

DARTMOOR NATIONAL PARK AUTHORITY

AUDIT AND GOVERNANCE COMMITTEE

Friday 7 February 2020

Present: Members
K Ball, A Cooper (Chairman), G Gribble, P Harper, G Hill, J McInnes,
C Pannell, R Parkinson, P Sanders, D Webber

Officers
K Bishop, A Kohler, D Healy, N White, A Watson (part), S James (part)

In attendance: Nigel Tigwell (Independent Person)

Apologies: J Nutley, P Vogel, P Woods

516 Minutes of the meeting held on 1 November 2019

The minutes of the meeting held on 1 November 2019 were signed as a correct record.

517 Declarations of Interest

None.

518 Items Requiring Urgent Attention

None.

519 Public Participation

None.

520 Internal Audit Report – Key Financial Systems Review 2019-20

Members received the Key Financial Systems Review 2019-20, presented by Mr Robert Hutchins, Head of Devon Audit Partnership.

Mr Hutchins drew Members' attention to Section 2 of the report – Audit Opinion. He advised that a 'High Standard' opinion has been given which Members can draw comfort from. Only minor recommendations have been made with the aim of further enhancing the Authority's already sound procedures. Section 4 provides more detail of areas covered in the review.

In response to a query, Members were advised that the National Park Authority has always maintained high standards. Recommendations are accepted by management who also ensure that issues raised are resolved promptly.

The Deputy Chairman recorded Members' thanks to the Head of Business Support, her Finance Team and the wider cohort of Authority staff for these excellent results.

521 Financial Management 1 April to 31 December 2019 and Forecast Financial Outturn 2019/20

Members received the report Head of Business Support (NPA/AG/20/001).

The 2019/20 net budget, approved by the Authority in March 2019, is funded from National Park Grant (NPG) (this is the last year of a confirmed three year settlement period), fees and charges, external grants and partnership income, together with our own reserve balances. Various work programmes and associated income streams were brought forward from 2018/19, which means that the net budget has increased by just over £31,000. Based on the current status the forecast is for a potential surplus of £116,998 at the end of the financial year. This is due to increased income, as outlined in section 2.3 of the report. External grant income has increased significantly, due in no small part to the successful submission of external funding bids or levered in partnership contributions for projects. The Authority has also been awarded a 100% capital grant for Postbridge Visitor Centre. A breakdown of the external funding received to date is detailed in section 2.4. Some external funding will inevitably be carried forward as projects span more than one financial year.

With regard to the variance analysis there are no surprises, most of the variations have occurred due to planned and managed interventions during the year. However, items not in our control include advertising income from Enjoy Dartmoor and information boards which is forecast to reduce and recruitment costs which are not planned for. The Pre-application service was paused for a while due to staff shortages but is now operating again and the fee income is recovering.

The Head of Business Support drew Members' attention to the following projects:

Postbridge VC interpretation project (part of the *Moor than meets the eye* project) - part funded by Heritage Fund Grant income and Authority reserves. Phase 1 was completed before the centre closed; Phase 2 (funded from our own resources) will be implemented once the extension is complete (May 2020). Officers have submitted claims to the Heritage Fund which, if successful, could reduce the costs incurred up to the end of February 2020.

Postbridge VC extension project – revenue costs incurred to enable a bid to be submitted are just under £128k and have been met from our reserve balances. The build has now commenced, and is 100% externally funded. The contractor is making good progress.

Moor Otters II – the project is well underway, funded from reserves, a separate report features elsewhere on the agenda.

Moor than meets the eye – this scheme is almost complete and formally ends at end of February. The Project Manager is focused on maximizing as much draw down of grant as possible. It is anticipated that there may be an additional contribution required from the Authority of around £30k to balance the books at the very end; this will be met from reserves.

With regard to the Project Fund, this is an unallocated pot of money that allows officers to bid for money in-year to enable new unplanned projects to start, to add capacity to teams if required and meet unforeseen expenditure and pressures. Details of these are set out in section 2.7 of the report.

With regard to the Capital Programme, the Head of Business Support advised that the replacement of Ranger vehicles has been delayed whilst an analysis of the full fleet requirement has been undertaken; this is now progressing. Whilst the Authority is debt free and has no plans to borrow the other prudential indicators do not apply. However, sections 3.4 to 3.6 set out a summary of the implications of a new accounting requirement that comes into effect from 1 April 2020 i.e. the 2020/21 financial year. This means that all current “operating leases” must be treated as “finance leases” and both an asset and a liability must be brought onto the balance sheet, e.g. for vehicle, land and property leases. This will entail a considerable amount of work by the Head of Business Support and the Authority’s external valuer, in consultation with auditors. The work has started, but will not be completed quickly. There are also implications for the setting of the 2020/21 budget as clearly there are now Prudential Indicators that apply.

The 2020/21 Budget and new Medium Term Financial Plan is being worked up and therefore reserve balances may change. New provisions set aside since the budget was approved in March include £50k for climate change and £120k for Moor Otters II.

The Authority is yet to be advised of the level of NPG for 2020/21. However, we do know that it will just be a one year settlement, and that it will be challenging – negotiations are on-going. A one year settlement also makes long-term business planning very difficult.

The current forecast surplus of £116,988 represents a minus 2.76% variance against budget, this is primarily income related, which is a good news story. Since writing the report the Authority has successfully disposed of a whole range of obsolete equipment, a trailer and two tractors which has resulted a further £29K of income. This will be used to offset the cost of a replacement vehicle for the Conservation Works Team next year. Budget management is being closely monitored and challenged; Members will be kept informed if new pressures arise that give rise for concern.

In response to Member queries, the Chief Executive (National Park Officer) advised that there is no indication of when the Authority may receive notification of NPG for 2020/21. The Authority is aware that Defra officials have made recommendations to Ministers. The Head of Business Support drew Members’ attention to Appendix 4 which provides details of Reserves, particularly the £52k held in relation to employees, covering maternity/paternity cover and pay awards. This reserve would cover an extra 1% pay increase if awarded. Members commented that whilst it was impressive to see that staff have managed to bring in additional funding during the course of the year to date, it was important to note that this is non-recurring funding and therefore cannot be relied upon year-on-year.

RESOLVED: Members NOTED the content of the report.

522 Fees and Charges 2020-21

Members received the report of the Head of Business Support (NPA/AG/20/002). The Authority is required by Government to generate income streams whenever possible and lawful to do so. This does not include planning fees which are set centrally by Government. A formal review of the fees and charges is undertaken annually as part of the budget setting process. Appendix 1 to the report details the forecast outturn.

Many charges remain the same for several years as they are so small it would be inefficient to increase them by small amounts; this is one of those years.

With regard to car parking charges, the Authority started formal charging at Princetown in 2013; Haytor, Postbridge and Meldon followed in 2017. Payments received from parking (once costs of provision are deducted) are used to maintain and improve the car parks and ancillary infrastructure. The current charges are modest; once VAT and processing costs have been deducted the net amount received is reduced by at least 25%. In March 2019 when the 2019/20 budget and Medium Term Financial Plan was presented to Members, attention was drawn to the fact that there was a need for a significant car park resurfacing programme. Around £90k is spent annually on operational and maintenance costs (this does not include staff time). At that time, Members determined not to increase charges, rather, asked officers to look at a season ticket / permit scheme. This was not considered viable.

At least £90k will be required to cover the cost of maintenance of car parks and associated infrastructure.

Having undertaken some financial modelling based on the historical and, therefore, anticipated usage of the car parks, Members discussed various revised charging rates:

Half day	from £1.00 to £2.00
Full day	from £2.00 to £3.00
Blue badge	from £1.00 to £2.00
Coaches	from £4.00 to £5.00

which could potentially provide an income of between £95 and £115k. The Authority could also install card readers for non-cash payment. In response to a Member query regarding the possible withdrawal from the Service Level Agreement with West Devon Borough Council regarding the car park at Princetown, the Head of Business Support advised that one month's notice would be required. This service would need to be replaced with more G4S collections, ticket roll replacement etc. Members commented that they were in support of the installation of card readers; the Authority needs to ensure that it is up to date with technology and ensure every payment option is covered.

A Member commented that visitors arriving by coach are using a more sustainable form of transport than those using a private motor car; the Authority should bear this in mind when raising prices. Members are aware that other Local Authorities are

planning to increase their prices and, therefore, DNPA would not be alone in making changes.

In response to other Member comments and queries, the Head of Recreation, Access and Estates advised that all of the parking meters are relatively new, the oldest ones being situated in Princetown. These are, however, the most reliable, due to their being connected to mains electricity. If prices were to increase the changes to the tariff software would cost £200 per machine; signage is undertaken in-house. Card readers would be an additional cost of £1500 per machine.

Mr Sanders proposed the following to be recommended to the next Authority meeting on 6 March 2020:

- (i) Increase in charges as follows:
 - Half day from £1.00 to £2.00
 - Full day from £2.00 to £3.00
 - Blue Badge from £1.00 to £2.00
 - Coaches from £4.00 to £5.00;
- (ii) Add Card Readers to all machines;
- (iii) Revisit the current Service Level Agreement (SLA) with West Devon Borough Council, with a view to possible withdrawal from the SLA to mirror Postbridge and Haytor.

The proposal was seconded by Mr Gribble.

Mr Ball declared a personal interest in this agenda item due to his being a member of West Devon Borough Council.

- RESOLVED:** Members:
- (i) recommended a forward looking strategy to go before Authority as follows
 - Increase in charges as follows:
 - Half day from £1.00 to £2.00
 - Full day from £2.00 to £3.00
 - Blue Badge from £1.00 to £2.00
 - Coaches from £4.00 to £5.00;
 - Install Card Readers to all machines;
 - Revisit the current Service Level Agreement (SLA) with West Devon Borough Council, with a view to possible withdrawal from the SLA to mirror Postbridge and Haytor.
 - (ii) recommended that the Authority approves the 2020/21 schedule of fees and charges as set out in Appendix 2, amended as per (i) above.

523 Business Plan Monitoring 2019/20

Members received the report of the Head of Organisational Development (NPA/AG/20/003). He informed Members that the report outlines the Authority's performance, at quarter three, in delivering the 21 key actions in the current Business Plan. Key Action 21 was added to the Business Plan Monitor following the declaration of a Climate Change and Ecological Emergency by the Authority in July 2019.

Members were advised that no further work is planned with regard to two projects – ‘Terrific Towns and Vital Villages’ (Action 13) and work to develop the Food Economy (Action 14) – unless external funding can be secured.

In response to a Member query the Chief Executive (National Park Officer) confirmed that with regard to Action 21 - Climate Change and Ecological Emergency, the Authority is working as part of the Devon Climate Emergency Response Group.

With regard to Action 1 – relating to the new Environmental Land Management System (ELMS) – a new officer has been recruited and has commenced work. After long negotiations with Defra the contract was issued in November/December 2019. The Authority’s contribution towards the ELMS project – Test and Trials is an 18 month programme and consists of four elements:

- development of a Payment by Results proposal for common land;
- land management plans for Commons and home farms;
- role of the National Park Authority – local priorities setting;
- blended finance – public and private money eg., South West Water contribution of £27k.

The national pilot is due to commence in 2021 and will run until at least 2024. Full introduction is set for 2027.

Mr Sanders proposed that the Authority’s level of success was to be commended; he requested that praise for officers be formally recorded, which was seconded by Mr Ball and agreed by Members.

RESOLVED: Members NOTED the content of the report.

524 Performance Indicators 2019/20

Members received the report of the Head of Organisational Development (NPA/AG/20/004). He stated that the report sets out the indicator targets agreed for 2019/20 and progress to date at the end of the third quarter (31 December 2019). He advised that those indicators shaded amber are, in most cases, cumulative indicators where it is possible that the target will not be met.

There are continued improvements with regard to reducing sickness absence levels. With regard to Member attendance at formal committee meetings (S14), this rose during quarter three, resulting in the year to date attendance meeting the target. The Development Management team is now close to full strength and it is hoped that performance will improve in the coming months. With no appeals having been allowed during quarter three, this is a good reflection of the Authority’s decision making and policy framework.

The staff survey, carried out in November 2019, was completed by 75% of staff. Most responses were positive, which is good news, particularly in light of some uncertainties such as Brexit, the Glover Review and future funding. Responses are to be benchmarked against other National Park Authorities and this will inform the planned review of the Organisational Development Strategy during 2020/21.

A Member suggested that some of the targets should be revisited, in particular, the targets around social media use.

The Head of Organisational Development introduced the Deputy Head of Development Management and the Planning Officer (Enforcement & Development Management) who attended the meeting in order to provide an update on Enforcement, detailed below.

The number of 'new cases' received during the past couple of years had gradually reduced. The Authority continues to be successful in resolving cases without having to resort to formal legal action – consistently over 90% success rate over the past five years. The number of 'active cases' currently stands at 132; this is a real achievement as the Authority currently has only one dedicated Enforcement Officer.

With regard to Enforcement Appeals, the average success rate over the last five years stands at 70%.

A notable achievement for 2019 is the cessation of the unauthorised residential use of land at Steward Wood and the removal of all unauthorised structures. This case commenced in 2000; it involved five planning applications, eight enforcement notices, an injunction and three public enquiries.

There are, currently, no major enforcement cases being investigated. Smaller, but no less important to the complainant and the landowner, are issues regarding field shelters, caravans, containers and sheds, as well as changes of use of buildings and land. These need to be investigated in order to maintain good customer service and the Authority's reputation.

In response to a Member query the Deputy Head of Development Management advised that some monitoring of S106 Agreements is undertaken by the Forward Planning Team but this is not done routinely. The Planning Officer (Enforcement and Development Management) advised that he carried out a number of site visits on behalf of Forward Planning in 2014/15 to ensure that works had commenced; this proved very effective but has not been repeated. With regard to the regular surveys that are made regarding occupancy issues, letters regarding ancillary accommodation are scheduled to go out in March 2020. This is done every four years in order to avoid the risk of immunity. A review of Enforcement processes was last carried out in February 2014; a lighter review is due to be undertaken this year.

The Chief Executive (National Park Officer) thanked the Planning Officer (Enforcement and Development Management) and the Deputy Head of Development Management. The way in which they handle enforcement cases is to be commended. They are respected by the public. Members echoed his comments and thanks.

RESOLVED: Members NOTED the content of the report.

525 More Moor Otters Dartmoor Public Arts Initiative

Members received the report of the Marketing and Fundraising Officer (NPA/AG/20/005).

In May 2019 Members agreed to support the development of a public arts trail for 2020 and allocated £120k from reserve balances.

The project is picking up speed with sponsorship coming from South West Water in the sum of £10k plus a lot of 'in kind' support from other organisations including The Jolly Roger, Bovey Castle, Western Morning News, Bearnas Littlewood & Hampton, Mail Boxes Ltd, BRS Images and Absolute PR and Marketing.

60 otters will be positioned on five trails. Four of these will be across Dartmoor and one will be in Plymouth for the Mayflower celebrations. 20 of these otters will be situated in gateway towns.

Sustainability is a key theme for the trails and a variety of transport methods will be suggested. The Plymouth trail will be walkable. The public will be encouraged to use public transport, the Haytor Hoppa, car share, cycling etc for the other trails. In addition, the trail maps will be made available on-line as well as printed, messaging throughout will be on how to be a sustainable otter spotter. Plinths will be used to display interesting facts about otters on Dartmoor.

With regard to the schools project, around 55 smaller models (48cm in height) will be distributed to nine schools on Dartmoor plus one other in Plymouth, for students to decorate as exam relaxation, group art and other projects. These will be exhibited at Princetown Visitor Centre in August 2020. Certificates will be awarded and schools will be able to auction their own otters to raise funds for the school.

It remains for the few remaining hosts to be secured and the trails to be finalised; maps, catalogue and promotion materials to be written; schools secured; organise the Bovey Castle launch and a few other pieces of work to be completed.

The More Moor Otters Dartmoor Public Arts Initiative is, as Members stated, a good news story. An impressive amount of work has been undertaken to date; the potential for public engagement is incredible.

RESOLVED: Members NOTED the content of the report.