

DARTMOOR NATIONAL PARK AUTHORITY

Friday 2 September 2022

Present: A Cooper, P Harper, G Hill, J McInnes, S Morgan,
J Nutley, N Oakley, C Pannell, M Renders, P Sanders,
P Smerdon, P Woods G Gribble, D Moyse

Officers: K Bishop, Chief Executive (National Park Officer)
A Stirland, Head of Business Support

Apologies: W Dracup, R Glanville, L Samuel, P Vogel

Absent: D Thomas

The Chair welcomed Mr Liam Royle, Engagement Manager, Grant Thornton UK LLP, the Authority's external auditors, to the meeting.

3445 Declarations of Interest

There were no declarations of interest.

3446 Minutes of the Annual Authority meeting and Authority meeting held on Friday 29 July 2022

The Minutes of the Authority meeting, held on Friday 29 July 2022 were agreed as a correct record.

3447 Chair's Report

The Chair reported the following:

- Thank you to Nigel Tigwell who has had to retire from the post of Independent Member for the Authority. It is a hard and exacting job, which he executed extremely faithfully and effectively. We wish to officially record our thanks to him. The process of recruiting a new Independent Member will be commenced shortly. If Members have any ideas for a suitable candidate, the advertisement for the post will be going out soon.
- A response has been received from DEFRA regarding our letter on the settlement funding and the difficulties we face. Our Chief Executive had already had a verbal comment from a Senior Civil Servant and the letter received from DEFRA was a similar message: conciliatory, understand the difficulties, but currently there is no prospect of extra funding.
- The Chair attended an informal virtual meeting of the Chairs of the English Parks where all but one National Park Authority (due to holiday) were represented and the following topics were discussed:
 - Funding. All parks are facing difficulties due to the lack of indexing of the grant. Agreement that we should work together to put our concerns to Secretary of State, Minister and Senior Civil Servants after the new PM is announced on Monday next week. Chair of National Parks England will write a letter restating our concerns and seeking a meeting.
 - Disposable barbecues. We would support a call for a ban on disposable barbecues.

- The Chair invited the Deputy Chair to share some details of his trip to the US as he spent time with Chuck Sams, Head of National Parks and visited Great Lakes National Park, Grand Teton National Parks, Crater Lakes National Park. Of particular note:
 - Entry fees are charged for all National Parks and then pooled. This money is then shared out, in relation to bids made by each individual National Park.
 - Tourism in US has increased due to COVID and general unwillingness by US Citizens to travel abroad. This has resulted in a huge increase in visitors and RVs (huge motor homes) travelling through the parks. Currently, regardless of size of vehicle, entry fee to a park is the same. Suggestion was made that price should correspond to size of vehicle.
 - There are specific barbecue areas where fires are allowed - this is heavily policed with immediate fines of US\$4000 for breaking the rules.
 - The AGM of the American National Parks Foundation (charity that supports the national parks) was attended. They have a large sum of money in the bank set up to support the National Parks. Again, each National Park must present ideas themselves to bid for money. Current projects include, Free Entry for Under 16s; US\$1 footprint – US\$1 from every visitor is used to reduce their sustainability and environmental impact. Made up of 50 cents from the Park and 50 cents from the American National Parks Foundation.
 - Potential partnership with an American National Park to include an exchange trip for staff. Deputy Chair to speak with Chief Executive (National Park Officer) about this possibility.

3448 Items requiring urgent attention

None.

3449 Public Participation

None.

3450 Statement of Accounts 2021-22

Members received the report of the Head of Business Support.

The main aim is to show how we have used public money to deliver services and therefore achieve our strategic objectives. It sets out the Authority's financial transactions, in line with the code of practice and accounting standards, for the previous year in a format that provides transparency of the costs associated with running the authority.

The Narrative Report that starts on page 2 of the accounts is a key tool in telling the story - summarising our financial and non-financial performance for the year and a brief commentary about our future strategy and plans.

Section 2 provides a reminder of the actual financial outturn position and the movement in reserves balances for the 2021/22 financial year.

The main statements to the accounts are from page 12 to 15. Notes to the accounts start from page 16 and provides more details regarding the main statements.

Comprehensive Income and Expenditure Statement on page 12 of the accounts shows the cost of providing services and is structured in the same way that the budgets are set and reported on during the year. It provides a clear link between budget monitoring reports, the outturn report and these accounts – that link is also demonstrated in the table in section 2.2 of the report.

How reserve balances have been used is set out on page 28 of the Accounts, with a summary on page 8.

The financial position has not changed since it was reported to the Audit & Governance committee on 27 May 2022, nor has it changed as a result of the Audit. We issued the unaudited accounts for public inspection on 1 August and have received no representations or questions from the public thus far.

Each year we request our land and buildings to be valued by our external experts. This year during the Audit process, it was discovered that one asset valuation had been incorrectly calculated. I would like to state that this was not material, but significant enough to warrant an adjustment. The misstatement has been corrected in the Statement of Accounts presented today.

As usual the valuation of the Pension scheme assets, liabilities and assumptions that are provided by the Actuary as at 31 March continues to be a major focus for our auditors. There is a brief commentary on this in Section 3 of the report. Full details can be found in Note 32 to the accounts. The net pension liability calculation, which shows the amount that would be due if all pension promises were to crystallise as at 31 March 2022, has a significant effect on the Authority's Balance Sheet which shows a negative position. Of course, this situation will not occur because the Pension Fund is a long-term investment vehicle and this liability is a snap-shot technical accounting valuation in a moment in time, based on assumptions and estimates that are also constantly changing; it does not represent an immediate call on our reserves. And as this accounting valuation is produced just for the accounts it has no impact on the employee or employer cash contributions paid each month. It is in fact the Triennial Actuarial valuation process that determines our overall pension fund financial position and the employer and employee contribution rates that are set for a 3-year period.

In order that you can approve the Accounts the following assurance is provided by:

The CFO signing the Statement of Responsibilities acknowledging her responsibilities and confirming to you that the accounts have been prepared correctly, that the "code of practice" has been adhered to and proper records have been kept;

The 'Letter of Representation' to the external auditors (Appendix 1) provides assurance to the auditors that in the Members' opinion the accounts are presented fairly in all material respects and in accordance with International Financial Reporting Standards and the CIPFA Code of Practice and that they are satisfied that they have been informed about everything as set out in the letter. Members were asked to "endorse" the letter; and authorise the Chair and the Chief Executive (National Park Officer) to sign it on their behalf;

The work of the A&G committee who, in May, reviewed and endorsed management's assessment of Going Concern and the responses, from Management and those charged with Governance i.e. Members, to a long list of other questions about our financial and governance arrangements;

A comprehensive review of the Authority's governance arrangements and system of internal controls has been undertaken, concluding that there are no significant weaknesses to address (as set out in the Annual Governance Statement, which accompanies the Accounts).

You are also asked to re-approve the AGS today so that it can be formally issued along-side the accounts.

The Head of Business Support advised Members that despite the continued impact from the pandemic, 2021/22 was a year of sound financial management and continued commitment from staff to deliver good outcomes for the National Park, our communities and our visitors. It was also advised that we have been prudent this year to prepare for the potential financial storm brewing.

In response to Member comments and queries, the Head of Business Support advised the following:

Reverse Amortisation means that a decision made previously has been revisited and original amortisation has been "reversed".

It was noted that the unallocated reserve appears to be the same this year as it was last. It was suggested that this is not enough contingency and requested that this is increased next year.

To ask the External Auditor about the fees being charged. Their extra fees are now more than the original quoted amount. On top of which they are also going to be late with the full audited accounts.

It was advised that the two most expensive properties are singled out in the accounts regarding assets, and that the rest of the buildings we lease are included within the note that follows re Operating Leases, etc

It was advised that we do own Higher Uppacott which was purchased and restored with National Lottery Funding and this comes with payback clauses. The CE advised that the property is not currently for sale but it is included within the Premises Review instigated last year and this will be the subject of the 2022 Member Workshop, scheduled for the following week.

Members commended the Head of Business Support and the Finance Team for their hard work on the Statement of Accounts.

Mr Harper proposed to accept the recommendations which was seconded by Mr McInnes.

RESOLVED: Members:

- Approved the Statement of Accounts 2021-22
- Authorised the Chair to sign and date the Statement of responsibilities on behalf of the Authority
- Authorised the Chair and Chief Executive (National Park Officer) to sign the Letter of Representation on behalf of the Authority; and
- Approved the 2021-22 Annual Governance Statement

3451 External Auditor Report

The Chair welcomed Mr Liam Royle, Engagement Manager at Grant Thornton UK LLP, the Authority's external auditors.

Mr Royle gave the Members a verbal update on the progress on outstanding work from 16th August. Still outstanding are the assurance letters from Devon County Council and Devon Pension Fund and some final points on the PPE (Property, Plant & Equipment), along with a final review by the Key Audit Partner and Engagement Lead of the Internal Quality Review. Most of the adjustments have been actioned with just the last few points to be addressed. AGS and narrative report is consistent. They would expect the final report to be unmodified.

Mr Royle acknowledged the support and assistance received from CFO and the team.

Value for Money – VFM work not yet complete. Explanatory letter in Appendix F. Gareth Mills (Key Audit Partner & Engagement Lead) to support this and draft a report which is to be circulated before next A&G Meeting (4th November). No significant weakness identified.

There was one audit adjustment identified on the valuation of land and buildings which was a calculation error by a valuer. Work on this is substantially complete.

There were presumed risks in the area of Improper Revenue Recognition and Risk of Fraud related to expenditure recognition, however there is no risk here at DNPA. This was therefore rebutted and there has been no change to the assessment since the date of the Audit Plan.

Regarding internal control, there was an issue raised about the iTrent system which is used for Payroll, but does not have functionality to provide a service order to report to their various governing bodies, thus leading to lack of assurance of controls and no report to show an unmodified opinion. However, we are confident that we have sufficient evidence as we have our own internal controls. DNPA has no real control over this as we outsource payroll to DCC.

There was a question over the Letter of Representation regarding the Section 106 monies which were not included in Financial Statements (this was in line with previous years) – to be approved later.

One recommendation in Appendix A.

Overall there were no risks or significant issues and the Statement of Accounts should be brought to Audit and Governance Meeting on 4th November.

Chair raised a typo located on page 27 (in the Authority papers for the meeting) In the Section, Matters in relation to fraud "...made aware of any other incidents..." should read "...made aware of any incidents..." ie. The word "other" to be removed. This was agreed and will be removed by Mr Royle.

Chief Executive (National Park Officer) asked Grant Thornton to confirm the outstanding work on their side. They confirmed they have everything they need from DNPA. Currently waiting for Grant Thornton to write this up.

Appendices:

Appendix A - External Auditors consider the minimalist limit currently set at £20k for expenditure / capital too high. They reported that similar entities have a limit of £5K. The Chief Executive (National Park Officer) confirmed that recommendation is driven by Accounting practice and nothing else. Concern is that a change will ultimately lead to more assets for our team to prepare Accounting Statements. Suggestion for a compromise on a £10K limit or further negotiations.

Appendix B – Certain items on the Fixed Asset Register have exceeded their effective life, so worthless but still sitting on register. There are also some not fully depreciated but not being used. Register will be updated on an annual basis by Head of Business Support. There will be a periodic review put in place of all documents to commence this year (2022-23)

Appendix C – One misstatement adjusted due to a change in value of building asset. This increased the net book value by £80,000. There has been no impact on general fund or bottom line. One was invoice under-accrued by £3700 and if extrapolated across the whole population would be in the region of £35,000.

Appendix D – This has remained unchanged since Audit Plan. Audit Fee variations are in existence and this was also raised at A&G Meeting. There is currently no itemization of this variation. Due to being public funding, we would need to know exactly what these variations include. Scale Fee set in 2017 was not reflective then, but definitely not now. No inclusion of remote working necessity for this. £18.5K is still far below the market price for this work. Members requested a break-down of this cost. Please bring this to the next A&G Meeting.

Appendix E – Audit Opinion – draft cannot be finalized until letters of assurance received. Expect it to be unmodified. Nothing to report by exception. No issues.

Appendix F – Audit Letter to PW – explaining the delay in the issue of the Auditors annual report of the value for money work.

The Chief Executive (National Park Officer) agreed that the External Auditors had provided a thorough overview of the draft report. He asked Mr Royle is he could confirm that the report was very good, if not excellent and the only issue of note is the current challenging economic situation which is beyond the control of the Authority. Mr Royle confirmed that this was an accurate summary.

To be reviewed again in November 2022.

In response to a request from a Member for less detail, it was advised that the Authority members must ultimately approve the document and are accountable. The Chief Executive (National Park Officer) agreed that the division of responsibility (between the Authority and Audit and Governance Committees) could be investigated, however it was noted that it is crucial to scrutinize this document and that due to timing of our meetings and a shortage of staff at Grant Thornton, it has been necessary to go through the details at the Authority Meeting rather than at Audit and Governance.

3452 Local Development Scheme

Preparation of the Local Development Scheme (LDS) is a requirement of the 2004 Planning and Compulsory Purchase Act. It should set out the scope and timetable for preparing the Local Plan. For completeness the LDS also includes a timetable for:

- Housing Supplementary Planning Document (SPD)
- Design Guide SPD
- Statement of Community Involvement

The Head of Forward Planning and Economy described that the policies of the plan should be reviewed within 5 years in order to establish whether they remain up to date and sound. If this process identifies policies which need to be updated this updating would then follow.

There are no policies or regulations setting a process of the policy review. The LDS therefore proposes 5 stages, which would begin Summer 2024.

Recommendation is for the LDS to be adopted with immediate effect.

A Member asked how Members will engage with the Housing SPD. The Head of Forward Planning and Economy is happy to take a steer on how best to engage Members in this process. Upcoming Planning and Sustainable Development Working Panel, and Joint Advisory Committee to be used to discuss drafts. Have already met with local housing officers and associations. Mr Vogel is Chair of the Panel and JAC. It could be that an additional workshop session is necessary prior to looking at first consultation around December. Members supported this proposed approach.

A Member asked whether the Housing SPD will consider the housing number and sites. The Head of Forward Planning and Economy responded that the Housing SPD is supplementary to Local Plan policies. Housing number and sites are not covered by SPD – it is adding detail to existing policies only. Regarding scope, the draft table of contents can be shared with Members.

Regarding biodiversity guidance, we are preparing joint guidance with other local planning authorities in Devon on Biodiversity Net Gain.

Following a Member's query regarding the work this will generate and the resource provided for this, the Head of Forward Planning and Economy advised that the work on SPDs is budgeted for within the revenue budget. After the first year however, it is unclear. The LDS sets out that a review should happen, but not how it will take place. We already have a large revenue deficit (to increase if a Local Government pay award goes ahead). This will form part of the Business Review to be discussed at the meeting next week which will include revenue budget and the medium-term business plan.

Mr Cooper proposed the recommendations. Mr Harper seconded. 13 for with 1 abstention

RESOLVED: to adopt the Local Development Scheme with immediate effect.