

## DARTMOOR NATIONAL PARK AUTHORITY

3 June 2016

**2015/16 FINANCIAL OUTTURN**Report of the Head of Business Support

**Recommendation** : **Subject to any amendment Members see fit to propose:**

- (i) that the content of this report is noted;**
- (ii) that the Authority transfers the 2015/16 revenue surplus of £158,018 into Reserves;**
- (iii) that the Authority approves the transfer of grants and contributions received with specific conditions or restrictions and monies set aside for contractual commitments into earmarked reserves, as set out in section 3.5 of the report;**
- (iv) that it is unnecessary to include a note in the Statement of Accounts relating to the remote possibility of a contingent liability, as set out in section 6 of this report**

**1 Introduction**

- 1.1 The Authority is required to set a balanced budget at the start of each financial year and robust budget management and financial control has been maintained throughout the year; which is essential to ensure that priorities are delivered in accordance with the Authority's plans.
- 1.2 This Committee has received detailed financial management reports on a quarterly basis and has therefore been kept up to date regarding in-year variances and forecast outturn.

**2 The 2015/16 Financial Outturn**

- 2.1 The outturn position as at 31 March 2016 can be found at Appendix 1 and after transfers, to and from, reserves it is anticipated that there will be a surplus of £158,018. (A surplus of £78,888 was forecast at month 9). A detailed variance analysis is provided at Appendix 2.
- 2.2 The Authority has once again proved successful in generating additional income, and has continued to make operational and efficiency savings in-year (as reported during the year). The main variations against budget which have contributed to the outturn surplus are set out in Table 1 below.

Table 1.

<b>Operational &amp; Efficiency Savings</b>	<b>£</b>
National Parks Conference – budget provision not required due to external sponsorship from partners	15,000
Members' allowances, expenses, training – budget savings	7,982
Utilities & Wood fuel – budget savings, reduced use (mild winter)	10,310
Communications Service Specialist support – budget not required	5,000
Voluntary Wardens – budget not required, but outcomes achieved to date	9,500
Support Services operational budgets and corporate training – savings made	19,302
<b>Additional Income:</b>	
Car Parking at Princetown – income from charging	4,861
Granite & Gears external grant (matches expenditure)	6,030
£ For the Park – contributions from event participants	6,084
Adopt a Monument, HER audit, Properties in Care, White Horse Hill external grants	15,949
Donations (including car park cairns)	3,237
Planning Fees – scales of fees set by Government	31,117
Retail sales at our Visitor Centres	28,956
Mires grant from SWW – towards continued monitoring/evaluation	2,000
Recharge of Officer time to other organisations – providing services	3,978
Renewable Heat Incentive – biomass boiler at Princetown	2,931
Sponsorship (Airwick) – final payment	3,000
Treasury deposit income –management of working balances	7,162
Contribution from Devon County Council (Granite & Gears funding) for repairs to Nun's Cross path (matches expenditure)	75,000

- 2.3 The Project Fund (unallocated) budget of £157,675 was approved by the Authority at the start of the year. Bids approved by Leadership Team or the Authority in-year total £115,972, as set out in table 2 below. This leaves a remaining balance of £41,703 which accounts for a significant part of the increased outturn. Some projects or works have not been completed at year-end, or they span more than one financial year and are therefore included in the carry forward requests set out in section 3.4 of this report.

Table 2.

	<b>£</b>
<b>Project Fund Opening Balance</b>	<b>(157,675)</b>
Mires evaluation	4,500
*Dartmoor Farming Futures Internship post	7,000
*Peatland Study	15,000
*Mires PR14	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 redesign	25,000
Scanning historic plans & surveys	659
Telephone system upgrade	6,159
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)	17,500
<b>Total Allocated</b>	<b>115,972</b>
Remaining Balance	(41,703)

\*Items subject to carry forward requests

2.4 There have been some over spends (as previously reported) which predominately relate to:

- Internal improvements and maintenance the National Park Visitor Centre, Princetown, at Parke and Station Yard Depot
- Additional, specialist staff support to cover absence and vacancies in some service areas
- Operational running costs for the Moor than Meets the Eye Team
- Granite & Gears expenditure, but funded from external grant
- Enforcement related legal costs
- Other specialist legal advice

2.5 The Authority also received £175,000 in respect of a S106 agreement relating to the Development at Chagford (Masterplan site). This income will be accounted for separately and not included in our own Statement of Accounts, as it will be used by a third party to deliver community benefit. A further commuted sum is anticipated to be received in 2016/17.

2.6 The Authority is now in the second year of the five year, £3.9m, Heritage Lottery Fund (HLF) Landscape Partnership Project: “Moor than Meets the Eye” and is the lead accountable body. The income and expenditure relating to this project is accounted for separately and is therefore not included in our own Statement of Accounts. The Scheme Manager is line managed by the Director of Conservation and Communities and reports to the Landscape Partnership Board (Mr Lloyd

represents the Authority on the Board) and to the HLF. Members are kept informed of the Scheme progress, the financial implications and the associated risks via the Audit and Governance Committee and an annual report to the Authority.

### 3 Transfers to and from Reserves

- 3.1 Transfers to and from Reserves in-year can be found at Appendix 1. The first three columns marked as “a” (pale pink) shows the Original Budget, in-year budget movements and the subsequent Revised Budget. In-year movements include virements between budgets and transfer of monies from the Project Fund.
- 3.2 The column marked as “b” in green shows the Outturn position before transfers to and from Earmarked Reserves. The accounting transfers to and from Earmarked Reserves are made at year end and are set out in the following tables.
- 3.3 Transfers from Earmarked Reserves (column “c” pale blue and set out in table 3 below) represent the 2014/15 work programme slippage and income bought forward (NPA/15/016) along with the in-year allocations approved by the Authority.

*Table 3.*

<b>Transfers from Earmarked Reserves (column c)</b>	<b>£</b>
Farming Futures	14,230
Action For Wildlife partnership balance	21,385
Hill Farm project: Princes Countryside Fund Grant	7,891
English Heritage grant: Historic Farmsteads	5,230
Granite and Gears Funding contribution	30,000
DCC: Public Rights of Way work out standing	10,984
Defra: Public Rights of Way flood repairs	120,703
Haytor Hoppa Grant from Natural England	1,750
Postbridge Visitor Centre design	11,650
Naturally Healthy Dartmoor Grant	12,294
Dartmoor Communities Fund Contributions	80,132
Local Plan related commitments & contracts	10,385
Aerial Photography contact	11,678
Your Dartmoor Grant Fund balance (awarded not paid)	53,500
Reserves used to balance the 2015/16 budget	15,000
<b>Total</b>	<b>406,812</b>

3.4 Proposed transfers to Earmarked Reserves (column “d” pale blue and set out in table 4 below) relate to:

- Grants and contributions received with restrictions;
- Specific work programmes (contracts and commitments) that are span more than one financial year; and
- The 2015/16 budget surplus

*Table 4.*

<b>Transfers To Earmarked Reserves (column d)</b>	<b>£</b>
Peatland Study	10,000
Mires PR14 and evaluation	17,000
All Moor Butterflies	17,500
Farming Futures	12,871
Prince’s Countryside Fund grant: Hill Farm Project	15,003
English Heritage grant: White Horse Hill	4,500
Higher Uppacott: new septic tank	20,000
DCC: Public Rights of Way, work outstanding	9,467
Defra: Public Rights of Way flood repairs, work outstanding	31,256
Website Redesign	15,000
DCC: Naturally Healthy Dartmoor project grant	6,948
Discovering Dartmoor’s Wild Stories HLF grant	646
Plymouth Area Sub-regional Study	3,500
Communities Fund Grant balance (awarded not paid)	52,877
TDC: 2016/17 Communities Fund Grant	25,000
<b>Total</b>	<b>241,568</b>

3.5 The final outturn position as at 31 March 2016 after transfers to and from reserves is therefore set out in the column “e” (coloured green) and is £158,018; which will also be transferred to reserves to be allocated as part of the Medium Term Financial Plan process in 2016.

3.6 Approval had been given to use reserve balances for remodeling works at the National Park Visitor Centre, Princetown. Costs of £10,282 were incurred and as much of the work was undertaken in-house, this expenditure can be met from the in-year revenue surplus.

3.7 Repairs and maintenance at Higher Uppacott have also been undertaken (thatching and windows) which is being jointly funded via Moor than Meets the Eye HLF grant and our own revenue budget. Further works are on-going to consolidate the fabric of the building, which will result in long-term benefit for the conservation and management of our asset and should result in lower on-going maintenance costs. We have also discovered new and exciting historical information whilst the works have been happening (removing inappropriate, modern materials internally) which has altered our understanding of how the building has evolved over the centuries. This has also had an impact on the work programme, hence the request to carry forward unspent budget.

#### 4 Capital Programme and Prudential Indicators

4.1 The Authority had just one item of capital expenditure in 2015/16 which was a remnant of 2014/15. The third pool car was delivered in May at a cost of £9,004 and has been funded from the in-year revenue surplus, rather than from reserves.

4.2 The Authority has no plans for external borrowing and therefore the remaining prudential indicators do not apply.

#### 5 Reserve Balances

5.1 The net transfer from Reserves as at 31 March is anticipated to be £4,090 i.e. our reserves balances have reduced by this much. A summary of the total opening and closing Reserve Balances is set out in table 5 below. Full details of the in-year movements and the transfers to and from Earmarked Reserves as set out in section 3 of this report, can be found in Appendix 3.

Table 5.

<b>Reserve Balances</b>	<b>£</b>
2014/15 Opening Balance	2,995,057
Use of reserves in 2014/15 (table 2)	(406,812)
Transfers to reserves for specific purposes (table 3)	241,568
2014/15 Revenue Surplus	158,018
<b>Total Reserves at 31 March 2015</b>	<b>2,987,831</b>

5.2 The General Reserve (unallocated) will be maintained at £450,000 as previously approved by the Authority in March 2016 (NPA/16/009) and is included in the table above and in Appendix 3.

5.3 These balances are determined in part by our on-going work programmes and projects and by our normal risk based analysis and methodology as set out at Appendix 4.

- 5.4 Members will recall that when we set the 2016/17 Revenue Budget in March (NPA/16/009) we did not create a detailed Medium Term Financial Plan (MTFP) for the following 2 years. At that time, National Park Grant (NPG) for 2016/17 – 2019/20 had only just been confirmed, resulting in a year-on year increase of 1.72%. Members agreed that a detailed 3 year MTFP would therefore be produced during 2016/17. This will be presented to the Authority in the autumn.
- 5.5 In building the new MTFP we must provide for new challenges and ongoing issues and uncertainties such as:
- Opportunities to invest in order to diversify our income base and develop new sources of funding i.e. become less reliant on NPG
  - 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, with sliding scale increases until scale point 17 of 1.3% and a 1% increase at scale point 18 and above – this is now likely to be implemented, as 2 out of 3 Unions have agreed
  - Maintaining the pension contributions determined by the actuary to reflect the triennial valuation due at the end of 2016/17
  - State Pension and National Insurance changes (for example, changes to the latter have already increased our costs by over £50,000 in 2016/17)
  - Potential repairs and maintenance at Parke; the next quinquennial review is due
  - Management of the Authority's other land and buildings

## **6 Contingent Liability – Historical Management Agreement Payments**

- 6.1 Members will recall that in previous years (from 2006 to 2012) we had included a contingent liability disclosure note relating to the possible repayment of historical management agreement payments (totaling £1.2m) which had been made between by the Authority between the 1980s and 2007. These payments were subsequently identified as falling within the EU definition of state aid for farming support. This resulted in the inclusion of an Emphasis of Matter being reported by the auditors in their audit opinion every year since 2006.
- 6.2 In 2012/13, Grant Thornton (GT), who took over the external audit function from the Audit Commission, referred this matter to their technical team and invited the Authority to consider this matter each year in order to ascertain whether:
- A contingent liability should be disclosed – as it should not, if the possibility of transfer in settlement is remote.
  - Whether there is a need for the inclusion of the emphasis of matter – as it would not, if the likelihood of repayment remains remote
- 6.3 Members at that meeting concurred with the GT Auditors and considered their approach to be sensible, pragmatic and very welcome and the note was subsequently removed from the accounts in 2013/14.

6.4 Management and the S151 Officer continue to consider this issue on an on-going basis and have come to the following conclusions for 2015/16:

- No further progress has been made in respect of the retrospective approval from the EU and it is becoming increasingly unlikely that it will be scheduled to be heard (Defra sources)
- The possibility of a transfer in settlement remains remote
- As more time passes the likelihood of the Authority having to make any repayment is increasingly remote
- The Authority has adequate reserve balances – if a worst case scenario occurred
- A contingent liability note in respect of this issue should not be included in the 2015/16 accounts

6.5 Members of the Audit and Governance Committee discussed this issue on 6 May and have recommended that a contingent liability note is not required.

## **7 Accounts and Audit Regulations 2015**

7.1 Whilst the deadline for the 2015/16 Statement of Accounts to be authorised for Issue by the Chief Financial Officer is still 30 June, the Accounts and Audit Regulations 2015 has resulted in some changes, the most significant being:

- The bringing forward of the dates for the production and audit of accounts. Starting in 2017/18 local authorities will have to produce unaudited accounts by 31 May and the audit should be completed by 31 July. However there are transitional arrangements for 2015/16 and 2016/17 in that the deadlines remain the same as previously (the relevant dates being 30 June and 30 September)
- The unaudited accounts now have to be published formally on the website
- The inspection period is to commence once the unaudited accounts are issued, but the minimum 30 working day period must contain at least the first 10 working days of July (2015/16 and 2016/17) or June (2017/18 onwards)
- The publicity arrangements for the inspection period have been modified – the advert being placed in a local newspaper is no longer required. The notice should be put on the website no more than 2 weeks before the inspection period starts
- The rights for the public to make objections and ask questions lapses at the end of the inspection period (currently they are “live” until the audit is certified as closed)
- There is a new requirement for a Narrative Statement to accompany the Statement of Accounts (replacing the Explanatory Foreword) featuring comment by the authority on its financial and non-financial performance; including its efforts to secure economy, efficiency and effectiveness in its use of resources (Value for Money)
- Internal audit have been given rights to any documents, information or explanations from members and officers as they consider necessary
- The remuneration note has been modified, (to clarify that pension contributions figures should exclude deficit funding element)
- A requirement specific to NPAs that they must deposit their accounts (including the Annual Governance Statement and the Narrative Statement) with each



constituent authority, being any authority entitled to appoint Members, including the Secretary of State (Defra)

- 7.2 We have decided this year to attempt to produce the Statement of Accounts as close as we can to the new deadline (31 May) i.e. carry out a first dry-run. Whilst this means some additional pressures for the finance team and spending officers; we have spent time in the last few months, reviewing our procedures and processes in preparation. It is extremely pleasing to note that we have managed to meet the new deadline this year and even though the timing of our committee meetings did not quite match, the auditors from Grant Thornton have started their work this week.
- 7.3 In order to meet the 31 May deadline in future years, we will have to reschedule the Authority / and or Audit & Governance meetings accordingly. The Statement of Accounts will be available for public inspection once issued by the Chief Financial Officer. The audit process has been split into two parts this year; at Grant Thornton's request, the first visit will take place week commencing 31 May and the second, in the week commencing 15 August. Grant Thornton will present the Audit Letter to the Authority on 2 September this year (in the future it will be by end of July).

## **8 Sustainability and Equality Impact**

- 8.1 Consideration is always given, when deciding which areas of expenditure should be supported, to equality and sustainability issues.

## **9 Conclusions**

- 9.1 A draft Outturn Report was presented to the Audit & Governance Committee on 6 May. The outturn surplus reported has been reduced by just £3,136. The report presented to you today is identical apart from that and the Members agreed to present the recommendations as set out to you for approval
- 9.2 The outturn surplus of £158,018 represents a minus 4% variance against the 2015/16 budget (£210,184 a minus 6% variance in 2014/15). If the position changes between now and the conclusion of the Audit Members will be informed, but no further significant variations are anticipated at this time.
- 9.3 Considering the Authority's ambitious and often diverse work programme and the record of achievement and performance reported elsewhere on this agenda, 2015/16 has been a year of sound financial management. There has been some slippage in programmed work, and these have been reported during the year via the Budget Management reports and the Business Plan Monitoring Reports to this Committee.
- 9.4 It is clear that the 2015/16 budget surplus, resulted mainly from:
- Increased income from sales, fees and charges, sponsorship, donations and treasury
  - Robust cost control and efforts to seek out the best price and value for money
  - Proactively seeking and achieving efficiency savings wherever possible
  - Continued success at leveraging in external grant income by working in partnership with others

- 9.5 We have put in place a clear performance monitoring framework for the Business Plan and a series of “Dashboards” for individual services. These should help us maintain robust financial management and guard against unplanned over expenditure or budget slippage.
- 9.6 Notwithstanding the deep cuts in the last Parliament, the Authority is in a robust financial position. The outcome from the 2015 Spending Review means that we can plan ahead with financial certainty and renewed confidence, given the statement in the Government’s “8-Point Plan for England’s National Parks”

DONNA HEALY

### **Background Papers**

NPA/AG/15/013 - Financial Management 1 April to 30 September 2015

NPA/AG/16/001 - Financial Management 1 April to 31 December 2015

NPA/AG/16/008 – Draft Financial Outturn 2015/16

NPA/15/006 – 2015/16 Net Revenue Budget, Medium Term Financial Plan & Capital Budget

NPA/15/016 – Financial Outturn 2014/15

NPA/16/009 – 2016/17 Net Revenue Budget, Medium Term Financial Plan & Capital Budget

**Attachments – Appendix 1 - 2015/16 Financial Outturn & Transfers to/from reserves**  
**Appendix 2 - 2015/16 Outturn Variances**  
**Appendix 3 – Reserve Balances**  
**Appendix 4 – Risk Based Analysis of Reserve Balances**

Dartmoor National Park Authority 2015/16 Financial Outturn & Transfers To/(From) Reserves

Appendix 1 to NPA/16/017

	a	a	a	b	c	d	e	f	
Services	2015/16	2015/16	2015/16	2015/16	2015/16	2015/16	2015/16	2015/16	
	Original Budget	Budget Variation	Revised Budget	Outturn pre Reserve Transfers	(From) Reserves in-year	To Reserves @ 31 March 16	Revised Outturn	Year End Deficit/ (Surplus)	Final Year End Variances (after reserve transfers)
	£	£		£	£	£	£	£	
Biodiversity & Mires	120,196	47,000	167,196	140,662	(21,385)	44,500	163,777	(3,419)	Salary savings
Land Management	10,538	7,000	17,538	17,909	(14,230)	12,871	16,550	(988)	Brought forward / Carry forward year end balance. Pony Support budget saving
Woodlands	41,512		41,512	40,565			40,565	(947)	Estate management budget saving
Hill Farm Project - Princes Countryside Fund	14,734		14,734	7,888	(7,891)	15,003	15,000	266	Brought forward / Carry forward year end balance
Hill Farm Project	14,433		14,433	12,585			12,585	(1,848)	Foundation for Common Land income
Directorate Costs	7,850		7,850	6,898			6,898	(952)	Uniform costs transferred to services
<b>Natural Environment</b>	<b>209,263</b>	<b>54,000</b>	<b>263,263</b>	<b>226,507</b>	<b>(43,506)</b>	<b>72,374</b>	<b>255,375</b>	<b>(7,888)</b>	
Archaeology	91,151	2,659	93,810	74,322		4,500	78,822	(14,988)	Salaries savings and Income from Heritage England, FEPs, recharged officer time
Built Environment	38,012		38,012	46,438	(5,230)		41,208	3,196	Specialist support costs
Moor Than Meets the Eye Development Phase			0	6,278			6,278	6,278	Equipment and other running costs to be met by DNP (non-eligible HLF expenditure)
Higher Uppacott	30,052		30,052	43,202		20,000	63,202	33,150	Septic tank installation delayed. MTMTE match funding project costs met from revenue
<b>Cultural Heritage</b>	<b>159,215</b>	<b>2,659</b>	<b>161,874</b>	<b>170,240</b>	<b>(5,230)</b>	<b>24,500</b>	<b>189,510</b>	<b>27,636</b>	
Visitor Management	78,137	4,500	82,637	94,963	(30,000)		64,963	(17,674)	Savings: cleaning costs and recycling / litter removal. Car parking charges and donations
Access	101,511		101,511	88,882			88,882	(12,629)	Access agreements not renewed. £ For the Park income
Public Rights of Way	83,942		83,942	175,265	(131,687)	40,723	84,301	359	Carry forward year end balance - to cover commitments/contracts awarded
Sustainable Transport & Tourism	28,915		28,915	31,152	(1,750)		29,402	487	Haytor Hoppa income brought forward
<b>Recreation Management, Traffic &amp; Transport</b>	<b>292,505</b>	<b>4,500</b>	<b>297,005</b>	<b>390,262</b>	<b>(163,437)</b>	<b>40,723</b>	<b>267,548</b>	<b>(29,457)</b>	
Visitor Centres	162,900	1,000	163,900	156,774	(11,650)		145,124	(18,776)	Sales Income. Centre improvements met from revenue rather than reserves. Brought Forward balance for Postbridge VC not fully used
Communications	167,295	25,000	192,295	165,578		15,000	180,578	(11,717)	Carry forward Website budget. Savings: Enjoy Dartmoor, promotion, specialist support
Naturally Healthy Dartmoor	0		0	5,346	(12,294)	6,948	0	0	Brought forward / Carry forward year end balance
Discovering Dartmoor's Wild Stories				(646)		646	0	0	Brought forward / Carry forward year end balance
Education	118,829		118,829	114,043			114,043	(4,786)	Savings: Transport, training, Ranger Ralph, resources
<b>Education, Information &amp; Communication</b>	<b>449,024</b>	<b>26,000</b>	<b>475,024</b>	<b>441,095</b>	<b>(23,944)</b>	<b>22,594</b>	<b>439,745</b>	<b>(35,279)</b>	
<b>Rangers</b>	<b>424,712</b>	<b>2,400</b>	<b>427,112</b>	<b>414,058</b>			<b>414,058</b>	<b>(13,054)</b>	Savings: Training, volunteers, equipment repairs, salaries
<b>Conservation Works Service</b>	<b>226,777</b>	<b>1,500</b>	<b>228,277</b>	<b>220,702</b>			<b>220,702</b>	<b>(7,575)</b>	Savings: Salaries
<b>Development Management</b>	<b>331,899</b>	<b>7,000</b>	<b>338,899</b>	<b>331,646</b>			<b>331,646</b>	<b>(7,253)</b>	Planning fee Income offsetting increased salary costs & legal/enforcement costs
<b>Forward Planning &amp; Community</b>	<b>187,730</b>	<b>2,500</b>	<b>190,230</b>	<b>192,426</b>	<b>(90,517)</b>	<b>81,377</b>	<b>183,286</b>	<b>(6,944)</b>	Communities Fund brought forward / carry forward balances and contribution towards Plymouth Area Sub-regional Study
<b>Sustainable Development Fund</b>	<b>0</b>		<b>0</b>	<b>50,980</b>	<b>(53,500)</b>		<b>(2,520)</b>	<b>(2,520)</b>	Grants now all paid and fund closed
<b>Corporate and Democratic Core</b>	<b>325,761</b>	<b>5,000</b>	<b>330,761</b>	<b>302,151</b>			<b>302,151</b>	<b>(28,610)</b>	Treasury & sponsorship income. Savings: Members training and expenses and NP Conference (due to external sponsorship)
Information Technology	173,393	3,375	176,768	183,790	(11,678)		172,112	(4,656)	Savings: Salaries, ICT contracts. Income from working for DPA
Corporate Operating Costs	117,652	6,158	123,810	122,507			122,507	(1,303)	General office running cost savings
Finance & Administration	170,289		170,289	168,511			168,511	(1,778)	Training budget not fully utilised
Legal & Democratic Services	87,321		87,321	93,244			93,244	5,923	Specialist Legal advice costs
Human Resources	142,269		142,269	137,131			137,131	(5,138)	Training budget not fully utilised
Office Accommodation (Parke)	97,732	879	98,611	95,343			95,343	(3,268)	Savings: Utilities
Office Accommodation (Princetown)	35,369		35,369	31,215			31,215	(4,154)	Biomass boiler - RHI income and lower than anticipated wood fuel costs
<b>Support Services</b>	<b>824,025</b>	<b>10,412</b>	<b>834,437</b>	<b>831,741</b>	<b>(11,678)</b>	<b>0</b>	<b>820,063</b>	<b>(14,374)</b>	
Capital				9,004			9,004	9,004	Pool Vehicle: Costs to be met from revenue underspend, not reserves
Project Fund	157,675	(115,972)	41,703				0	(41,703)	Project Fund Balance not allocated
<b>Total Net Expenditure</b>	<b>3,588,586</b>	<b>0</b>	<b>3,588,586</b>	<b>3,580,812</b>	<b>(391,812)</b>	<b>241,568</b>	<b>3,430,568</b>	<b>(158,018)</b>	
<b>Funded By:</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
National Park Grant	(3,573,586)		(3,573,586)	(3,573,586)			(3,573,586)	0	
Transfer From Reserves to Balance the Budget	(15,000)		(15,000)		(15,000)		(15,000)	0	
<b>Total</b>	<b>(3,588,586)</b>	<b>0</b>	<b>(3,588,586)</b>	<b>(3,573,586)</b>	<b>(15,000)</b>	<b>0</b>	<b>(3,588,586)</b>	<b>0</b>	
<b>Budget Variation - (Under) / Over Spend</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>7,226</b>	<b>(406,812)</b>	<b>241,568</b>	<b>(158,018)</b>	<b>(158,018)</b>	

2015/16 OUTTURN VARIANCE ANALYSIS	Salaries	Travel & Subsistence	Premises	Transport	Supplies & Services	Expenditure Overspend (Underspend)	Grants	Sales Fees & Charges	Income Deficit (Surplus)	Total Variance Deficit (Surplus)	Explanation
	£	£	£	£	£	£	£	£	£	£	
BIO-DIVERSITY	(15,572)	(265)			(18,580)	(34,417)	(2,000)		(2,000)	(36,417)	Budget included MIRES end of project costs, but part funded by SWW. PR14 & Peatland projects to be carried forward
MIRES PROJECT	12,665	403			4,290	17,358	(7,470)		(7,470)	9,888	Final salary costs after project end met by DNPA and SWW
LAND MANAGEMENT	1,169	91			(2,846)	(1,586)		1,957	1,957	371	Ponny support budget not fully utilised, income budget not achieved
WOODLANDS	(72)	338			(810)	(544)		(403)	(403)	(947)	Estate management budget saving
DIRECTORATE COSTS		495		390	(1,837)	(952)			0	(952)	Uniform spend allocated to individual budgets
HILL FARM PROJECT - DNPA	929	247			1,002	2,178	(2,500)	(1,530)	(4,030)	(1,852)	Duchy & Farmer Agency Training income meeting overtime & increased project costs
HILL FARM PROJECT- PCF	(441)	97			(5,552)	(5,896)		(950)	(950)	(6,846)	Balance to be carried forward
<b>NATURAL ENVIRONMENT</b>	<b>(1,322)</b>	<b>1,406</b>	<b>0</b>	<b>390</b>	<b>(24,333)</b>	<b>(23,859)</b>	<b>(11,970)</b>	<b>(926)</b>	<b>(12,896)</b>	<b>(36,755)</b>	
ARCHAEOLOGY	(5,509)	(166)		(124)	2,886	(2,913)	(15,949)	(627)	(16,576)	(19,489)	Salary saving due to recruitment at lower graded post. WHH income to be carried forward. Income from FEPs. Reconstruction illustration of Fernworthy Stone Circle funded by Forestry Commission. HER grant from Historic England
MOOR THAN MEETS THE EYE					6,278	6,278			0	6,278	Non-eligible project costs
BUILT ENVIRONMENT	3,223	103			(130)	3,196			0	3,196	Specialist additional staff cover and additional Employers NI costs
UPPACOTT			36,053			36,053	(19,954)	(2,949)	(22,903)	13,150	MTMTE Project spend to be met from revenue underspend, HLF funding received
<b>CULTURAL HERITAGE</b>	<b>(2,286)</b>	<b>(63)</b>	<b>36,053</b>	<b>(124)</b>	<b>9,034</b>	<b>42,614</b>	<b>(35,903)</b>	<b>(3,576)</b>	<b>(39,479)</b>	<b>3,135</b>	
VISITOR FACILITIES	1,181		(161)	110	22,715	23,845	(6,030)	(5,489)	(11,519)	12,326	Agency staff covered sickness absence. Granite & Gears Grant contribution to DCC. Mobile vending licence income under budget. Granite & gears exp & funding for Princetown railway. Savings: WCs cleaning, Litter collection. Car parking and donations income
ACCESS & RECREATION	(1,260)	191		(120)	(5,356)	(6,545)		(6,084)	(6,084)	(12,629)	Expired access agreements. £ for the park income
PUBLIC RIGHTS OF WAY	859				34,277	35,136	(75,000)	(500)	(75,500)	(40,364)	Nun's Cross path repairs met from Granit & Gears funding. Flood repair grant (Defra) and PROW grant (DCC) to be carried forward
SUSTAINABLE TOURISM & TRANSPORT	21	502			(2,036)	(1,513)	1,000	1,000	2,000	487	
<b>RECREATION MANAGEMENT</b>	<b>801</b>	<b>693</b>	<b>(161)</b>	<b>(10)</b>	<b>49,600</b>	<b>50,923</b>	<b>(80,030)</b>	<b>(11,073)</b>	<b>(91,103)</b>	<b>(40,180)</b>	
VISITOR CENTRES	6,075	33	(1,327)	265	7,968	13,014	(2,834)	(28,956)	(31,790)	(18,776)	Overtime and additional hours budget overspent. Internal improvements at Princetown Visitor Centre. Increased retail sales income and HLF grant
COMMUNICATIONS	(3,015)	(687)			(28,066)	(31,768)		5,050	5,050	(26,718)	Salary savings. Specialist support budget not required. Website budget to be carried forward.
EDUCATION	(100)	(332)		(1,267)	(4,352)	(6,051)		1,265	1,265	(4,786)	Enjoy Dartmoor cost savings but advertising income target not achieved
<b>PROMOTING UNDERSTANDING</b>	<b>2,960</b>	<b>(986)</b>	<b>(1,327)</b>	<b>(1,002)</b>	<b>(24,450)</b>	<b>(24,805)</b>	<b>(2,834)</b>	<b>(22,641)</b>	<b>(25,475)</b>	<b>(50,280)</b>	
RANGERS	(3,597)	(550)	203	3,125	(9,274)	(10,093)		(2,961)	(2,961)	(13,054)	Savings: Overtime & additional hours, training equipment & Voluntary Warden budgets. Extra Vehicle leasing & repair costs being offset by fuel savings. Donations received towards officer time spent supporting filming on private land and from Burger King toward litter clearance
CONSERVATION WORKS SERVICE	(12,313)	(9)	(478)	1,513	4,847	(6,440)		(1,135)	(1,135)	(7,575)	Salary savings due to sickness, cover provided by agency staff. Storage facility improvements, extended vehicle lease costs and vehicle repairs at lease termination. Recharge of officer time spent supporting MTMTE
<b>RANGERS, ESTATES &amp; VOLUNTEERS</b>	<b>(15,910)</b>	<b>(559)</b>	<b>(275)</b>	<b>4,638</b>	<b>(4,427)</b>	<b>(16,533)</b>	<b>0</b>	<b>(4,096)</b>	<b>(4,096)</b>	<b>(20,629)</b>	
DEVELOPMENT MANAGEMENT	6,132	2,196		290	15,246	23,864		(31,117)	(31,117)	(7,253)	Legal costs re enforcement and professional legal advice. Linhay Quarry consultancy contract offset by planning pre-application fee. Temporary staff cover, agency staff & recruitment costs. Savings: planning appraisal costs & public notices. Increased planning fee income.
<b>DEVELOPMENT MANAGEMENT</b>	<b>6,132</b>	<b>2,196</b>	<b>0</b>	<b>290</b>	<b>15,246</b>	<b>23,864</b>	<b>0</b>	<b>(31,117)</b>	<b>(31,117)</b>	<b>(7,253)</b>	
FORWARD PLANNING & COMMUNITY	1,674	39		78	(65,112)	(63,321)			0	(63,321)	Honorarium. Public Realm works. Dartmoor Communities Fund Grant Scheme brought forward and carried forward cash. Local Plan Review work re-schedules as part of the 2016/17 budget
SUSTAINABLE DEVELOPMENT FUND					(2,520)	(2,520)			0	(2,520)	Your Dartmoor Grant Fund terminated. Balance to be transferred to reserves
<b>FORWARD PLANNING</b>	<b>1,674</b>	<b>39</b>	<b>0</b>	<b>78</b>	<b>(67,632)</b>	<b>(65,841)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(65,841)</b>	
CORPORATE & DEMOCRATIC CORE	740	(624)		(752)	(8,571)	(9,207)		(19,403)	(19,403)	(28,610)	Increased Treasury income, Airwick sponsorship payment & budget provision set aside for the Conference not required due to increased sponsorship income. Savings: Members' training and expenses
<b>CORPORATE &amp; DEMOCRATIC CORE</b>	<b>740</b>	<b>(624)</b>	<b>0</b>	<b>(752)</b>	<b>(8,571)</b>	<b>(9,207)</b>	<b>0</b>	<b>(19,403)</b>	<b>(19,403)</b>	<b>(28,610)</b>	
INFORMATION TECHNOLOGY	(1,634)	(374)		(312)	(1,089)	(3,409)		(1,247)	(1,247)	(4,656)	Salaries saving appointment at lower grade. Various contract cost savings. Recharge of Officer Time to DPA
CORPORATE OPERATING COSTS				(1,742)	457	(1,285)		(18)	(18)	(1,303)	Savings: Vehicles, printing & stationery, postage and Insurance off setting extra property valuation costs
FINANCE & ADMINISTRATION	(1,386)	61			(453)	(1,778)			0	(1,778)	Savings: Salaries and training
LEGAL	1,851	(134)			7,196	8,913		(2,990)	(2,990)	5,923	Honorarium. Professional legal advice - "Vires" being offset by legal costs recovered
HUMAN RESOURCES	440	234			(578)	96		(5,234)	(5,234)	(5,138)	Cycle scheme costs offset by recovery from pay
OFFICE ACCOMMODATION (PARKE)	(4)	4	(2,454)			(2,454)		(814)	(814)	(3,268)	Increased office cleaning and security costs being offset by savings from utilities
OFFICE ACCOMMODATION (PRINCETOWN)			(1,223)			(1,223)		(2,931)	(2,931)	(4,154)	Increased repairs, equipment & office cleaning and security costs being offset by savings from utilities, wood fuel purchased and RHI income
<b>SUPPORT SERVICES</b>	<b>(733)</b>	<b>(209)</b>	<b>(3,677)</b>	<b>(2,054)</b>	<b>5,533</b>	<b>(1,140)</b>	<b>0</b>	<b>(13,234)</b>	<b>(13,234)</b>	<b>(14,374)</b>	
MOVEMENT IN RESERVES AT YEAR END						0			0	135,468	Other year end transfers - a full list can be found at Appendix 1
CAPITAL										9,004	To be met from revenue underspend
PROJECT FUND						0			0	(41,703)	Balance remaining to be transferred to reserves
<b>REVENUE EXPENDITURE</b>	<b>(7,944)</b>	<b>1,893</b>	<b>30,613</b>	<b>1,454</b>	<b>(50,000)</b>	<b>(23,984)</b>	<b>(130,737)</b>	<b>(106,066)</b>	<b>(236,803)</b>	<b>(158,018)</b>	



**2015/16 to 2016/17 RESERVE BALANCES**

Appendix 3 to NPA/16/017

Earmarked Reserves	2015/16 Opening Balance £	2015/16 Transfers Within £	Transfers to Revenue	2015/16 Transfers from Outturn £	2015/16 Closing Balance £	2016/17 Movements Within / From / (To) £	2016/17 Closing Balance £	Notes
<b>Grants &amp; Contributions with Restrictions</b>								
Defra: Flood & Winter Storm Damage - Grant b/fwd	(120,703)		120,703	(31,256)	(31,256)	31,256		0 Transferred to revenue budget
Defra: Flood & Winter Storm Damage - Grant c/fwd					0			0 Carry forward at year end
Your Dartmoor Grant Fund	(53,500)		53,500		0			0 Grants awarded not paid out at 31.03.15 (scheme now ended)
Prince's Countryside Fund: Hill Farm Project	(7,891)		7,891	(15,003)	(15,003)	15,003		0 Project runs from 2015-2017 allocate at year end
Natural England - Internship	(14,230)		14,230	(12,871)	(12,871)	12,871		0 Approval to employ and Intern 2015-2016
English Heritage: White Horse Hill	(15,536)			(4,500)	(20,036)	20,036		0 To fund the Exhibition at Postbridge VC
English Heritage: Historic Farmsteads	(5,230)		5,230		0			0 Project runs from 2014-2015
Natural England & Partners: Haytor Hoppa	(1,750)		1,750		0			0 For the 2015 summer service
DCC: Public Rights of Way	(10,984)		10,984	(9,467)	(9,467)	9,467		0 Service Level Agreement fund balance allocated to 2015/16
2013/14 New Homes Bonus	(6,750)		6,750		0			0 For 2015-2016 financial year
WDBC: Communities Fund Grant 2015/16	(15,000)		15,000		0			0 For 2015-2016 financial year
TDC: Communities Fund Grant 2015/16	(25,000)		25,000	(50,000)	(50,000)	50,000		0 For 2015-2016 financial year
WDBC: Communities Fund Grant 2014/15	(17,627)		17,627	(22,093)	(22,093)	22,093		0 Grants awarded not paid out as at 31.03.15
SHDC: Communities Fund Grant 2014/15	(15,755)		15,755	(5,784)	(5,784)	5,784		0 Grants awarded not paid out as at 31.03.16
DCC: Naturally Healthy Dartmoor Project	(12,294)		12,294	(6,948)	(6,948)	6,948		0 Project runs from 2014-2017
DCLG: Vanguard Right to Buy	(10,000)			0	(10,000)	10,000		0 To be used to support the project in 2015-2017
SWW contribution towards Upstream scientific monitoring				(2,000)	(2,000)	2,000		0 Received in 2015 for 2016 onwards
Action for Wildlife partnership balance		(21,385)	21,385		0			0 Balance transferred to MTMTE
Discovering Dartmoor's Wild Stories				(646)	(646)			
<b>Budget management Fund - Provisions (risk based)</b>								
Employees	(351,000)	89,000			(262,000)		(262,000)	See risk assessment for breakdown
Costs and Awards: Appeals/Public Enquiries/Litigation	(250,000)				(250,000)		(250,000)	See risk assessment for breakdown
Loss of Income and Inflation	(102,000)	22,000			(80,000)		(80,000)	See risk assessment for breakdown
Historic: reductions in NPG	(571,588)	571,588			0		0	To support revenue budget and / or redundancy costs - not required
Invest to Save and / or Generate Projects		(378,233)			(378,233)		(378,233)	To be utilised / allocated in the new MTFP
2014/15 Year end Surplus	(210,184)	210,184			0		0	Allocated in year within movements column
2015/16 Outturn				(158,018)	(158,018)	12,000	(146,018)	To be allocated during 2016/17 via the MTFP process
<b>Capital Expenditure Fund</b>								
Vehicles - Sinking Fund - Replacement	(24,596)	(12,000)			(36,596)	(12,000)	(48,596)	Pool Vehicle delivered 2015 & met from in-year revenue underspend
Property - Sinking Fund - Repairs & Maintenance	(150,000)				(150,000)		(150,000)	See risk assessment for breakdown
<b>Known Commitments</b>								
Broadband phase 1	(10,000)				(10,000)	10,000	0	Rural Community Broadband Project - payment due 2016
Aerial Photography	(11,678)		11,678		0		0	
Princetown Visitor Centre	(33,846)	33,846			0		0	Internal improvements met from revenue in year
Postbridge Visitor Centre	(11,650)		11,650		0		0	Project currently on hold
Ashburton Mater Planning (BDP contract)	(4,809)		4,809		0		0	
Chagford Cattle Grid	(3,000)				(3,000)	3,000	0	Timing not known
Local Plan Review	(122,500)				(122,500)		(122,500)	Between 2015 & 2019 (estimates only/timing unknown)
Gypsy and Traveller Accommodation Assessment	(1,996)		1,996		0		0	
Strategic Housing Market Needs Assessment (SHMNA)	(3,580)		3,580		0		0	
All Moor Butterflies				(17,500)	(17,500)	17,500	0	Approved by Authority Dec 2015 - NPA/15/037
Peatland Study				(15,000)	(15,000)	15,000	0	Allocated from project fund - spans more than 1 year
MIRES PR14				(10,000)	(10,000)	10,000	0	Allocated from project fund - spans more than 1 year
Higher Uppacott - septic tank installation				(20,000)	(20,000)	20,000	0	Installation delayed
Website redesign				(15,000)	(15,000)	15,000	0	Allocated from project fund - spans more than 1 year
Contribution to Plymouth Area Sub-regional Study				(3,500)	(3,500)	3,500	0	Allocated from Forward Planning Budget
<b>Match Funding Reserve</b>								
HLF - Moor Than Meets the Eye match funding	(200,000)				(200,000)	200,000	0	Allocated but held by DNP until required to match cash flows
Moor than Meets the Eye - Cash Flow		(300,000)			(300,000)		(300,000)	Based on project cash flow - retention and final claim in year 5
Superfast Broadband - connecting Dartmoor & Exmoor		(65,000)			(65,000)	65,000	0	Approved in 2015/16, to be paid 2016/17
Cycling in National Parks (DFT) match funding	(30,000)		30,000		0		0	NPA/13/015 to be paid over in 2016
NPA/14/044 Princes Countryside Fund match funding	(30,000)		15,000		(15,000)	15,000	0	NPA/14/044 for years 2015-2017
Greater Dartmoor LEAF 2015-2020	(20,700)				(20,700)	6,900	(13,800)	NPA/14/038 for years 2018-2020
Naturally Healthy Dartmoor Project	(25,000)				(25,000)	15,000	(10,000)	NPA/14/031 for years 2016-2017
Princetown Visitor Centre	(146,680)	146,680			0		0	Not required, project re-defined, see below
Dartmoor's Wild Stories		(48,800)			(48,800)	48,800	0	Matches HLF Funding, to be used in early 2016/17
National Parks Partnerships LLP		(10,000)			(10,000)		(10,000)	Allocated as a provision
Our Common Cause: Our Upland Commons		(8,000)			(8,000)	8,000	0	NPA/16/006 Match towards a HLF bid
Unallocated fund balance	(48,000)	(79,880)			(127,880)		(127,880)	NPA/16/009
	<b>(2,695,057)</b>	<b>150,000</b>	<b>406,812</b>	<b>(399,586)</b>	<b>(2,537,831)</b>	<b>638,158</b>	<b>(1,899,673)</b>	
<b>General Reserve (unallocated emergency reserve)</b>	<b>(300,000)</b>	<b>(150,000)</b>		<b>0</b>	<b>(450,000)</b>	<b>0</b>	<b>(450,000)</b>	NPA/16/009
<b>Total General Fund Balance</b>	<b>(2,995,057)</b>	<b>0</b>	<b>406,812</b>	<b>(399,586)</b>	<b>(2,987,831)</b>	<b>638,158</b>	<b>(2,349,673)</b>	

<b>2015/16 RESERVES: RISK BASED ANALYSIS</b> <i>Dependent on 2015/16 closing balances</i>	<b>Risk Level</b>	<b>Rate</b>	<b>2015/16 Closing Balance £'000</b>
<b>Grants &amp; Contributions with Restrictions carried forward:</b> Grants & Contributions with Restrictions	N/A	Actual	186
<b>Employees:</b> Allowance for increased pay awards Maternity / Paternity Cover Equal Pay Claims / Employment Tribunals Pension Fund - Past Deficit Recovery	Low High Low Medium	1% extra PA Based on 4 staff Est. Est.	25 42 50 145
<b>Costs &amp; Awards:</b> Appeals / Public Enquiries / Litigation	High	Est.	250
<b>Loss of Income:</b> Planning related fees Reduced Sales, Fees & Charges Partnership Income / Grants	Medium Medium High	10% 10% 10%	19 23 16
<b>General Price Increases:</b>	Medium	Average of 3%	22
<b>Capital - Property:</b> Repairs & maintenance (sinking fund)	Medium	Est.	150
<b>Capital - Vehicles</b> Provision for future replacement of vehicles (sinking fund)	N/A	Est.	36
<b>Known Commitments/Contracts</b> Chagford Cattle Grid Broadband Phase 1 Local Plan Review All Moor Butterflies Peatland Study MIREs PR14 Higher Uppacott Septic tank installation Website redesign Plymouth Area Sub-regional Study	N/A N/A N/A N/A N/A N/A N/A N/A N/A	Actual Actual Est. Actual Actual Actual Est. Est. Actual	3 10 122 18 15 10 20 15 4
<b>Match Funding Reserve</b> Superfast Broadband Princes Countyside Fund - Hill Fram project Greater Dartmoor LEAF Naturally Healthy Dartmoor Dartmoor's Wild Stories - HLF Our Common Cause National Parks Partnerships LLP Unallocated to match future opportunities Moor Than Meets The Eye - match funding Moor Than Meets The Eye - cash flow provision	N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A High	Actual Actual Actual Actual Actual Actual Actual Actual Actual Actual C/F forecast	65 15 21 25 49 8 10 128 200 300
<b>Revenue</b> Invest to save and / or Generate Projects 2015/16 Outturn to be allocated via the new MTFP	N/A	Actual Est	378 161
<b>General Reserve</b> - Minimum amount to cover unanticipated costs / emergencies			450
<b>Total Reserve Balance</b>			<b>2,991</b>

## DARTMOOR NATIONAL PARK AUTHORITY

3 JUNE 2016

**2015/16 ANNUAL GOVERNANCE STATEMENT**Report of the Head of Business Support

Recommendation : **That Members:**  
(i) **note the content of the report;**  
(ii) **approve the 2015/16 Annual Governance Statement**

**1 Introduction**

- 1.1 Every local government body operates through a governance framework which brings together an underlying set of legislative requirements, governance principles and management processes. Good governance leads to good management, good performance, good stewardship of public money, good public engagement and, ultimately, good outcomes from the services provided.
- 1.2 The CIPFA/SOLACE document “Delivering Good Governance in Local Government: Framework” and “The Accounts and Audit (England) Regulations 2015”, requires that the Authority conduct, at least once in a year, a review of the effectiveness of its system of internal control and that following the review, must approve an Annual Governance Statement, prepared in accordance with proper practices in relation to internal control. The Annual Governance Statement must accompany the Statement of Accounts.
- 1.3 The Authority also adopted a Local Code of Corporate Governance, which is regularly reviewed and updated to evidence improvements and changes made to governance arrangements.

**2 2015/16 Annual Governance Review**

- 2.1 The production and publication of an Annual Governance Statement (AGS) is the final stage of an on-going review of governance and not an activity which can be planned and viewed in isolation. Production of the AGS involves the whole Authority.
- 2.2 During 2015/16 the review of the effectiveness of the governance arrangements has been informed by:
  - The work of officers who have responsibility for the maintenance and review of governance;
  - Undertaking service area reviews which lead to service improvements, efficiency savings and better outcomes for the Park and its communities;
  - The work of the Audit & Governance Committee, who have responsibility for scrutinising performance and for reporting performance outcomes to the Authority;

- The work of Internal and External Audit (Devon Audit Partnership and Grant Thornton); and
- Listening to and working with our communities, our partners and our constituent Local Authorities

2.3 To help us review the effectiveness of our governance arrangements we use a self assessment style tool to benchmark against suggested best practice. This helps us to identify any areas of weakness or areas that need improvement. This tool allows us to review a cross section of governance arrangements at once and includes our:

- General corporate governance arrangements;
- System of internal control; and
- Core principles contained within the Local Code of Corporate Governance

2.4 The 2015/16 AGS can be found at Appendix 1, which includes an action plan for improvements. It was reviewed by the Audit and Governance Committee on 6 May and Members recommended that it be presented for approval.

### **3 Equality and Sustainability Impact**

3.1 The Authority seeks to treat all people equally, honestly and fairly in all of its business activity, including partners, visitors, suppliers, contractors, service users and employees when setting or reviewing its Corporate Governance arrangements.

### **4 Financial Implications**

4.1 There are no financial implications arising specifically from the annual review of the Annual Governance Statement.

### **5 Conclusion**

5.1 The Authority has carried out a robust review of its Governance arrangements, and is satisfied that:

- Our system of internal control is sound;
- We have in place proper and sound arrangements to detect and deter fraud and corruption; and
- Our arrangements to ensure the legality of our business transactions are adequate and effective.

DONNA HEALY



# **ANNUAL GOVERNANCE STATEMENT**

## **2015/16**

### **SCOPE OF RESPONSIBILITY**

Dartmoor National Park Authority (DNPA) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. DNPA also has a duty under the Local Government Act 1999 to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, DNPA is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.

DNPA has developed a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'. A copy of the code is available on our website or from The Monitoring Officer, Dartmoor National Park Authority, Parke, Bovey Tracey, Newton Abbot, Devon TQ13 9JQ. The Annual Governance Statement explains how DNPA has complied with the Local Code of Corporate Governance and also meets the requirements of regulation 4(2) of the Accounts and Audit (England) Regulations 2011 in relation to the publication of a statement on internal control.

### **THE PURPOSE OF THE GOVERNANCE FRAMEWORK**

The governance framework comprises the systems and processes, and cultures and values, by which DNPA is directed and controlled and the activities through which it accounts to, engages with and leads the community, including residents, visitors and stakeholders. It enables DNPA to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of DNPA policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at DNPA for the year ended 31 March 2016 and up to the date of approval of the Business Plan and Statement of Accounts. The framework has been further supported by the Local Code of Corporate Governance, since its adoption in December 2009.

## **THE GOVERNANCE FRAMEWORK & LOCAL CODE OF CORPORATE GOVERNANCE**

DNPA operates within a Corporate Governance Framework which ensures accountability to its users, stakeholders and the wider community to which it relates. It comprises the systems and processes, cultures and values by which decisions are made and functions undertaken to deliver the purposes and duties of the organisation.

The key elements of the systems and processes that comprise DNPA's governance arrangements are based on the 6 core principles contained in the Local Code of Corporate Governance and include the following aspects:

- The vision, objectives and priorities for the local area (Dartmoor National Park) for the period 2014 -2019 as set out in "Your Dartmoor", the National Park Management Plan (NPMP). "Your Dartmoor" was developed via a process of extensive community involvement and the associated action plans are being revised annually in a process involving a wide range of partners/stakeholders
- The Business Plan for the Authority is a strategic document which provides a link between the National Park Management Plan and work programmes (for teams and individuals). The Business Plan, including priorities and targets, is reviewed annually and a separate annual review is produced in June to report on performance and highlight key projects undertaken in - year.
- The Authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government (2010) as set out in the Application Note to "Delivering Good Governance in Local Government". The CFO is the County Treasurer of Devon County Council whose services are retained through a Service Level Agreement. This arrangement which requires some delegation to the Head of Business Support which is set out in Financial Regulations.
- The principles of decision making are set out in the Authority's Standing Orders, supported by:
  1. Financial Regulations, a Disposals Policy, a Sustainable Procurement Policy and Procurement Procedures;
  2. The Authority's adopted codes of practice in relation to treasury management for investments and for capital finance and accounting (the Prudential Code)
  3. Scheme of Delegation
  4. Code of Conduct for Members and Officers
  5. Job descriptions for Members and Officers
  6. Policies and Procedures
- Public involvement and transparency in decision making is facilitated through formal consultations, workshops, involvement in service reviews, consultative forums with members of the community representing access, land use, conservation, businesses and community interests and public participation at the Authority and its Committees

- Ensuring that established policies, procedures, laws and regulations are complied with is the responsibility of nominated statutory Officers, the Monitoring Officer and the Chief Financial Officer as laid down in the Authority's Standing Orders & Financial Regulations
- A Risk Management Strategy that defines and identifies the process for ongoing risk management and the responsibilities of the various stakeholders in the risk management process
- A Strategic Risk Register is discussed and approved annually by the Authority and then actively monitored/reviewed on a regular basis within year by the Audit and Governance Committee. The Authority's internal project management guidance requires identification and management of risks. The Strategic Risk Register is monitored by Leadership Team on a quarterly basis together with consideration of more operational risks.
- A programme of service reviews or value for money/business reviews that look closely at and challenge service provision and delivery and discharges the Government's Value for Money requirements for the Authority
- Comprehensive budgeting systems set targets to measure financial performance which reviewed by the Leadership Team and is reported to the Audit and Governance Committee on a quarterly basis.
- Performance management is applied consistently throughout the Authority against a Performance Management Framework. Reports of progress against performance targets is reported quarterly to Audit & Governance Committee
- Performance against Corporate processes and outcome targets is further assessed through the National Park Authority Performance Assessment (NPAPA) process. DNPA was assessed in February 2011. There are no current plans to re-run the NPAPA process for a third time. Defra have accepted that the current audit regime, coupled with our reporting arrangement for the Management Plan provides sufficient reassurance. There will also be an annual meeting between the Chairs of the English National Park Authorities and the Minister with the National Park portfolio to report progress/highlight areas of concern.
- Standards sub-Committee monitors the ethical framework for the Authority and will alert the Authority to any potential issues arising from its decision making processes.

All of the above elements are subject to independent challenge and scrutiny through Internal and External Auditors and other review bodies such as Defra.

## **REVIEW OF EFFECTIVENESS**

Dartmoor National Park Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The

review of the effectiveness of the system is informed by the work of the Leadership Team and other Officers within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's (Devon Audit Partnership) annual report and also by responding to comments and recommendations made by external auditors and other review agencies and inspectorates.

The Authority's Chief Financial Officer and Monitoring Officer have also provided assurance that there have been no significant control issues that have required the need for: formal action in their respective roles; significant additional funding; had a material impact on the accounts; or resulted in significant public interest, damaging the reputation of the Authority.

Although a review of the effectiveness of the Governance arrangements is reported once per year to the Authority, the process of gathering evidence and monitoring performance is continual and is managed through reports to Audit & Governance Committee.

Significant improvements have been undertaken during 2015/16 as follows:

- Adopted a Communications Strategy, which has a particular focus on external communications and community engagement
- Reviewed Financial Regulations, Procurement Procedures, Anti-Fraud & Corruption policy and Confidential Reporting policy
- Hosted a Dartmoor Business Forum Workshop and participated in a South Devon Business Survey with South Hams District and West Devon Borough Councils, which resulted in a range of actions being agreed to address issues and make improvements in relation to connectivity and planning
- Appointed a new Independent Person in accordance with the Localism Act 2011 and the new Standards Regime
- Adopted the Local Development Scheme (LDS) which sets out the Authority's Local Plan preparation programme and formed a Local Plan Steering Group
- Amended the Authority's Standing Orders to reflect the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015
- Adopted a new Statement of Community Involvement – which sets out how the Authority will engage with stakeholders on the Local Plan preparation programme
- Worked with Exmoor National Park Authority to publish an economic prospectus for the two National Parks, to support the Government's Rural productivity Plan 2015
- Engaged in the Heart of the South West (HoTSW) devolution deal process to ensure that the interests of Dartmoor National Park and the communities that live within the National Park are represented
- Developed and implemented a new approach to performance management comprising: introducing Dashboard reporting for key services, a revised set of Performance Indicators and an improved Business Plan monitoring tool
- Contributed to work at a national and local level to develop fundraising and new income sources

## **GOVERNANCE ISSUES**

Although the Authority has been assessed as having strong Governance arrangements in place, to ensure continuous improvement, it is proposed that the following work is undertaken during 2016/17:

- Develop a programme to enable a wider use of apprenticeships, internships and volunteers to support the Authority's work
- Continue the Local Plan Review preparation Programme
- Undertake a Dartmoor residents survey (repeat of survey held in 2013 to gather information on what local residents think about our services)
- Implement a proactive programme to develop new funding streams to support the work of the Authority at a local and national level
- Continue with the Dartmoor Communities Grant Fund to provide support to local communities
- Work with other authorities in the Heart of the South West to develop a productivity plan as part of wider work on devolution and ensure that the rural dimensions to this agenda are not forgotten
- Seek support and funding for a Rural Productivity network (in partnership with Exmoor National Park Authority)
- Launch a new Organisational Development Strategy (and action plan) to support staff, volunteers and members, to improve processes and sustain high performance
- Launch the revised website as a two-way tool for communication, focused on user needs
- Advertise and seek to appoint a second Independent Person in accordance with the Localism Act 2011 and the new Standards Regime
- Undertake a first dry run towards a quicker closedown for the 2015/16 Accounts. A new deadline has been set for the 2017/18 Accounts; 31 May instead of 30 June
- Review the SLA for provision of the role of Chief Financial Officer, now that the Authority's Head of Business Support has qualified and been admitted as a member of CIPFA

**CERTIFICATION**

We have been advised on the implication of the results of the review of the effectiveness of the governance framework by the Audit and Governance Committee and a plan to address weaknesses and ensure continuous improvement of systems is in place.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

**Signed:** ..... **Signed:**.....

**Chairman of the Authority**

**K D Bishop  
Chief Executive (National Park Officer)**

**Date:** ..... **Date:** .....

## DARTMOOR NATIONAL PARK AUTHORITY

3 June 2016

**DARTMOOR NATIONAL PARK – ECOSYSTEMS APPROACH REPORT  
AND ACTION PLAN**Report of the Director of Conservation and CommunitiesRecommendation : **That Members note the content of the report****1 Introduction**

- 1.1 All National Park Authorities have been asked by Defra to complete a self-assessment of progress towards the Biodiversity 2020 Outcome 1C: *“at least 17% of land and inland water, conserved through effective and integrated approaches”*. Members will recall that Biodiversity 2020 was published in 2011 and is a Strategy for England’s wildlife and ecosystem services.
- 1.2 A set of eight questions (see below) have been devised nationally to inform reporting against this target, considering how an ecosystems approach is being taken to delivery. This is defined as *‘thinking about the range of ecosystem services delivered in the National Park, taking an integrated approach at a landscape scale, and engaging with people - those who help to manage and provide the services and those who benefit from them’*. Ecosystem services are classified into provisioning services (such as food, timber), regulating services (such as clean air and water, carbon storage, flood risk management), cultural services (such as inspiration, sense of history, recreation and tourism), and supporting services (the functioning of the ecosystem such as nutrient and water cycling and biodiversity).
- 1.3 The assessment relates to activity in the National Parks, not just the work of the National Park Authorities.

**2 Summary Points from the Self Assessment**

- 2.1 The self-assessment has been carried out by Clare Reid Consultancy with input from DNPA staff and partner organisations including a workshop held jointly with Exmoor National Park Authority (see section 3).
- 2.2 National Parks are well placed to deliver against Outcome 1C given the statutory purposes and socio-economic duty. There is good evidence to demonstrate that all of the criteria set out in the self-assessment are being met. A summary of the main points from the self- assessment are set out below:

## Self Assessment questions and summary response

**Question 1: Is your partnership actively considering and planning for a wide range of environmental assets, within your partnership area (beyond biodiversity, landscape and geodiversity)?**

**Response:**

The [Dartmoor National Park Management Plan](#) (DNPMP) identifies the range of ecosystem services within the National Park, and the Vision, objectives and priorities cover a wide range of ecosystem services (see Q4). Many of the actions identified in the Management Plan are delivering benefits in relation to various ecosystem services.

There is good coverage of provisioning and regulating services through the Management Plan and subsequent actions to support farming and land management, recognising their crucial role in conserving Dartmoor's special qualities and supporting a wide range of ecosystem services.

There is good coverage of cultural services, consistent with National Park purposes to conserve and enhance the natural beauty, wildlife and cultural heritage of the National Park and to promote understanding and enjoyment of Dartmoor's special qualities.

There is some coverage of supporting services, linked indirectly to land management.

**Question 2: Have you collated data to understand the most relevant ecosystem services in your partnership/project area?**

**Response:**

There is reasonable coverage of data regarding the ecosystem services on Dartmoor, and the [Management Plan](#) provides an analysis of the importance of these ecosystem services. Ongoing monitoring for the Management Plan provides a process for reviewing outcomes relating to ecosystem services (see Q4). There are a number of gaps in data availability and access to data, some of which could be addressed through the State of the Park review. Issues with data sharing due to cost, licenses, or data protection need to be highlighted at a national level.

**Question 3: Are you involving a wide range of stakeholders and the local community in planning and delivering action for ecosystem services in your area, including those who benefit from them?**

**Response:**

Land management is central to the delivery of ecosystem services, and DNPA works closely with farmers, foresters and commoners to support hill farming on Dartmoor, the Dartmoor Hill Farm Project also provides valuable training and advice. The [Dartmoor Farming Futures](#) pilot is a good example of how efforts are being made to develop a new approach to the management of the public and environmental benefits of Dartmoor's moorland, through putting farmers at the heart of the process, facilitating a collaborative approach to agreeing the outcomes sought and focusing on deliver of a range of ecosystem services that are associated with upland farming. The second purpose of the National Park to support understanding and enjoyment of its special qualities results in work with beneficiaries such as National Park visitors and other users. A wide range of

projects on Dartmoor involve stakeholders and the local community, for example there is a strong engagement element to the [Moor Than Meets the Eye](#) Landscape Partnership which is bringing communities and organisations together to explore Dartmoor's past, conserve its wildlife, improve understanding of its rich landscape and develop and share the skills needed to look after it for generations to come. There is a great amount of work carried out by volunteers to support the conservation and enjoyment of the National Park. DNPA is working with local communities through Neighbourhood Planning and review of the Local Plan which will influence ecosystem services such as flood risk management, biodiversity, sense of history and sense of place. There was significant [engagement](#) with stakeholders and local communities and businesses in the development of the Management Plan and partners are involved in the ongoing delivery and monitoring of the Management Plan (see Q4).

**Question 4: Is there a management plan with objectives that deliver multiple benefits for biodiversity and other ecosystem services through joint action?**

**Response:**

The Dartmoor National Park Management Plan ([DNPMP](#)) 2014-19 was developed in an integrated way, as a Plan for the National Park as a whole, not just the National Park Authority. The DNPMP was developed with significant consultation and engagement. This included meetings with key partner organisations, a public online questionnaire and a series of interactive workshops on the three themes of 'Sustain', 'Enjoy' and 'Prosper'. A wide consultation process was undertaken to identify the key issues and challenges facing the National Park (including the delivery of ecosystem services) over the next five years and beyond, and identify actions needed to address these. A wide range of partners are involved in delivering the Plan and in monitoring and review of the action plans (see Q7).

**Question 5: Are you addressing the current and future risks, pressures and changes affecting the environmental assets in your area, and the ecosystem services they provide?**

**Response:**

There is a good understanding of the trends, pressures and challenges relating to ecosystem services through the process of developing the Management Plan. This is supported by an ongoing process of monitoring and review, led by DNPA but involving a wide range of partners, which enables new pressures and challenges to be identified and addressed.

The Moorland Vision and Dartmoor Farming Futures are good examples of how an ecosystems approach can help to resolve conflict. By bringing the different stakeholders together, and looking across the range of ecosystem services delivered, this enabled a consensus to be reached about what outcomes were sought, with decisions regarding how the moorlands would be managed to deliver these outcomes being left to the farmers and commoners. Similarly, the Recreation Strategy provides an example of how conflicts between the first and second National Park purposes can be actively managed so that residents, visitors and National Park users can enjoy the cultural services of tranquillity and inspiration that the National Park offers.



**Question 6: Are you considering the long term (10+ years) management requirements for delivering high quality ecosystem services from functioning ecosystems?**

**Response:**

The Management Plan has a [vision](#) which takes a long term view to 2034, although the Management Plan itself is reviewed on a 5 yearly cycle to enable the issues and challenges facing the National Park to be updated and a fresh set of priorities and actions identified to reflect these challenges. The Local Plan also includes a [vision](#) to 2026 which has more of a spatial focus relevant to planning policies, although it was based on the previous Management Plan vision statement so there is strong correlation between the two. Both the Management Plan and Local Plan visions are informed by the Government's [vision](#) for National Parks which sets out a set of ambitions for all National Parks and is intended to guide the long-term planning and strategic decision making of the National Park Authorities, and to inform other public bodies and those with a statutory interest (relevant authorities as defined in section 11A of the 1949 Act) on how to meet their statutory duty 'to have regard to' Park purposes in exercising their functions.

Dartmoor also has a [Moorland Vision](#) which sets out long term aspirations for the moors. This was developed by the Dartmoor Vision Group and agreed by farmers, commoners and statutory agencies to provide clarity on the management priorities for the moorland. The [Management Plan](#) identified the actions needed to deliver this Vision by agreeing the right levels of grazing to conserve archaeology, enhance wildlife and landscape character, and supporting traditional management practises such as swaling. Further exploration is needed of the future outcomes that we want from our National Parks, and how to deliver these, particularly working with farmers, commoners and foresters and building on the Moorland Vision and learning from the Dartmoor Farming Futures pilot.

**Question 7: Are you using monitoring as feedback, to inform and adjust your management planning, actions and priorities? (I.e. adaptive management)? This can include qualitative assessment and feedback.**

**Response:**

The process for monitoring and reviewing the Management Plan has been evolving over the last couple of years, as the new Management Plan has taken place. An important aim of this process is to build ownership of the Management Plan, and a partnership approach to delivery. The annual monitoring includes both outcome monitoring through the use of indicators, as well as updating on the delivery of the action plans. This helps the Delivery Board to better understand how the risks and challenges (see Q6) are being addressed, and also enable any new or rising drivers and issues to be identified, prioritised and addressed.

**Question 8: Is your partnership taking action to understand what ecosystem services people value from your project area, and using valuation to capture them? (Remember values can be both monetary and non-monetary values?)**

**Response:**

There are a number of studies that assess how people value the National Park, which underpin delivery of the two statutory purposes and socio-economic duty. This includes some economic valuation of the National Park, particularly in relation to the agricultural and tourism sectors and an investigation of Payments for

Ecosystem Services although this is still at a very early stage. A visitor Payback scheme has been established through 'Pound for the Park'. The primary means of assessing how people the National Park has been through surveys, including for the Management Plan review, and audience development work for the Moor Than Meets the Eye programme. Further visitor/non-visitor and resident surveys are planned which provide the opportunity to explore how people value the ecosystem services that the National Park provides. DNPA is also exploring the option of developing a natural capital approach to the update of the State of the Park report. This could potentially dovetail with the Government's forthcoming Environment Strategy and enable DNPA to develop an 'Investment Plan for Dartmoor's Natural and Cultural Heritage'.

### **3 Workshop**

- 3.1 A joint workshop was held for Exmoor and Dartmoor National Parks to consider how an ecosystems approach was currently being used, and to identify opportunities for future action.
- 3.2 The results of the workshop were used to feed into the self-assessment and reporting to Defra. Some of the key points arising were:
  - Querying how the 17% Biodiversity 2020 target was derived. Whilst it is recognised that National Parks and other Protected Landscapes provide a good place to start and can demonstrate good practice, it should be an approach that applies across the country. What will the target be for beyond 2020, and is this something that the Defra 25 year Environment Plan could address?
  - The language used around ecosystems approach / ecosystems services was also queried. It was felt by some that the focus was on biodiversity and the natural environment, with cultural services being seen as a bolt on. Whilst that may not be the intention of an ecosystems approach, it comes across that way in the language used.
  - An ecosystems approach could be used to identify the drivers and challenges facing National Parks and to frame a discussion (perhaps around the Partnership Plan review) about what we want our National Parks to deliver, particularly where there are conflicts between different objectives / ecosystem services.
  - Data gaps and availability are one of the main blockages to taking an ecosystems approach. In particular, cultural ecosystem services are hard to measure (apart from recreation and tourism which can be quantified). Lack of data/understanding is a common issue for these but they contribute significantly to what people value about a landscape and the well-being they gain from it. There was frustration regarding data that may be collected but which isn't freely available, as well as the lack of data / information regarding certain topics.
  - Changes in agri-environment schemes and the move to Countryside Stewardship have raised concerns over the future sustainability of upland hill farming and how ecosystem services can continue to be delivered. The

objectives for Countryside Stewardship have been focused too narrowly and a more outcomes-focused approach is needed, for example for example pilot approaches building on the work of Dartmoor Farming Futures are needed to influence the design of future agri-environment schemes. Some partners consider that condition assessments on SSSIs are too prescriptive and that these should be widened based on ecosystem services.

3.3 More detailed comments and examples were also provided which were added to the self-assessment form.

#### 4 Action Plan

4.1 An action plan has been developed to respond to the gaps and opportunities identified through the self-assessment process. This includes a number of actions that have been identified through the annual Management Plan steering group meeting and DNPA Business Plan.

4.2 The outcomes of the self-assessment will feed into the Management Plan review and State of the Park report, and will also inform future partnership working.

Action	By whom?	When?
<b>Data, monitoring and reporting</b>		
An update of the State of the Park Report is planned for 2016/17 which provides an opportunity to review data relating to ecosystem services and address the gaps identified. DNPA is considering how it might develop a natural capital approach to the State of the Park report. This could potentially dovetail with the Government's forthcoming Environment Strategy and enable DNPA to develop an 'Investment Plan for Dartmoor's Natural and Cultural Heritage.	DNPA	2016/17
The State of the Park update could look in particular at cultural ecosystem services as these are difficult to quantify. Cultural services were considered by some at the workshop to be seen as a 'bolt on' to the ecosystems approach, yet National Parks provide a good example of how cultural services form an integral part of the landscapes and wildlife of the National Park and contribute to their special qualities.	DNPA	2016/17
Further thought needs to be given to how data can be shared and made more accessible. The State of the Park review could provide a framework for information about available data to be collated in one place, with links to relevant datasets.	DNPA, partner organisations	2016/17
Simple maps could be produced showing where the main ecosystem services are delivered on Dartmoor – expanding on the Moorland Vision work.	DNPA	2016 onwards

The Management Plan Delivery Board could review how ecosystem services are covered in the Management Plan monitoring framework and prioritise how to address gaps where data is not available or easily available.	DNPA	2016/17
Natural England (NE) could review the Protected Landscapes indicators to see if a common set of data can be provided on delivery of ecosystem services.	NE	
Nationally, there could be better availability of datasets for example building on the data provided through the MAGIC website. This would address the barrier to taking an ecosystems approach created by the costs of data collection and management or data purchase.	Defra, NE	
<b>Engagement &amp; promoting understanding</b>		
DNPA is proposing to start work on reviewing the Local Plan for the National Park which provides an opportunity to engage with local communities and stakeholders regarding future development in the National Park	DNPA	2016 onwards
A Visitor and Non-Visitor Survey is being planned by DNPA with the National Trust for this summer, and DNPA is also planning a residents survey. These surveys could explore how people value the ecosystem services that the National Park provides.	DNPA	2016 onwards
DNPA is also planning a resident survey to gather information on the attitudes, perceptions and priorities of Dartmoor residents, which could provide an opportunity to explore how residents value the range of ecosystem services delivered on Dartmoor.	DNPA	2016/17
<b>Addressing gaps and conflicts relating to different ecosystem services</b>		
DNPA to consider how a more integrated approach can be taken to Dartmoor's rivers, including working with downstream partners through Catchment Based Partnerships to explore ecosystem services on a whole river basis. Environment Agency (EA) to facilitate a workshop with DNPA staff.	DNPA, EA	2016/17
DNPA and Dartmoor Local Access Forum to work with riparian owners, fishing representatives and canoe groups to manage conflicts between users and fishing interests. DNPA to facilitate a meeting of interested stakeholders focusing on the Dart, to try and reach a consensus about a sustainable level of activity and to consider the level and quality of infrastructure required.	DNPA/ DLAF	2016/17

Confederation of Forest Industries to set up a task and finish group to consider whether woodlands and forestry are given the same weight as other rural industries and if they are adequately incorporated into the Dartmoor Vision. Explore whether this work can take an ecosystems approach and assess the range of ecosystem services delivered by Dartmoor's woodlands.	ConFor	2016/17
DNPA is exploring potential options for the National Park in relation to Dark Night Skies, which will enhance the cultural services of tranquillity, inspiration, aesthetic and spiritual values provided through work to minimise light pollution and promote the National Park as a place to enjoy dark night skies. The Authority has, to-date, had to resist pressure to apply for official dark night sky status due to the associated costs. North Bovey Conservation group have offered to assist.	DNPA, North Bovey Conservation group	2016/17
DNPA is discussing a potential weirs project with partners in order to address competing benefits (cultural heritage vs biodiversity). Weirs form an important part of Dartmoor's cultural heritage, but they are also barriers to fish and impact on the delivery of Water Framework Directive objectives. DNPA would like to investigate design solutions which retain the cultural heritage elements of the weirs but enable enhanced fish passage upstream.	DNPA, EA, partners	2016
<b>Supporting delivery of ecosystem services by upland hill farming</b>		
Changes in agri-environment schemes and the move to Countryside Stewardship have raised concerns over the future sustainability of upland hill farming and how ecosystem services can continue to be delivered. The objectives for Countryside Stewardship have been focused too narrowly and a more outcomes-focused approach is needed, pilot approaches building on the work of Dartmoor Farming Futures are needed to influence the design of future agri-environment schemes. DNPA submitted a proposal for Facilitation Funding to support on-farm delivery of ecosystem services through the current Countryside Stewardship programme.	DNPA	2016
The Foundation for Common Land is leading a project called Our Common Cause in 5 areas across the country of which Dartmoor is one. It will consider the attributes required for successful delivery of multiple outcomes on commons. The project on Dartmoor will pilot the development of 'Visions' at an individual commons level. There is a local delivery group for this project which is dependent on grant aid from HLF. There is an opportunity to consider all ecosystem services during the visioning process at a local level.	Foundation for Common Land, partners	2016 onwards

## **5 Reporting to Defra**

- 5.1 The results of the self-assessment have been submitted to Defra along with similar assessments for the other National Parks. This included highlighting blockages and where future support is needed nationally to support delivery against the target.
- 5.2 A review of the self-assessment is scheduled for 2019 in order to check progress against the target.

ALISON KOHLER

## DARTMOOR NATIONAL PARK AUTHORITY

3 June 2016

**DARTMOOR PUBLIC ARTS INITIATIVE**Report of Director of Conservation and CommunitiesRecommendation : **That Members**

- (i) **support further investigation to allow development of this initiative and allocate £140,000 from the 'invest to generate' earmarked reserve to cover the costs; and**
- (ii) **delegate the final decision to proceed to the Chief Executive (National Park Officer), in consultation with the Chairman, subject to further work on community and business buy-in and the implications of competition which will impact on the risk**

**1 Background**

- 1.1 Officers have been approached by a business partnership about a potential arts project on Dartmoor which would engage with the public, support the local economy, provide positive messages about the National Park, and potentially create an income for the Authority to deliver conservation and access projects.
- 1.2 The idea was shared with Members informally at the Park Management Working Panel on 11 March 2016. This was followed by an officer/member meeting with the businesses who have successfully implemented a number of these initiatives elsewhere (predominantly in urban areas and for children charities). These include [Hares on the March](#) and [Pigs on Parade](#). Members at the meeting were supportive of the idea and suggested a report to Authority to allow full discussion.
- 1.3 When we started this discussion we thought that the approach had not yet been used in a rural location and the business partnership was confident that the model it had developed was transferable. It is worth noting, however, that a trail is now up and running in the Lake District, for the Calvert Trust, [Go Herdwick](#) and an Explore the Rhinos trail is being developed for the Torbay and Exeter area. This may pose an additional 'competition' risk that we need to consider further.

**2 The Concept**

- 2.1 The concept that has worked in other urban locations is quite simple: use high quality art to develop a public art trail to increase footfall at key businesses/sites; invite sponsorship of the art; and, auction the pieces at the end of the project.
- 2.2 There are a number of stages to project development, including:
  - Develop an agreed sculpture (as the blank canvas) and agree the number that you would like to include in the trail. In the past pigs and hares have been used as the

canvas and circa 100 of these 'canvases'/sculptures produced for decoration, display, sponsorship and finally auction;

- Invite fine artists (a primary focus on renowned artists with a proven pedigree/reputation) to create bespoke design for the sculpture and choose the best designs for development of fine art pieces ie individual designs for each sculpture;
- Invite Sponsors for the art and other work areas e.g transport, marketing
- Distribute sculptures at sites across the area at businesses, tourist attractions and other appropriate locations (sites that are currently open to the public). The sculptures stay on site for a limited period of time approximately 6 – 8 weeks
- Produce a map to encourage visitors to view the art and see as many designs as possible.
- Art is auctioned to the highest bidder at the end of the display period
- Money raised goes to chosen good cause

2.2 Although Members may have seen similar trails in other areas the model being proposed for Dartmoor is set apart by the quality of the art, working with artists who already have a reputation and following. Within this framework there is the potential for some of the sculptures to be designed by local schools/other community groups as a means of public engagement and to raise awareness about the National Park (see below).

### **3 The Proposal on Dartmoor**

3.1 It is suggested that we build upon the successful projects undertaken elsewhere, however there is the opportunity to add new elements and tailor the project to better reflect National Park status:

- Build a community engagement element to the project, linking with local schools and encouraging them to create their own model. This would support implementation of the Government's 8-point plan for National Parks.
- Incorporate messages and interpretation about the agreed sculpture and use this to promote visits to our visitor centres.
- Include an option for the public to make donations when they visit sculptures on the trail and therefore promote Donate for Dartmoor.
- Consider whether there are merchandising opportunities.
- Ask the general public for their preferred model for Year 2, if Year 1 is successful.

3.2 The proposed timeline is that the Project would start this summer, the art trail would be up and running between May and August 2017 and the Project finishes with an on-line auction Autumn 2017. There would then need to be a review of the project and lessons learnt.

### **4 Issues and Opportunities to Consider**

4.1 From the discussion we have had so far the success of any project on Dartmoor will rely on:

- Buy in from local business and communities;
- Getting renowned and respected artists involved and engaged, ensuring a high quality product. It is the art not necessarily the charity that attracts buyers;
- Something to capture the imagination of the general public;



- Reputational and financial risks (see below)
- Additional staff time to allocate to the project as the work is not currently included in the Business Plan or individual work programmes
- Identifying the right project as our good cause through Donate for Dartmoor, this will need to be a conservation or access project that the public can buy in to. Officers are currently working up a 'Moor Care' project which would ideally combine erosion repair and conservation work.

4.2 We have been approached about this project by a business partnership which has a proven track record in delivering successful projects in other locations. The partnership is confident that it can deliver a project which covers costs and provides an income for us to deliver conservation and access projects on Dartmoor. Given the financial risk associated with the project, officers feel that using a company with proven track record is essential.

## 5 Financial Implications

5.1 The cost of developing a project including a project manager/consultant, 100 art pieces and developing the trail is estimated to be in the region of £143,000. The income generated from other schemes suggests that the project cost can easily be recovered and additional income can be generated through the sponsorship and sales packages (see below). However, this is not guaranteed; there is a risk of non-recovery of costs.

Item	Cost	Income
Raw materials (sculptures and transport)	£47,000	
Marketing ,design and printing	£34,500	
Artists	£11,000	
Consultant/Project Manager fee	£35,500	
Artists	£11,000	
Miscellaneous	£3,000	
Sponsorship of sculptures		£125,000
Live auction sales of sculptures		£120,000
Other in kind sponsorship		£20,000
Donations		£5,000
<b>TOTAL</b>	<b>£143,000</b>	<b>£270,000</b>

\*Figures based upon previous projects

5.2 There will also be staff resource required from the Authority to progress the project. We will need a lead officer to liaise with the project manager/consultant and “manage” the project at the Authority. This is not included within current programmes and will require additional resource which could be met from the Authority’s Project Fund.

## 6. Risk

6.1 This project is not without risk. There is obviously both a financial risk and a reputational risk for the Authority. We have identified and considered the following risks which will affect the success of the project:

**Probability + Severity – do you want to put in a column – “High / Medium / Low”?**

<b>Risk</b>	<b>Value</b>	<b>Comment/Mitigation</b>
Attracting the right calibre of artist	£120,000 if on-line auction does not generate sales	Need to engage the right Project Manager and utilise local contacts. We could suspend project at this point to minimise loss.
Sponsorship not forthcoming	£145,000	Quality of artistic product is essential. If right artist are found this risk should be significantly reduced. Need to be clear about allocation of any income generated to projects of conservation, landscape or access value.
Local business do not sign up to host art and hence no trail for visitors	-	Unlikely. Communications plan will be essential and utilising local networks. Project manager with proven experience.
The general public do not 'connect' with the project.	Local businesses do not benefit	Quality promotional material. Links with local schools will help promote.
Criticism that this is commercialisation of Dartmoor		Quality product, sculpture linked to Dartmoor and can tell part of Dartmoor story. Temporary structures not located in open countryside but associated with settlements and businesses.
Competition	Lack of interest, difficulty to find new artists	The sculpture will be important. Officers need to address this issue before committing.

## **7 Conclusion and Next Steps**

- 7.1 If successful, this project has the potential to engage with a new audience, boost visitor spend in the local economy, engage with local schools, provide an opportunity for interpretation and possibly generate income. These are all priorities in Defra's 8-point plan for National Parks. There are, however, significant risks associated with this project but they can be reduced if we procure an experienced company to develop the project. At this stage we have not consulted widely with landowners and businesses but should Members agree to pursue the Project this would be a crucial next step along with the development of a detailed Project Plan to agree the detail

and to allow termination of the Project at appropriate stages should the identified risks materialise.

- 7.2 Government is expecting National Park Authorities to generate additional income. As the Authority starts on this path there will be risks and these will be higher in the early years as we learn and develop our own skills and experience. This project, working in partnership with experienced project manager/consultant, will provide invaluable experience for that journey.

## **8 Recommendation**

- 8.1 That Members support the development of this initiative and allocate £143,000 from the invest to generate reserve to cover the costs.

ALISON KOHLER

DARTMOOR NATIONAL PARK AUTHORITY

3 June 2016

**TREE PRESERVATION ORDERS, SECTION 211 NOTIFICATIONS  
(WORKS TO TREES IN CONSERVATION AREAS)  
AND HEDGEROW REMOVAL NOTICES  
DETERMINED UNDER DELEGATED POWERS**

Report of the Trees and Landscape Officer

Recommendation : **That the decisions be noted.**

**TREE PRESERVATION ORDERS**

**Teignbridge**

**Ref: 15/0063**                      **Plym Valley Woods, Shaugh Prior**                      **SX 5333 6362**

Application to fell three oak trees one sycamore and one alder. The trees are in poor condition. Consent was granted subject to the following conditions:

1. Five working days, notice to be given to the Authority prior to the commencement of approved works.
2. Replacement planting of three oak trees within the crown spread of the originals during the first planting season following felling

**Ref: 15/0065**                      **18 Hawkmoor Park, Bovey Tracey**                      **SX 8031 8075**

Application to remove a sub-dominant leader from a sycamore. The sub-dominant leader has been damaged in recent winds. Consent was granted subject to the following conditions:

1. Five working days, notice to be given to the Authority prior to the commencement of approved works.
2. All works are carried out in accordance with British Standard 3998:2012 Tree Work - Recommendation

**Wet Devon**

**Ref: 15/0064**                      **10 Moorfields, Moorhaven**                      **SX 6703 5745**

Application to reduce an ash tree. The tree dominates the small garden. Consent was granted subject to the following conditions:

1. Five working days, notice to be given to the Authority prior to the commencement of approved works.
2. All works are carried out in accordance with British Standard 3998:2012 Tree Work - Recommendation

**Ref: 15/0066**

**Lower Hobey Belstone**

**SX 6185 9355**

Application to reduce the crowns of three beech and two sycamore trees. The works are necessary to prevent the trees damaging adjacent properties. Consent was granted subject to the following conditions:

1. Five working days, notice to be given to the Authority prior to the commencement of approved works.
2. All works are carried out in accordance with British Standard 3998:2012 Tree Work - Recommendation

**Ref: 15/0067**

**9 Moorfields, Moorhaven**

**SX 6700 5743**

Application to reduce an ash tree. The tree dominates the small garden. Consent was granted subject to the following conditions:

1. Five working days, notice to be given to the Authority prior to the commencement of approved works.
2. All works are carried out in accordance with British Standard 3998:2012 Tree Work - Recommendation

## **SECTION 211 NOTICES**

### **Teignbridge**

**Ref: 15/0062**

**St Winifred's Church, Manaton**

**SX 7494 8129**

Notification to reduce a yew tree. The works will have minimal impact on the health or appearance of the tree.

A Tree Preservation Order has not been made.

### **West Devon**

**Ref: 15/0061**

**Lower Tavydale, Mary Tavy**

**SX 5086 7860**

Notification to fell a eucalyptus and pine and to reduce the crowns of an oak and two beech trees. The works will have minimal impact on the character of the Conservation Area.

A Tree Preservation Order has not been made.

**Ref: 15/0068**

**St Michaels Church, Chagford**

**SX 7015 8747**

Notification to remove low branches from three sycamore trees, a lime and horse chestnut tree. The works will have minimal impact on the health or appearance of the trees.

A Tree Preservation Order has not been made.

**BRIAN BEASLEY**

## DARTMOOR NATIONAL PARK AUTHORITY

3 June 2016

**SITE SIZE THRESHOLD FOR THE USE OF SECTION 106 AND AFFORDABLE HOUSING CONTRIBUTIONS**Report of the Senior Forward PlannerRecommendation : **That Members:**

- (i) adopt the Interim Statement on the use of Section 106 Agreements;**
- (ii) agree to adopt the lower threshold of five units or less;**
- (iii) agree to the revision of the Affordable Housing Supplementary Planning Document (SPD) to explain the Authority's response to the changed government guidance and policy**

**1. Introduction**

1.1 In November 2014 Government published a Written Ministerial Statement which brought in a national threshold for affordable housing on small sites. The key elements being:

- For units of 10 units or less, and which have a maximum combined gross floor space of 1,000 sqm, affordable housing and tariff style contributions should not be sought.
- In designated areas (including National Parks) the local planning authority may choose to implement a lower threshold of five units, beneath which affordable housing and tariff style contributions should not be sought.
- If the five unit threshold is implemented, then payment of affordable housing and tariff style contributions on developments of between 6-10 units should also be sought as a cash payment only and be commuted until after completion of units within the development.
- These changes will not apply to Rural Exception Sites, which, subject to the local area demonstrating sufficient need, remain available to support the delivery of affordable homes for local people.
- Where a vacant building is brought back into any lawful use, or is demolished to be replaced by a new building, the developer should be offered a financial credit equivalent to the existing gross floorspace of relevant vacant buildings when the local planning authority calculates any affordable housing contribution which will be sought. Affordable housing contributions may be required for any increase in floorspace.

**2. Background**

2.1 In response to the Written Ministerial Statement DNPA adopted an Interim Statement (see attached Report to Authority January 2015).

2.2 In July 2015 the High Court quashed the Ministerial Statement and associated elements of the National Planning Practice Guidance, and as such, DNPA withdrew its Interim Statement in September 2015.

- 2.3 In May 2016 the Government successfully appealed the High Court judgement, with the Written Ministerial Statement and associated National Planning Practice Guidance now reinstated with immediate effect.
- 2.4 This effectively takes us back to the position of having a nationally imposed affordable housing threshold, which is inconsistent with our adopted Local Plan. As such it is appropriate that DNPA again adopts an Interim Statement setting out how it intends to consider applications where the Written Ministerial Statement and associated Guidance will be material considerations, until such time as the position can be addressed through a review of the Affordable Housing Supplementary Planning Document (SPD).

### **3. Discussion**

- 3.1 There was a degree of uncertainty around the national policy position previously, thus to a degree it was considered appropriate to 'hold the line' and resist proposals which did not include affordable housing. It is important however that DNPA makes clear to applicants how proposals will be treated. The Interim Statement below aims to do this, in the context of the updated National Planning Practice Guidance and new Housing and Planning Act, which erodes the traditional approach to affordable housing and its delivery.
- 3.2 Given the threshold is now firm in its status (and additional provision is brought in through the Act to enable a threshold anyway, had the government appeal been unsuccessful) DNPA must consider a short to medium term position.
- 3.3 The Interim Statement below now more clearly sets out how DNPA will consider applications for housing development in the context of the threshold. It is also proposed that the Affordable Housing Supplementary Planning Document (SPD) is reviewed, in order to incorporate a small number of changes necessary as a result of the threshold and the Act. This will ensure applicants are clear on our advice, and enable them to make good applications. This process will require a formal period of consultation, and the formal adoption of a revised SPD.

#### **DNPA Interim Statement on Section 106 obligations**

This statement is in response to recent changes to National Planning Practice Guidance, the Ministerial Statement of 28 November 2015 and the introduction of a threshold on affordable housing and tariff style contributions on small residential developments.

Sustainable development is about positive growth whilst ensuring an appropriate balance of environmental, social and economic benefit, consistent with National Park purposes. Dartmoor National Park Authority (DNPA) will determine all applications for housing development in line with the adopted policies in its local plan, and the presumption in favour of sustainable development, whilst recognising the due weight to be given to the National Planning Practice Guidance. Proposals which do not offer affordable housing consistent with the adopted policies in the local plan will need to demonstrate how they constitute sustainable development. We believe that the provision of affordable housing on-site remains the most appropriate use of development land in the National Park; commuted sums for off-site provision will require clear justification.

We have adopted the lower threshold of 5 units or less, meaning schemes of 6-10 units should make an affordable housing contribution in the form of a commuted sum in line with local plan policy for the total number of units. Schemes of 11 or more units will continue to be required to make on-site affordable housing contributions in accordance with adopted policies.

**DNPA Interim Statement on Section 106 obligations continued .../**

In line with national guidance we will still seek obligations for site specific infrastructure on small sites, such as highways works, where this is appropriate, to make a site acceptable in planning terms.

Proposals for new residential development must be consistent with the relevant sections of the local plan in respect of the suitability of the site for residential development. Supplementary Planning Documents will also be relevant, including Design Guidance (which sets out advice on site suitability, and density), and Affordable Housing (which includes information on commuted sums).

It remains the case that the National Park is not a suitable location for isolated homes in the countryside (outside classified settlements) consistent with the National Planning Policy Framework (Para 55) and English National Parks Vision and Circular (Paras 76-79).

DAN JANOTA

**Background documents**

[Authority Report adopting interim statement \(Apr 2015\)](#)

[Authority Report rescinding interim statement \(Sep 2015\)](#)



## DARTMOOR NATIONAL PARK AUTHORITY

4 September 2015

**INTERIM STATEMENT ON AFFORDABLE HOUSING  
ADOPTED JANUARY 2015**Report of the Head of PlanningRecommendation : **That Members:**

- (i) Rescind the Interim Statement adopted on 9 January 2015**
- (ii) Rescind the lower threshold of five units or less**
- (iii) Note a separate Supplementary Planning Document (SPD) on affordable housing is no longer required at this time**

**1 Introduction**

- 1.1 In January 2015 Members considered a report (Section 106 Thresholds – Changes to Government Guidance), (NPA/15/001) which described a new policy position adopted by Ministerial Statement and incorporated in the National Planning Practice Guidance. This new policy materially altered the Authority's ability to require S106 contributions for affordable housing (and other 'tariff style contributions') on development of 10 housing units or less. The Authority was given the opportunity to adopt a lower threshold of 5 units or less; however, the guidance stated that only off site commuted sums and financial contributions may be sought of schemes of 6-10 units. This meant for those schemes the money could be collected but would need to be spent on other sites following the completion of the development.
- 1.2 Members adopted the lower threshold, and an Interim Statement on Section 106 Obligations, as well as committing to alterations in the form of a Supplementary Planning Document (SPD) which would reflect the new position.

**2 Interim Statement**

- 2.1 The purpose of the Interim Statement was to minimise the adverse impact on the delivery of affordable housing in the National Park:

**DNPA Interim Statement on Section 106 obligations**

Dartmoor National Park Authority (DNPA) will determine all applications for housing development in line with the adopted policies in its local plan, and the presumption in favour of sustainable development. Proposals which do not offer affordable housing consistent with the adopted policies in the local plan will need to provide clear evidence in respect of how they constitute sustainable development. DNPA believes that the provision of affordable housing on-site remains the most appropriate use of development land in the National Park; commuted sums for off-site provision will require clear justification.

The provision of affordable housing to meet local needs is a key element of sustainable development in the National Park, and is a fundamental principle of the local plan. This approach ensures that development is focussed upon meeting the needs of National Park communities, and that the limited land resource within this nationally important landscape is used to the best effect.

DNPA recognises that sustainable development is about positive growth. Sustainable development will demonstrate an appropriate balance of environmental, social and economic benefit, at all times consistent with National Park purposes. This means any proposed new housing development must show clear consideration of:

**Environment** – recognising the great weight given to conserving and enhancing the special qualities of the National Park, making the best use of limited land resource and providing for appropriate development in the right location

**Society** – meeting the needs of local communities to ensure they are strong, vibrant and healthy

**Economy** – supporting the economic well-being of local communities in a way which is consistent with the special qualities of the National Park

- 2.2 It was recognised that the new Ministerial Statement and National Policy Guidance would require a thorough re-working of the Authority's approval to the delivery of affordable housing, through a new Supplementary Planning Document.

### 3 Legal Challenge

- 3.1 Within the past few weeks the High Court has ruled on a legal challenge to the new policy position. In a judgement handed down on 31 July 2015 the High Court quashed the policy changes announced in Parliament on 28 November 2014, which were later incorporated into revised National Planning Policy Guidance.
- 3.2 Allowing the Claim by West Berkshire District Council and Reading Borough Council, the Court has quashed:
- (i) the relevant parts of the NPPG;
  - (ii) the Secretary of State's decision to adopt the new policy by way of Written Ministerial Statement; and
  - (iii) the Secretary of State's decision on 10 February 2015 to maintain the policy.

The Court also granted a declaration that the policies in the Ministerial Statement must not be treated as a material consideration in development management and development plan procedures and decisions or in the exercise of powers and duties under the Planning Acts more generally.

<http://www.bailii.org/ew/cases/EWHC/Admin/2015/2222.html>

- 3.3 The High Court judgement is to be welcomed. During the period in which the policy has existed, Members have considered applications where the Authority has been unable to require the affordable housing contributions set out in their adopted local

plan. A number of applications which do not meet the local plan requirements for affordable housing are also in the pipeline. It is therefore important that the Authority clearly states its position.

- 3.4 Members should note that the Government has stated an intention to appeal against the judgement.

#### **4 Conclusion**

- 4.1 Planning applications should be determined on the basis of the relevant policy in place at the time of making the decision. As the revised policy position has been quashed, the Authority is back in the position of applying the affordable housing policies as set out in the adopted local plan, taking into account in particular, financial viability, the National Planning Policy Framework and Guidance and other material planning considerations.
- 4.2 Given the removal of the guidance, the lower threshold and interim policy statement previously adopted are unnecessary and unhelpful. Members are asked to rescind those decisions, with immediate effect. The need to amend the Affordable Housing SPD also falls away, although there will be a longer term need to review this document as part of the new Local Plan preparation work which is now underway.

#### **5 Financial Implications**

- 5.1 There are no direct financial implications for the Authority.

DAN JANOTA

**Background papers:** NPA/15/001 Section 106 Thresholds – Written Ministerial Statement

## DARTMOOR NATIONAL PARK AUTHORITY

9 January 2015

**SECTION 106 THRESHOLDS – WRITTEN MINISTERIAL STATEMENT**Report of the Senior Forward PlannerRecommendation : **That Members:**

- (i) adopt the Interim Statement on the use of Section 106 Agreements;**
- (ii) agree to adopt the lower threshold of five units or less;**
- (iii) agree to the preparation of a Supplementary Planning Document (SPD) on Sustainable Development to explain the Authority's response to the changed government guidance.**

**EXECUTIVE SUMMARY**

This report responds to the change in government policy on the use of S106 obligations published 28 November 2014. This Written Ministerial Statement states that affordable housing and tariff-style contributions [e.g. education or public transport contributions] should not be sought on developments of 10 houses or less. Exception sites are not captured by this change. A lower threshold of five units or less may be adopted by the Authority; however, only off site commuted sum financial contributions may be sought of schemes of 6-10 units.

This new policy is contrary to the approach set out in the adopted local plan for Dartmoor National Park which focusses upon affordable housing to meet local needs, consistent with the government circular for National Parks. The use of financial contributions in lieu of on-site provision is considered to have limited merit in the National Park, where land resource is limited and the most effective use must be made of each site.

There remains a degree of uncertainty around The Written Ministerial Statement, and there are a range of implications for Dartmoor, in particular:

- a likely reduced level of affordable housing coming forward in the future;
- an inability to ensure that local needs are met by schemes in their community;
- increased pressure for the use of land for market housing, inconsistent with the local plan and government circular;
- increased case by case negotiation on schemes, including schemes which may be trying to avoid the threshold for contribution requirements.

An interim statement is recommended, to provide a degree of clarity for applicants on the Authority's position, with immediate effect. It is also proposed that the Authority adopts a lower threshold of five units for the purposes of the new policy.

Schemes providing on-site affordable housing consistent with the local plan will continue to be supported, unless material planning considerations dictate otherwise. Where a development does not offer an appropriate level of affordable housing on site, the merits of the scheme will be judged on the basis of the presumption in favour of sustainable

development. Housing which meets the identified local needs of a community is a key aspect of sustainable development in Dartmoor National Park. A Supplementary Planning Document will be prepared, setting out this position in more detail.

## **1 Introduction**

- 1.1. On the 28 November 2014 the government published new national planning policy on the use of Section 106 planning obligation agreements.
- 1.2. The Written Ministerial Statement states that the measures are intended to “*support small scale developers and help hard-working people get the home they want by reducing disproportionate burdens on developer contributions*”. The key elements of the Guidance are:
  - For units of 10 units or less, and which have a maximum combined gross floor space of 1,000 sqm, affordable housing and tariff style contributions should not be sought.
  - In designated areas (including National Parks) the local planning authority may choose to implement a lower threshold of five units, beneath which affordable housing and tariff style contributions should not be sought.
  - If the five unit threshold is implemented, then payment of affordable housing and tariff style contributions on developments of between 6-10 units should also be sought as a cash payment only and be commuted until after completion of units within the development.
  - These changes will not apply to Rural Exception Sites, which, subject to the local area demonstrating sufficient need, remain available to support the delivery of affordable homes for local people.
- 1.3. This new policy is likely to have a significant impact upon the delivery of affordable housing in Dartmoor National Park and the change comes despite a robust response from National Park Authorities regarding the anticipated adverse impact. It should be noted that National Parks are given only the same dispensation from the guidance as some other rural planning authorities. The impact of this policy upon National Park purposes is not therefore given any greater weight.
- 1.4. The principal change in respect of the above is via the amendment of the National Planning Policy Guidance (NPPG). It is understood that CLG considers a written Ministerial Statement to carry greater weight than guidance, and indeed to have equivalent status to the National Planning Policy Framework (NPPF). It may be necessary to commission external legal advice on this question, possibly as a joint instruction with other National Park Authorities, to clarify the appropriate weight which should be given to the Written Ministerial Statement.

## **2. Implications/unintended consequences**

- 2.1 This announcement is likely to have a range of implications for delivery of housing in the National Park. Careful consideration is necessary in order to establish, in the context of our adopted policies, how planning applications to which this guidance may be relevant, should be determined. The discussion section of this report (below) sets out the individual policies in the Development Management DPD which will be engaged by the new policy

## 2.2 The issues arising include:-

**a) Extant unimplemented permissions** - landowners with an extant permission for a development including affordable housing could submit a new application in order to effectively remove these obligations.

- This may lead to a number of additional applications coming forward for consideration
- This could lead to a number of refusals, if these applications are not considered to be sustainable development.
- It is uncertain how the Planning Inspectorate (PINS), on hearing an appeal, will weigh The Ministerial Statement against the policies in an adopted local plan.

It is very unclear how developers holding unimplemented permission may react and it is no more clear what line PINS will take.

**b) Previously implemented permissions –**

- There is the potential that applications could be made to cancel / remove contributions expected by local communities in good faith
- In the alternative, a new application could be submitted to 'delete' these contributions.

Given that government's aim is to bring forward development which was being held back, it is considered that the new policy should not be applied to schemes already built, which have already been proved viable. It is expected therefore that this is not relevant in respect of new applications on sites with extant permission.

**c) Thresholds** - the opportunity to adopt a lower threshold provides some comfort. However, when considered against the Authority's record of delivery on small sites, and the value of even single house development in contributing to affordable housing in the National Park, the reduced threshold does not go far enough. Furthermore the fact that sites sized 6-10 units may only contribute as a commuted sum shows a real lack of understanding around land supply in National Parks. The principal challenge is around the most effective use of land. A commuted sum for provision 'on another site' may be reasonable where there is adequate land supply; in Dartmoor where development opportunities are highly restricted, payment of a cash sum, does not guarantee the delivery of affordable housing where there is an identified need. Provision on site remains the most effective and efficient delivery mechanism.

The upper threshold applies to 10 units or less, and which have a maximum combined gross floor space of 1,000 square metres; it should be noted that there is no equivalent floor space threshold applicable to the five unit threshold proposed by CLG. On this basis excessively large schemes of five units or less may not be captured by the adoption of the lower threshold. Instead it is assumed Authorities will have to apply their own reasonable thresholds in respect of what is appropriate in respect of design and an effective and efficient use of land.

- d) Timing** - The fact that a commuted lump sum contribution for schemes of 6-10 dwellings is not payable until after completion of the development, severely weakens the Authority's ability to secure this contribution. Typically planning authorities require payment of a significant part of the contribution up front and, recognising the need to support developer cash flow, require the balance to be paid later in the development. Normally the full amount will be paid prior to the occupation of all the open market dwellings on the site, in order to avoid the risk of developer insolvency or the developer 'leaving site' without making payment as required.
- e) Loopholes** - the use of arbitrary numerical thresholds can lead to loopholes, open to exploitation in order to avoid liability for / payment of contributions. The most obvious risk will be a developer who splits a single application for eight dwellings into two applications for four dwellings each in order to evade any liability to provide or contribute to affordable housing. The Authority should continue to take a robust approach on the assessment of sites and the most efficient use of land; there should be a clear position that proposals which are not an efficient use of land (i.e. lower density), or which split proposals (e.g. two applications for nine units) on a site such that a contribution may be avoided, will not be supported on the basis that they fail to deliver sustainable development. A further loophole may be where a larger site in the same ownership comes forward in two phases with an under-threshold number of dwellings on each phase.
- f) Local** - There is a lack of clarity around the use of local occupancy conditions. It is unclear whether the Authority could sustain the use of local occupancy conditions, though without the 'affordable' aspect of the planning obligation. This will be explored further, and will be an option to consider as part of the review of the policies in the local plan in due course.
- g) Local plan** - The Authority's local plan is a positive and proactive plan, setting out housing and mixed use allocations to give communities and developers certainty and steering development to the most sustainable locations. The settlement strategy guides development to the larger and more sustainable settlements, and the recently adopted Affordable Housing SPD applies a pragmatic approach around cross subsidy, and increasing use of commuted sums to bring forward viable development. Reliance upon exception sites is limited, and smaller settlements see local needs development through small schemes within the built form of the village.

With more limited ability to ensure that housing development is focussed upon meeting identified local needs for affordable housing, the likelihood is that less housing development will come forward, and that National Parks may seek to adopt more restrictive local plans in future, with a greater reliance on exception sites.

- h) Right to Build** - The Authority, together with Exmoor NPA, is a Right to Build Vanguard pilot area. The two phases of the new Right to Build are organised around (i) setting up a register to establish local need and take account of that need, and (ii) to provide plots for those on the Register. If the Authority no longer has the ability to use S106 planning obligations agreements to secure

the use of those plots for local people in housing need, the local people on the register may never gain a plot. In areas of high demand and limited supply, people with higher incomes may bid for and buy the plots and they will be sold at prices beyond the reach of local people.

This principle will apply to general housing policy too, where need would normally be met by development on smaller sites. Given the contribution small sites make to housing provision in the National Park, the Authority will effectively be planning for an identified local housing need which it cannot guarantee meeting because no effective delivery mechanism is in place.

### **3 Discussion**

- 3.1 CLG officials have stated that the Written Ministerial Statement has the status of national planning policy and ranks with the National Planning Policy Framework. However, there has been no amendment to Section 106 of the Town and Country Planning Act 1990 and the ability to enter into agreements remains unchanged.
- 3.2 The Development Plan has primacy and Section 34 of the Planning & Compulsory Purchase Act 2004 requires decisions to be based upon development plan policies unless material planning considerations indicate otherwise. The policies in the adopted local plan for Dartmoor National Park set a different threshold – all housing shall be affordable for local people in housing need, except that up to 50% open market housing may be permitted if it enables the delivery of affordable housing.
- 3.3 Despite the recent change in national policy, the Authority is bound to continue to determine applications in line with its development plan, unless material planning considerations indicate otherwise. The local plan clearly states that S106 agreements will be the delivery mechanism of choice to ensure affordability and occupation by local people in perpetuity. It has not been suggested that local plans inconsistent with The Written Ministerial Statement should be treated as out of date or unsound, given the implications this would have, nationally. Given the new policy, the Authority must, therefore, consider how it will determine applications submitted where the Development Plan would require the provision of affordable housing. A decision is required as to whether applications would be considered on a case by case basis, refused, as affordable housing can no longer be required, or approved as market housing. On the basis of the above, it is proposed to adopt a pragmatic approach, which recognises the spirit of the new policy but applies this in the context of an up to date local plan for the National Park.
- 3.4 The Authority's adopted Development Management DPD has a policy setting out the presumption in favour of sustainable development (Policy DMD1a). This states

#### ***Policy DMD1a – Presumption in Favour of Sustainable Development***

*When considering development proposals the Authority will take a positive approach that reflects the presumption in favour of sustainable development contained in the National Planning Policy Framework. It will always work proactively with applicants jointly to find solutions which mean that proposals can be approved wherever possible, and to secure development that improves the economic, social and environmental conditions in the area. Planning applications that accord with the policies in this Local Plan (and, where relevant, with policies in neighbourhood plans) will be approved without delay, unless material considerations indicate otherwise.*



*Where there are no policies relevant to the application, or relevant policies are out of date at the time of making the decision, then the Authority will grant permission unless material considerations indicate otherwise taking into account whether:*

- *any adverse impacts of granting permission would significantly and demonstrably outweigh the benefits, when assessed against the policies in the National Planning Policy Framework taken as a whole; or*
- *specific policies in that Framework indicate that development should be restricted.*

3.5 The Authority may consider development which does not include affordable housing to be unsustainable, on the basis that it is not development which “*improves the economic, social and environmental conditions in the area*”. Alternatively, or in addition, it may be considered an inefficient or ineffective use of limited and valuable land resource within the National Park, and failing to meet the identified needs of a community.

3.6 The housing policies in the local plan relevant to the change in national policy are DMD21, DMD22 and DMD23. These are set out in turn below, with the key aspects underlined:

### ***Policy DMD21: Residential development in Local Centres***

*In the Local Centres, new dwellings will be permitted within the designated settlement boundaries:*

- (i) *on previously developed land; or*
- (ii) *on small infill plots within an existing built frontage; or*
- (iii) *where they will be provided through the conversion or subdivision of existing residential or non residential building; or*
- (iv) *on other sites where the development would facilitate significant environmental improvement or the delivery of essential social, cultural or economic infrastructure; or*
- (v) *on sites allocated in this document.*

*In all cases, except as where indicated in a specific settlement policy, the proportion of affordable housing to meet local need should not be less than 50% of the units provided, although this may be varied where a higher proportion of open market housing can be shown to be essential to secure the overall viability of development or the delivery of significant local infrastructure provision of clear benefit to the local community.*

*Exceptionally, where the need for affordable housing cannot be met within the settlement boundary, and there is a specific local need identified for such housing, then permission will be granted for a development on suitable sites adjoining the settlement boundary. In such cases all the housing will be required to be affordable.*

3.7 In Local Centres there are a number of scenarios, as underlined above, where the new government guidance may be relevant. Currently the Local Centres are the only locations where market housing is permitted. In particular, these relate to (i) infill, (ii) brownfield and (iii) conversion developments. The ability to bring forward development which would facilitate other benefits is also relevant, and such schemes may already be considered flexibly in respect of affordable housing

obligations, in order to support the overall viability. Certain development of market housing which leads to clear benefit in respect of sustainable development, would still be appropriate in Local Centres.

***Policy DMD22: Residential development in Rural Settlements***

*Unless identified in the settlement proposals, no new open market housing will be permitted in the Rural Settlements. All new housing will need to be affordable and located on small infill plots within an existing built frontage and within the settlement or provided through the acceptable conversion of an existing building.*

*Exceptionally, where a specific parish need for affordable housing has been identified, then development tailored to meet those needs will be permitted on suitable land within or adjoining the settlement and well related to its existing built form.*

- 3.8 Market housing is not permitted in Rural Settlements, other than a limited amount on Exception Sites in order to make a scheme viable (as set out in the Affordable Housing SPD). Rural Settlements are the smaller villages in the National Park and can vary significantly in respect of their size, and thus suitability for new development. Development of market housing may be considered unsustainable, in the absence of meeting an identified local need or providing other significant benefits.

***Policy DMD23: Residential development outside Local Centres and Rural Settlements***

*Outside the Local Centres and Rural Settlements, planning permission for a dwelling will only be granted where:*

*(a) it is required for an agricultural holding, a forestry enterprise or a rural-based business; or*

*(b) the proposal comprises the conversion of an existing building to an affordable dwelling and the conversion is compliant with Policy DMD9; or*

*(c) the proposal comprises low impact residential development and is compliant with Policy DMD30.*

- 3.9 A focus upon the presumption in favour of sustainable development would seem the most pragmatic and appropriate approach. On this basis the Authority has the ability to continue to focus the most appropriate development in the most appropriate locations, consistent with National Park Purpose and the ambition of achieving 'development which is good for Dartmoor'.
- 3.10 Outside classified settlements, new build housing development is restricted to meeting the needs of rural businesses. Conversion of a traditional building to an affordable house may also be appropriate. New build market housing in the open countryside is not likely to be considered sustainable development. Conversions to market housing in the open countryside are also unlikely to be considered sustainable. Members will recall the recent government decision to exclude National Parks and AONBs from the permitted development rights for changing agricultural buildings to dwellings.
- 3.11 The Authority would have a clear justification for such a stance. The Written Ministerial Statement appears inconsistent with National Park purposes, and

contrary to the National Parks circular which states “*Government recognises that the Parks are not suitable locations for unrestricted housing*” and that “*The expectation is that new housing will be focused on meeting affordable housing requirements, supporting local employment opportunities and key services. The Government expects the Authorities to maintain a focus on affordable housing and to work with local authorities and other agencies to ensure that the needs of local communities in the Parks are met and that affordable housing remains so in the longer term.*”

3.12 The National Planning Policy Framework (NPPF) is also clear that “*great weight should be given to conserving landscape and scenic beauty in National Parks*”. Members may believe that unrestricted market housing in the National Park brings great risk to the first statutory purpose of landscape conservation.

3.13 It is important to note the wording of the Statement, which states that contributions should ‘*not be sought*’. It appears, therefore, that voluntary arrangements may be settled, where a development or builder recognises that such an approach would lead to consideration of a proposal as sustainable development, with a greater likelihood of a favourable outcome. Such an approach may be of particular value in respect of self-build properties. Furthermore the guidance does not refer to local occupancy conditions, or any other type of planning condition. These could provide some scope for mitigating the impact of the guidance in the event that a fall-back position is necessary.

#### **4 Interim Statement**

4.1 It is recommended that the following statement is ratified, for use to advise communities and applicants with immediate effect.

##### **DNPA Interim Statement on Section 106 obligations**

Dartmoor National Park Authority (DNPA) will determine all applications for housing development in line with the adopted policies in its local plan, and the presumption in favour of sustainable development. Proposals which do not offer affordable housing consistent with the adopted policies in the local plan will need to provide clear evidence in respect of how they constitute sustainable development. DNPA believes that the provision of affordable housing on-site remains the most appropriate use of development land in the National Park; commuted sums for off-site provision will require clear justification.

The provision of affordable housing to meet local needs is a key element of sustainable development in the National Park, and is a fundamental principle of the local plan. This approach ensures that development is focussed upon meeting the needs of National Park communities, and that the limited land resource within this nationally important landscape is used to the best effect.

DNPA recognises that sustainable development is about positive growth. Sustainable development will demonstrate an appropriate balance of environmental, social and economic benefit, at all times consistent with National Park purposes. This means any proposed new housing development must show clear consideration of:

**Environment** – recognising the great weight given to conserving and enhancing the special qualities of the National Park, making the best use of limited land resource and providing for appropriate development in the right location

**Society** – meeting the needs of local communities to ensure they are strong, vibrant and healthy

**Economy** – supporting the economic well-being of local communities in a way which is consistent with the special qualities of the National Park

## **5 Longer term position**

5.1 It is proposed that the approach set out in the Interim Policy Statement should be expanded and clarified in a Supplementary Planning Document (SPD) on Sustainable Development. This short SPD should help applicants make successful applications by:

- Providing detail around what constitutes sustainable development in Dartmoor National Park
- Setting out the relevant factors against which applications may be judged in respect of the presumption in favour of sustainable development
- Providing clear guidance for applicants, in order to help them make successful applications.

5.2 It is proposed that this SPD be prepared as a matter of high priority, in order to provide clarity and to protect the National Park from inappropriate development which would impact adversely upon National Park purposes. The SPD will be subject to a minimum eight week public consultation; following the consultation and any changes necessary, it would be presented for adoption by the Authority. SPDs do not undergo public examination. Any adopted SPD would however be a material consideration in the determination of applications and would add weight to the primacy of the Local Plan when appeals are considered by the Planning Inspectorate.

5.3 In the medium to longer term (2-5 years) there will be a need to review the local plan (the Core Strategy and Development Management DPD). This review will be undertaken in the context of relevant government policy and guidance at that time, and will have the benefit of some experience of the impacts and consequences (both intended and unintended) of the new government guidance on the delivery of affordable housing.

## **6 Equality and sustainability impact**

6.1 An equality impact assessment will be undertaken of the proposed SPD. This will enable a clearer consideration of the position proposed above.

## **7 Financial implications**

7.1 The Written Ministerial Statement issued on 28 November 2014 will lead to increased costs for the Authority if Members agree to the preparation of a new

Supplementary Planning Document (SPD). This cost will primarily be in terms of officer time. There is also the risk of costs being awarded following planning appeals if we are deemed to have acted 'unreasonably' in refusing permission or seeking affordable housing provision. The proposal to develop a new SPD should mitigate this.

DAN JANOTA