/17 in support of our priorities. Our core business continues on a daily basis, this includes:

Sustain

Helping to conserve and enhance the biodiversity, cultural heritage and landscape

Undertaking, researching and monitoring Dartmoor's biodiversity, cultural heritage and landscape	Over 26% of Dartmoor is of international importance for biodiversity
Implementing practical conservation and enhancement works	1,208 Scheduled Monuments. Most important area of Bronze Age archaeology in Western Europe
Safeguard Dartmoor's special qualities when making planning decisions	90% of planning applications approved

Enjoy

Providing opportunities for people to enjoy the countryside and contribute to health and wellbeing

Managing and maintaining footpaths and open access land	734km footpaths 46,663ha land
Operating 3 visitor centres and a number of car parks and public toilets	2.3 million visitors a year to the National Park worth £120 million to the local economy
Providing opportunities for people to learn more skills through volunteering	3,500 volunteer days
Supporting the National Curriculum by providing educational visits	2,300 school children

Prosper

Supporting our local communities and the rural economy

As a planning Authority supporting sustainable development that is good for Dartmoor	700 planning applications per year
Providing business support and training to over 350 hill farmers through our Hill Farm project	90% of Dartmoor is used for farming
Supporting community-led planning to provide affordable housing	??

Be an excellent organisation

Being an efficient and effective organisation that works with partners to deliver the best outcome for Dartmoor

Ensuring our financial processes are robust and suppliers are paid within 30 days	99% of invoices paid on time
Something about our enquiries and customer service?	
Bringing in excess of £4.1m each year to Dartmoor (in terms of funding for our core work and other partnership projects)	For every £1 we spend in grant aid £4 is generated for the local economy

The Work of the Authority

Priorities:

- Conservation of the natural and historic environment **P1**
- Work to support a sustainable farming economy **P2**
- Promote a positive experience of Dartmoor National Park for residents and visitors **P3**
- Work towards ensuring Dartmoor has a thriving local economy **P4**
- Improve support to and engagement with local communities **P5**
- Be an excellent organisation **P6**

		Key Action	Link to Priorities	Outcomes sought
SUSTAIN				
Sustain	1	Develop with partners an evidence-based vision for the future management of Dartmoor's peatland	P1	Peatland study completed to identify areas of need and opportunity (in terms of restoration) Community engagement improved through Magnificent Mires partnership project (led by Devon Wildlife Trust) Agreed vision/priorities for Dartmoor's peatland Timeline and evidence base for funding bid agreed
	2	Engage communities with Dartmoor wildlife through projects such as: Non-native invasive species control project Birds project	P1, P5	Greater community awareness, understanding and engagement in wildlife conservation
	3	Dartmoor Natural Capital Project – develop our use of the natural capital approach as a potential framework for State of the Park reporting; examine the potential for new markets for environmental services; and develop the role of the Authority as an environmental broker in such markets	P1	State of the Park Report published Guidance note on how we can use Natural Capital as a framework for our work Environmental brokering business case developed
	4	Develop and extend the Moorland Vision	P1, P2, P5	Agreed vision for the future management of upto three

		Key Action	Link to Priorities	Outcomes sought
				commons Improved public understanding of the role and management of commons External funding secured to help develop this work programme
	5	Develop a funded programme of works to repair and/or better manage erosion to key sites and access routes	P1, P3	Programme of active management to conserve key sites and access routes External funding secured to support this programme through, for example: <ul style="list-style-type: none"> • Agri-environment schemes • Donations and sponsorship • Potential external funding bid
	6	Sustain the role of the Hill Farm Project as a catalyst and vehicle for collaborative action with and between farmers	P2, P4	Secure funding for the Hill Farm Project enabling it to focus on practical projects that support the farming community to help deliver National Park purposes
	7	Sustainable land management – ensuring a landscape scale approach to land management and the delivery of agri-environment schemes	P1, P2, P4	Joint working with natural England to ensure effective targeting of Countryside Stewardship on Dartmoor Complete the evaluation of Dartmoor Farming Futures, disseminate the findings and consider opportunities for extending the initiative E
	8	Support implementation of the All the Moor Butterflies project	P1, P5	Landowners and manager involvement in sustaining and improving habitats for globally threatened butterfly species Opportunities for volunteer involvement in habitat management and surveying
	9	Act as the Lead body for Moor than meets the eye landscape partnership scheme and deliver the following projects where the Authority is the lead partner: <ul style="list-style-type: none"> • Higher Uppacott 	P1	Scheme delivered on time and budget with a lasting impact on Dartmoor's heritage Restoration of Listed Building and enhanced public enjoyment and understanding of the significance of this building

		Key Action	Link to Priorities	Outcomes sought
		<ul style="list-style-type: none"> Sittaford Stone Circle excavation Pounds and Driftways Moor Medieval Natural Connections Haymeadows 	P1 P1, P2 P1, P6 P1, P2 P1, P2	Improved knowledge and understanding of the archaeology in the Sittaford area Restoration of XX pounds and drift ways I
	10	Deliver new website	P3, P5, P6	Easy to use website that provides user friendly information to enable people to enjoy Dartmoor, learn about the National Park, engage with our services and gain a better understanding of the work of the Authority
ENJOY				
	11	Building on the Ranger Ralph and Junior Ranger programmes, scope and develop a programme of work to increase engagement with young people and develop associated external funding bid to provide the resources to implement the programme	P3, P5	Enhanced opportunities for young people to engage with the work of the Authority and enjoy and learn about the National Park Costed programme of work to engage with young people External funding secured for all or part of this programme
	12	Implement proposals to improve interpretation and access to Princetown Visitor Centre	P3, P5	Increased visitor numbers to the Visitor Centre and enhanced appreciation of the experience Increased engagement with visitors to help them understand and interpret the National Park with a particular focus on wildlife and the role of mires
	13	Deliver Moor than meets the eye projects where the Authority is the lead partner: <ul style="list-style-type: none"> Heritage Trail (full launch) Implement Bellever and Postbridge Trails Enhancement of Postbridge Visitor Centre 	P4, P5 P4, P5 P4, P5	Interactive, web-based resource to enable people to enjoy and better understand the National Park Improved recreation opportunities and an enhanced infrastructure to support local businesses Improved visitor experience and an enhanced infrastructure to support local businesses

		Key Action	Link to Priorities	Outcomes sought
	14	Evaluate and develop key campaigns to influence and alter visitor behaviour; continue to monitor and manage recreation events; and encourage visitors to contribute to the Donate for Dartmoor programme	P1, P4, P5, P6	New guidance to large-scale recreation event organisers Change in visitor behaviour through targeted local campaigns on dogs, litter and shared road use Increased income via Donate for Dartmoor
	15	Deliver the Naturally Healthy Project; evaluate and consider how it might be rolled out	P3, P5	People with health problems are given opportunities and encouraged to participate in outdoor activities Robust evidence base evaluating the impact of the measures the project has adopted Business case developed for potential extension of the project
	16	Increased landowner and community engagement in the management and maintenance of public rights of way (PROW)	P3, P5	Well-maintained and easy to use network of PROW Increase in volunteers engaged with practical work on PROW Landowners working closely with Authority staff to deliver their statutory responsibilities
PROSPER				
	17	Planned delivery of key development sites	P1, P5	Implementation of the agreed masterplan for Chagford Regeneration of the Chuley Road area of Ashburton and associated delivery of community benefits
	18	Develop and promote a comprehensive programme of volunteer opportunities across the Authority to support our various work programmes	P5	More volunteers doing a wider range of activity for the Authority and/or the National Park in support of the ambitions in Your Dartmoor Regular programme of volunteer opportunities for the Authority Valued and enjoyed volunteer opportunities More support for the work of the Authority
	19	Rural productivity and growth – programme of activity to support this agenda within the National Park	P2, P4, P5	External funding for a 'rural productivity network' to support businesses in the National Park Superfast broadband network accessible to over 95% of households within the National Park Proactive list of key economic development and infrastructure projects that can be used to influence

		Key Action	Link to Priorities	Outcomes sought
				Local Enterprise Partnership priorities and funding bids Committed funds from Greater Dartmoor LEAF to support projects that help the Dartmoor economy and National Park's special qualities
	20	Continue the review of the Local Plan	P1, P2, P4, P5	Robust evidence base to support the new Local Plan policies, to include: Revised Landscape Character Assessment Topic paper on Dartmoor economy and how to support sustainable forms of economic growth and productivity Topic paper on housing to develop revised approach to affordable housing provision
	21	Scope and develop potential for wider use of apprenticeships and an internships programme across the Authority and seek funding to support this.	P6	High quality opportunities for young people to develop their careers/gain practical experience Inject new ideas into the work of the Authority Enhanced capacity for project development and service delivery
	22	Manage the Dartmoor Communities Fund	P5	Available funds for 2016/17 are fully committed/spent on community infrastructure projects Scheme is evaluated and, subject to findings, funding is secured to run the grant programme in 2017/18
	23	Implement a proactive programme to develop new funding streams to support the work of the Authority both locally and through National Parks Partnerships Ltd	P6	Increased income through donations and sponsorship (at a local and national level) Clarity on how we might better use our assets to generate income/reduce costs and, where possible, income generated
	24	Complete a survey of Dartmoor residents	P6	Information on the attitudes, perceptions and priorities of Dartmoor residents
	25	Deliver Moor than meets the eye projects where the Authority is the lead partner: <ul style="list-style-type: none"> Parishscapes Dartmoor Diploma 	P5	Community engagement in the practical conservation of Dartmoor's heritage Greater engagement and understanding of Dartmoor's

		Key Action	Link to Priorities	Outcomes sought
				special qualities and the ability to use these for personal and business development

Funding and expenditure

To be drafted