

DARTMOOR NATIONAL PARK AUTHORITY

6 February 2015

FEES AND CHARGESReport of the Head of ResourcesRecommendation : **That Members:**

- (i) **approve the recommendations made in section 3 of this report; and**
- (ii) **approve the fees and charges contained in Appendix 2 to this report for the financial year 2015/16**

1 Background

- 1.1 The Authority is responsible for a number of services for which fees are permitted to be charged in order to offset the costs involved. The fees and charges considered to be appropriate were originally set when Dartmoor National Park Authority became a free-standing Authority in 1997. The Government requires that Local Authorities should raise revenue wherever possible to cover costs, which means that fees and charges (which include recommended donations) are reviewed and approved on an annual basis.

2 Current Situation

- 2.1 The Authority needs to consider the fees and charges for each financial year when setting its budget. Whilst not a major source of income (excluding planning and mobile vending), fees and charges do assist the Authority in setting a balanced budget and in covering the costs of delivering some services. The charges applied may be the difference between providing a service and having to withdraw it all together.
- 2.2 The fees and charges for the current year were approved by the Authority in January 2014 (NPA/14/005). The majority remained unchanged, there was just one new charged introduced:
 - Public Path Orders: for extending a temporary closure and submission to Secretary of State to cover Officer time and advertising costs
- 2.3 This report does not include the setting of Planning Fee charges or Pre-application Planning advice fees. Planning fees are set centrally by Government and the Authority approved the adoption of Pre-application advice fees on 5 December 2014 (NPA/14/047).
- 2.4 A new charge for supplying information under the Environmental Information Regulations was also adopted during the 2014/15 financial year (NPA/14/032).

- 2.5 Appendix 1 provides information on the budgeted level of income expected from fees and charges for 2014/15, the level achieved for the first six months and the projected outturn for the financial year.

3 Recommendations for 2015/16

- 3.1 The proposed schedule of fees and charges for 2015/16 is attached at Appendix 2. Many of these charges have remained unchanged since 2008 as they are individually so small that by increasing them annually, by just inflation, would be inefficient.
- 3.2 It is proposed that the charges for photocopying (last changed in 2008) and for providing hospitality (set in 2011) are increased marginally to cover the cost of officer time in providing them. Materials costs have remained fairly constant due to efficient procurement practice.
- 3.3 Charges for the repair/replacement of gateways/posts have been revised to cover the cost of officer time to reach the site and affect the repair and the updated commercial cost of materials.
- 3.4 The charges for Education guided walks and private talks were last revised in 2011. The proposed increases will still see us charging a more than competitive price in the local market and our offer is both different and provides added value. The majority of our customers are schools and these charges are considered small in relation to the overall cost of out of school activities (for example cost of coach hire and teacher cover).
- 3.5 The annual Ranger Ralph membership fee was first introduced in 2011 at £5 and has remained the same ever since. It is therefore proposed to increase this to £6; attendance at events is still free. We are also currently piloting a Junior Ranger Programme, over the next 12 months.
- 3.6 Under the heading of 'Miscellaneous' on the attached schedule we include a range of charges for filming, use of car parks for events and associated officer support. It is proposed that these rates are set as the 'minimum charge' which gives us room to negotiate appropriately in respect of event type and scale.
- 3.7 Car parking at Princetown: at the Authority meeting on 9 January 2014 Members agreed to consult on a proposal to increase the parking charges at Princetown as outlined in Appendix 2. Any revision to the current parking charges requires an amendment to the Off Road Parking Places Order, which must be made by and advertised by West Devon Borough Council (WDBC). Members were asked to approve the proposal in advance of this meeting so that the costs of the consultation and the making of the order could be shared with WDBC.

4 Financial Implications

- 4.1 As previously stated, fees and charges (excluding planning fees, sales and mobile vending) are not a major income source for the Authority and the income projected for the current financial year is £47,631 (£61,407 in 2013/14).

4.2 This new schedule of fees and charges has been incorporated into the 2015/16 Revenue Budget, which is also being presented to you today.

5 Equality and Impact Assessment

5.1 The implications for access to services and the economy of the area are fully considered and addressed in all of the Authority's policies, especially when considering charging for services. Consideration is given to proactively engaging those who may not otherwise access Dartmoor, being mindful of potential barriers and balancing the need to generate income and maintaining budgets that are flexible and responsive to the needs of service users.

5.2 The Audit and Governance Committee received a draft set of fees and charges at its meeting on 21 November 2014 (NPA/AG/14/053). A detailed discussion took place and the Committee supported the proposal to bring them, unchanged, to the Authority for approval.

DONNA HEALY

Background Papers: NPA/14/005, NPA/14/047, NPA/AG/14/053

Attachments: Appendix 1 - Income to date for 2014/15
Appendix 2 - Proposed fees and charges 2015/16

Sales, Fees and Charges	2013/14 Outturn	2014/15 Budget	2014/15 Actual at Month 6	2014/15 Forecast Outturn	2014/15 Variance Under (Over)	
	£	£	£	£	£	
Sale of Wood & Logs	(2,421)	0	(168)	(168)	(168)	
Filming & Wayleaves	(6,782)	0	(2,118)	(2,118)	(2,118)	
Farm Environmental Plans	(3,075)	0	(450)	(450)	(450)	
Talks	(300)	0	(100)	(100)	(100)	
Room Hire & refreshments (Parke)	(616)	0	(295)	(295)	(295)	
Work Recharged to 3rd Parties	(2,240)	0	(1,250)	(1,250)	(1,250)	Rangers, Conservation Works & HR
Events: Higher Uppacott	(364)	(200)	(900)	(900)	(700)	
Photocopying	(387)	(200)	(39)	(50)	150	
Legal Costs recovered	(7,915)	(4,250)	(3,435)	(4,250)	0	
Other donations (All services)	(3,627)	(3,000)	(3,305)	(3,500)	(500)	
Donations made at Car Park Cairns	(13,723)	(9,000)	(9,769)	(11,500)	(2,500)	Postbridge, Haytor, Meldon, Dartmeet, Newbridge
Car Parking charges at Princetown	(9,089)	(22,000)	(5,720)	(14,000)	8,000	
Guided Walks	(840)	(800)	(367)	(500)	300	
Educational Walks	(4,530)	(5,000)	(2,190)	(5,000)	0	
Ranger Ralph	(775)	(650)	(470)	(550)	100	
£ for the Park	(4,723)	(2,500)	(2,521)	(3,000)	(500)	
	(61,407)	(47,600)	(33,097)	(47,631)	(31)	
Information Centres Sales	(84,005)	(87,750)	(84,321)	(115,000)	(27,250)	
Mobile Vending	(20,132)	(18,650)	(17,660)	(17,660)	990	
Affordable Housing Valuations	(1,164)	0	(1,034)	(1,034)	(1,034)	
Housing Viability Assessments	0	0	(800)	(800)	(800)	
Enforcement Fees	(2,515)	0	(780)	(2,000)	(2,000)	
Planning Fees	(169,722)	(170,000)	(115,099)	(185,000)	(15,000)	
Non Material Amendments	(3,200)	(2,500)	(1,757)	(3,400)	(900)	
Monitoring of Mineral Sites	0	(1,000)	0	0	1,000	
Discharge of Conditions	(7,383)	(6,000)	(2,627)	(5,000)	1,000	
	(288,121)	(285,900)	(224,078)	(329,894)	(43,994)	
Total	(349,528)	(333,500)	(257,175)	(377,525)	(44,025)	

**DARTMOOR NATIONAL PARK AUTHORITY
FEES AND CHARGES 2014/15**

Description of Charges Levied (or Donations suggested)	Unit	2014/15 Rates @ 20% £			Proposed 2015/16 Rates (VAT @ 20%) £		
		NET (£)	VAT (£)	GROSS (£)	NET (£)	VAT (£)	GROSS (£)
Administration							
Photocopying - Black and White (charges for sizes over A3 as for plans below)	A4 per side	0.17	0.03	0.20	0.21	0.04	0.25
	A3 per side	0.17	0.03	0.20	0.21	0.04	0.25
Photocopying - Colour (charges for sizes over A3 as for plans below)	A4 per side	0.29	0.06	0.35	0.33	0.07	0.40
	A3 per side	0.29	0.06	0.35	0.33	0.07	0.40
Plan Copying – Colour (subject to copyright)	A4 per side	0.29	0.06	0.35	0.33	0.07	0.40
	A3 per side	0.29	0.06	0.35	0.33	0.07	0.40
	A2 per side	0.58	0.12	0.70	0.63	0.13	0.75
	A1 per side	1.04	0.21	1.25	1.08	0.22	1.30
	A0 per side	2.00	0.40	2.40	2.04	0.41	2.45
NB: Copying charges that total less than £1 will be waived							
Microfilm Copying		As photocopying			As photocopying		
Private Telephone Calls		Actual time			Actual time		
Private Faxes		Actual time			Actual time		
Development Management							
Planning Application Fees		See "Government Scale Charges"			See "Government Scale Charges"		
Copy of Section 52/106 Agreement		Charge per page in scale of photocopying charges above subject to maximum charge of £10.00 (inc VAT)			Charge per page in scale of photocopying charges above subject to maximum charge of £10.00 (inc VAT)		
Copy of Decision Notice							
Copy of Enforcement Notice							
Copy of Appeal Decisions							
Copy of Appeal Statement							
Copy of Tree Preservation Order							
Copy of Weekly List (annual subscription)		112.50	22.50	135.00	112.50	22.50	135.00
Planning Search		10.00	2.00	12.00	10.00	2.00	12.00
All postal requests carry a minimum £2 postage/administration charge. Actual postage will be charged if in excess of £2		1.67	0.33	2.00	1.67	0.33	2.00

**DARTMOOR NATIONAL PARK AUTHORITY
FEES AND CHARGES 2014/15**

Description of Charges Levied (or Donations suggested)	Unit	2014/15 Rates @ 20% £			Proposed 2015/16 Rates (VAT @ 20%) £			
		NET (£)	VAT (£)	GROSS (£)	NET (£)	VAT (£)	GROSS (£)	
Authority		NET (£)	VAT (£)	GROSS (£)	NET (£)	VAT (£)	GROSS (£)	
Agenda – Copies of Minutes/Reports/One off requests		Charge per page (inc VAT)			Charge per page (inc VAT)			
Meeting Room Hire		NET (£)	VAT (£)	GROSS (£)	NET (£)	VAT (£)	GROSS (£)	
Parke								
Meeting Room	Half Day (up to 4 hrs)	75.00	EXE	75.00	75.00	EXE	75.00	
	All Day (over 4 hrs)	150.00	EXE	150.00	150.00	EXE	150.00	
	Refreshments per delegate:							
	1st serving	1.25	0.25	1.50	1.67	0.33	2.00	
	2nd serving	0.83	0.17	1.00	1.25	0.25	1.50	
Cancellation charges	Notice of cancellation of 48 hours or more	No Charge			No Charge			
	Notice of cancellation 24 to 48 hours	50% Charge			50% Charge			
	Notice of cancellation less than 24 hours	Full Charge			Full Charge			
High Moorland Office		NET (£)	VAT (£)	GROSS (£)	NET (£)	VAT (£)	GROSS (£)	
Room 1	1 hour	15.00	EXE	15.00	15.00	EXE	15.00	
	Half Day (up to 4 hrs)	40.00	EXE	40.00	40.00	EXE	40.00	
	All Day (over 4 hrs)	65.00	EXE	65.00	65.00	EXE	65.00	
	Evening Room Hire (per hour)		N/A			N/A		
	Refreshments per delegate:							
	1st serving	1.25	0.25	1.50	1.67	0.33	2.00	
2nd serving	0.83	0.17	1.00	1.25	0.25	1.50		
Honesty Cairns (Donations)		NET (£)	VAT (£)	GROSS (£)	NET (£)	VAT (£)	GROSS (£)	
Cars		2.00	OOS	2.00	2.00	OOS	2.00	
Coaches		5.00	OOS	5.00	5.00	OOS	5.00	
Car Parking at Princetown								
Cars - Per Day (24 hours)		0.83	0.17	1.00	1.67	0.33	2.00	
Cars - Per half Day (up to 3 hours)					0.83	0.17	1.00	
Coaches - Per Day		3.33	0.67	4.00	4.17	0.83	5.00	

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Description of Charges Levied (or Donations suggested)		Unit	2014/15 Rates @ 20% £			(VAT	Proposed 2015/16 Rates (VAT @ 20%) £		
			NET (£)	VAT (£)	GROSS (£)		NET (£)	VAT (£)	GROSS (£)
Woodlands			NET (£)	VAT (£)	GROSS (£)		NET (£)	VAT (£)	GROSS (£)
Cordwood		Trailer load	All forestry products to be sold at current market rates (plus VAT)				All forestry products to be sold at current market rates (plus VAT)		
		Cubic metre							
Chippings		Bag							
Sign Arms (fingers)	Single	420 x 114 x 21mm	5.00	1.00	6.00		5.00	1.00	6.00
(Minimum 10 boards)	Single	530 x 114 x 21mm	5.40	1.08	6.48		5.40	1.08	6.48
	Single	710 x 114 x 21mm	7.00	1.40	8.40		7.00	1.40	8.40
	Double	1320 x 114 x 21mm	15.40	3.08	18.48		15.40	3.08	18.48
	Single	760 x 171 x 21mm	9.50	1.90	11.40		9.50	1.90	11.40
	Double	1370 x 171 x 21mm	17.50	3.50	21.00		17.50	3.50	21.00
Signboards	A	530 x 80 x 21mm	4.30	0.86	5.16		4.30	0.86	5.16
(Minimum 10 boards)	B	400 x 300 x 21mm	17.00	3.40	20.40		17.00	3.40	20.40
	C	600 x 300 x 21mm	22.00	4.40	26.40		22.00	4.40	26.40
	D	300 x 200 x 21mm	5.75	1.15	6.90		5.75	1.15	6.90
	E	600 x 200 x 21mm	10.25	2.05	12.30		10.25	2.05	12.30
Guided Walks and Education Walks			NET (£)	VAT (£)	GROSS (£)		NET (£)	VAT (£)	GROSS (£)
Guided Walks		Adult	5.00	EXE	5.00		5.00	EXE	5.00
		14 years & under	FREE OF CHARGE				FREE OF CHARGE		
Children's Activities		Children (accompanying adult free)	4.00	EXE	4.00		4.00	EXE	4.00
Private talks		Higher Uppacott - per group (max 20)	40.00	EXE	40.00		60.00	EXE	60.00
Education Walks		Walks up to 3 hours (per guide = 25 children)	50.00	EXE	50.00		55.00	EXE	55.00
		Walks up to 6 hours (per guide = 25 children)	60.00	EXE	60.00		70.00	EXE	70.00
Ranger Ralph		Annual subscription (per child)	5.00	ZERO	5.00		6.00	ZERO	6.00
		Events	FREE OF CHARGE				FREE OF CHARGE		
Higher Uppacott		Bespoke Events	Delegated to Director of Conservation and Communities				Delegated to Director of Conservation and Communities		

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		NET (£)	VAT (£)	GROSS (£)	NET (£)	VAT (£)	GROSS (£)
Legal Services		NET (£)	VAT (£)	GROSS (£)	NET (£)	VAT (£)	GROSS (£)
Public Path Orders:		See Below			See Below		
Public path orders: Advertisements x 2	Per advert	£850.00 plus advertising costs (plus VAT)			£850.00 plus advertising costs (plus VAT)		
Preparing order, all officer time, administration, postage, legal costs, site visits, notices, negotiations with users etc	Unopposed orders	£300.00 plus advertising costs (plus VAT)			£300.00 plus advertising costs (plus VAT)		
	Additional orders linked to above	£1,000 - £2,000 plus advertising costs (plus VAT)			£1,000 - £2,000 plus advertising costs (plus VAT)		
	Opposed orders	£500.00 plus advertising costs (plus VAT)			£500.00 plus advertising costs (plus VAT)		
	Temporary closures	£50 per hour + Advertising costs + VAT (minimum charge £250)			£50 per hour + Advertising costs + VAT (minimum charge £250)		
Extending a Temporary closure & submission to Secretary of State		£50 per hour + Advertising costs + VAT (minimum charge £250)			£50 per hour + Advertising costs + VAT (minimum charge £250)		
Legal charges	Per hour	80-140	OOS	80-140	80-140	OOS	80-140
Copy / Inspection of Deeds or Documents (held in secure storage)	Per document	37.50	7.50	45.00	37.50	7.50	45.00
Section 106 agreements	Per hour	£80-£140 per hour (Minimum £160)			£80-£140 per hour (Minimum £160)		
Certification of a document	Per document	4.17	0.83	5.00	4.17	0.83	5.00
Supply data to:	Non Public Body	40.00	8.00	48.00	40.00	8.00	48.00
Environmental Information Regulations		NET (£)	VAT (£)	GROSS (£)	NET (£)	VAT (£)	GROSS (£)
Disbursement Costs:							
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	A1 per side	1.04	0.21	1.25	1.08	0.22	1.30
	A0 per side	2.00	0.40	2.40	2.04	0.41	2.45
Microfilm Copying		As photocopying			As photocopying		
Staff Time: For every members of staff or agency staff involved in considering or dealing with a request for information	Search for Information. Identification & location of information. Retrieval of information. Copying of information. Collating & despatching of information.	£25 per hour (pro rata) VAT will only be charged if the information could Be obtained elsewhere			£25 per hour (pro rata) VAT will only be charged if the information could Be obtained elsewhere		

**DARTMOOR NATIONAL PARK AUTHORITY
FEES AND CHARGES 2014/15**

Description of Charges Levied (or Donations suggested)	Unit	2014/15 Rates @ 20% £			Proposed 2015/16 Rates (VAT @ 20%) £		
		NET (£)	VAT (£)	GROSS (£)	NET (£)	VAT (£)	GROSS (£)
Miscellaneous							
Filming Charges: Location Fees for Stills		Minimum £100 (plus VAT)			Minimum £100 (plus VAT)		
Filming Charges: Location Fees for Film		See below			See below		
Educational, students, or films that are promoting NPA messages		FREE OF CHARGE			FREE OF CHARGE		
Ranger/Officer's fees (if presence required on site)		Minimum fee is £150 per 1/2 day inclusive of VAT (charges to include travelling time). The fee may be increased to cover additional demands.			Minimum fee is £160 per 1/2 day inclusive of VAT (charges to include travelling time). The fee may be increased to cover additional demands.		
Small commercial films (minimum charge)		500.00	100.00	600.00	500.00	100.00	600.00
Feature films (minimum charge)	Daily fee plus officer time based on half day rate as above	2500.00	500.00	3,000.00	2500.00	500.00	3,000.00
Television/large scale advertising campaigns (minimum charge)	Daily fee plus officer time based on half day rate as above	1000.00	200.00	1,200.00	1000.00	200.00	1,200.00
Closure of car parks for filming, large scale or other events (minimum charge)	Low season	150.00	30.00	180.00	150.00	30.00	180.00
	High season	300.00	60.00	360.00	300.00	60.00	360.00
Creation of maps for external bodies (GIS)	Fixed cost based on half day	41.67	8.33	50.00	41.67	8.33	50.00
	Hourly rate above half day	16.67	3.33	20.00	16.67	3.33	20.00
Gateway Repair	Per Gateway (per hour - minimum 2hrs)	20.50	4.10	24.60	45.00	9.00	54.00
	Drilling/Glueing per fixing	5.00	1.00	6.00	20.00	4.00	24.00
	Fittings	5.00	1.00	6.00	6.00	1.20	7.20
Gateposts	Repair per post - or individually priced	20.50	4.10	24.60	75.00	15.00	90.00
	Replacement - plus cost of commercially sourced post	100.00	20.00	120.00	75.00	15.00	90.00
Stonewalling courses	Per person per 5 day course	220.00	EXE	220.00	No longer run due to cuts		
Hedgelaying courses	Per person per 2 day course	120.00	EXE	120.00	No longer run due to cuts		

DARTMOOR NATIONAL PARK AUTHORITY

6 February 2015

TREASURY MANAGEMENT AND INVESTMENT STRATEGY 2014/15Report of the Head of Resources

Recommendation : That the Authority approves and adopts the 2015/16 Treasury Management & Investment Strategy at Appendix 1

1 Introduction

- 1.1 In March 2013 the Authority, in accordance with the revised Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice for Treasury Management in Public Services, adopted a Treasury Management Policy Statement together with a statement of its Treasury Management Practices (TMPs) (NPA/13/10). No changes are proposed to these policies for 2015/16.
- 1.2 The policy requires the Authority to consider a treasury strategy report, setting out the strategy and plans to be followed in the coming year, as part of the budget process.

2 Treasury Management and Investment Strategy

- 2.1 The Treasury Management and Investment Strategy document at Appendix 1 sets out:
- The current treasury position
 - Debt and investments
 - Prospects for interest rates
 - The borrowing strategy
 - Prudential indicators
 - The Investment Strategy
- 2.2 The overriding objective continues to be to invest prudently, with priority being given to security and liquidity before yield. Interest rates remain extremely low and the Authority does not have large surplus cash balances to invest.

3 Equality and Sustainability Impact

- 3.1 We have not traditionally looked in detail at where, or with whom, Barclays Bank invests our money held on deposit or in our current accounts.

4 Conclusion

- 4.1 The Authority's arrangements for treasury management continue to be maintained at a high standard.

- 4.2 The Head of Resources continues to consult with the S151 Officer Devon County Council's Investment Manager to investigate opportunities to maximise the Authority's investment income and will bring a report to the Authority for approval if changes to our practices are proposed.
- 4.3 The overriding objective continues to be to invest prudently, with priority being given to security and liquidity before yield.

DONNA HEALY

TREASURY MANAGEMENT AND INVESTMENT STRATEGY 2015/16

The Authority has adopted the CIPFA Code of Practice for Treasury Management in the Public Services. This is one of the Prudential Indicators required by the Code. The CIPFA code also requires the Council to approve a Treasury Management Policy Statement together with a statement of its 'Treasury Management Practices' (TMPs). A revised Code of Practice was published by CIPFA in November 2011 and a revised Policy Statement and TMPs were agreed by the Authority in March 2012. These policies remain appropriate and no changes are proposed for 2015/16.

This Treasury Management Strategy document sets out:

- The current treasury position, debt and investments;
- Prospects for interest rates;
- The borrowing strategy;
- Prudential indicators on fixed / variable borrowing and maturing debt;
- Limits to debt; and
- The investment strategy

Analysis of Long Term Debt

The Authority has no long term debt.

Schedule of Investments

The following table shows the Authority's fixed rate investments as at the start of the 2014/15 financial year and the current position as at 8 January 2015.

	Maturing in	Actual 31/03/14 £	Interest Rate %	Maturing in	Current 06/01/14 £	Interest Rate %
Deposits	9 months	2,000,000	0.69	3 months	2,000,000	0.47
	1 month	1,000,000	0.31	1 month	1,200,000	0.32

The annual investment returns history and current position is set out in the following table.

2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Forecast
£13,841	£10,809	£21,920	£15,000	17,500

The Authority's cash balance available for investment varies during the year, with the balance building up on a quarterly basis during financial year, when we receive National Park Grant and then tapers down towards the end of the financial year. It is anticipated that the cash balances at 31st March will have remained fairly constant at circa £2 million.

The recent investment performance of the Authority's cash investments has been affected by the low interest rates introduced as part of the measures used to alleviate the global credit crunch. Interest rates have also been impacted by the introduction of new banking regulations requiring banks to hold higher levels of liquidity to act as a buffer.

The rates on offer during 2014/15 continue to be low and the returns on the Authority's cash investments are forecast to remain at the current low levels for the foreseeable future; however, the Treasury Management Strategy will continue to ensure a prudent and secure approach.

Prospects for Interest Rates

Forecasting future interest rate movements even one year ahead is always difficult. The factors affecting interest rate movements are clearly outside the Authority's control. Whilst short term rates are generally linked to the Bank of England's Base Rate, long term rates are determined by other factors e.g. the market in Gilts.

UK interest rates have been held at their record historic low level of 0.5% since March 2009. In addition, Quantitative Easing measures to provide liquidity to markets remain in place and these may be added to by the European Central Bank in the near future. The introduction of new regulations requiring banks to hold a higher cash buffer has also had the effect of reducing the rates on offer.

A rise in the Bank of England Base Rate is thought likely during 2015, as a result of the improving economy, and the potential for stronger wage growth and higher inflation. However, most commentators are now not expecting a rise in the interest rate until the second half of 2015. Capita, who provide a treasury advisory service to Devon County Council, has also amended its forecast and has pushed back its forecast for the first rise to December 2015.

The following table sets out forecast interest rates over the next year. These surveys of industry practitioners reflect the view that rates will increase from the second half of 2015, but only in small increments.

Base Rate Forecasts	Dec 2014	Mar 2015	June 2015	Sep 2015	Dec 2015	Mar 2016
Capita	0.50%	0.50%	0.50%	0.50%	0.75%	0.75%
Capital Economics	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%
Legal & General Investment Management	0.50%	0.50%	-	-	0.75%	-
Bloomberg L.P. – survey of market Participants (median value)	0.50%	0.50%	-	-	1.25%	-

When budgeting for interest receipts a prudent approach has been adopted to ensure that, as far as is possible, the budget will be achieved.

Borrowing and Debt Management Strategy 2015/16 – 2017/18

As the Authority is debt free and has no current plans to borrow, there is nothing to report under this heading.

Treasury Management Prudential Indicators

As the Authority is debt free and has no current plans to borrow, there is nothing to report under this heading.

INVESTMENT STRATEGY 2015/16 – 2017/18

The Authority has always adopted a very prudent approach to its cash investments. Events since 2008/09 have proved the value of this approach. It must be borne in mind that as the current low interest environment is largely outside the Authority's control, this will impact on the investment receipts budget. The Treasury management Strategy will continue to be set to ensure a prudent approach.

The Authority is required under the guidance in the CIPFA Treasury Management Code of Practice to approve an Annual Investment Strategy. The overall aims of the Authority's strategy continue to be to:

- Limit the risk to the loss of capital;
- Ensure that funds are always available to meet cash flow requirements;
- Maximise investment returns, consistent with the first two aims; and
- Review new investment instruments as they come to the Local Authority market, and to assess whether they could be a useful part of our investment process.

The overriding objective will be to invest prudently, with priority being given to security and liquidity before yield.

A variety of investment instruments are available to the Local Authority market. In addition to the notice accounts and fixed term deposits available from UK and overseas banks, it is also possible for the Authority to invest, for example, in UK Government Gilts, bond funds and property funds. However, these alternative instruments would either require the Authority to tie up its cash for significantly longer periods, thus reducing liquidity, or would carry a risk of loss of capital if markets go down. The Authority also has a limited cash balance, which precludes it from accessing many investment instruments and must also consider the cost associated with alternative options. The Authority's policy therefore is not to invest in these more risky and less liquid forms of investment.

Security is achieved by the creation of an 'Approved List of Counterparties'. These are the banks, building societies, money market funds and other public bodies with whom we are prepared to deposit funds. In preparing the list, a number of criteria will be used not only to determine who is on the list, but also to set limits as to how much money can be placed with them, and how long that money can be placed for.

Banks are expected to have a high credit rating. The Authority uses the ratings issued by all three of the major credit rating agencies, Fitch, Moody's and Standard & Poor's, made available to the Authority via the S151 Officer, who monitors them daily and advises the Authority accordingly.

The lowest rating published by any of the agencies is used to decide whether an institution is eligible for inclusion. This rating also determines the maximum amount which can be loaned to an individual counterparty. Additionally, any bank in which the UK Government has in excess of a 30% shareholding will be considered to be a safer investment. Non-Eurozone overseas banks that meet the criteria are included from countries with a high Sovereign rating.

The time length of all deposits with financial institutions will be managed prudently, taking account of the latest advice from the Authority's S151 Officer.

Money Market Funds must have an 'AAA' rating, but are not currently being used.

Other public sector bodies are principally arms of Government, or other local authorities, and although not rated are deemed suitable counterparties because of their inherent low risk.

The 'Approved List of Counterparties' specifies individual institutions, and is formally reviewed at least monthly. Notification of credit rating downgrades (or other market intelligence) is acted upon immediately, resulting in any further lending being suspended.

The Authority seeks to operate its accounts in credit and any short-term surplus funds are deposited with Barclays Bank Plc, and/or placed on short-term deposit with Barclays or with other major UK Clearing Banks who meet the credit rating criteria as set out in the following table.

Counterparty Approved List Summary

Counterparty Type		Fitch	Moody's	Standard & Poor's
UK Banks with >30% UK Gov't ownership	Not below	A- & F1	A3 & P-1	A- & A-1
Other UK Banks	Not below	A- & F1	A3 & P-1	A- & A-1
UK Building Societies	Not below	A- & F1	A3 & P-1	A- & A-1
Money Market Funds		AAA	Aaa	AAA

The credit ratings shown in the table for banks and building societies allow for greater sensitivity in recognising counterparty risk. Liquidity in investments is the second key factor in determining our strategy. Funds may be earmarked for specific purposes or may be general balances, and this will be a consideration in determining the period over which the investment will be made.

Credit ratings are subject to change, and a review of implied Government support for banks within its jurisdiction may lead to downgrades across the banking sector. Should such an event occur and have a significant impact on the Authority's ability to implement its investment strategy then a report will be brought before Members to consider any changes required to achieve the objective of our investment strategy going forwards.

Where cash is expected to be available long-term (at least a year) we maximise the length of time for the deposit in order to obtain the best interest rate possible. All known short-term commitments are covered before lending for over 1 month and as the Authority currently only uses a callable deposit account, investments can be realised at any time.

For the period 2015/16 to 2017/18 it has been assumed that the interest rate earned on short-term lending will be 0.40% throughout the three years. This is thought to be a cautious assumption and should be achievable.

Performance Targets

The primary targets of the Treasury Management Strategy are to maximise interest receipts over the long term, whilst achieving annual budgets, without taking any undue risk. Where there are comparative statistics available for individual aspects of the Strategy (e.g. the CIPFA Treasury Management Statistics) these will be used to monitor performance.

DARTMOOR NATIONAL PARK AUTHORITY

6 February 2015

**2015/16 NET REVENUE BUDGET, MEDIUM TERM FINANCIAL PLAN
AND CAPITAL BUDGET**

Report of the Chief Executive (National Park Officer) and Head of Resources

Recommendations : **That Members:**

- (i) **approve the net budget of £3,588,586 for the 2015/16 financial year as shown in Appendix 1 and note that the draft budget is based on an indicative grant figure as Defra have yet to confirm National Park Grant for 2015/16;**
- (ii) **note the potential need to revise the revenue budget if Defra impose a further cut to 2015/16 National Park Grant and that any revised budget would be presented to the Authority for approval;**
- (iii) **note the uncertainty about funding levels for 2016/17 and 2017/18 and the difficulty of producing a detailed Medium Term Financial Plan**

1 Background

- 1.1 The Authority is required by statute to set a balanced revenue budget for each financial year. The basis for the revenue expenditure is the pursuit of the 'Special Purposes' for which the National Parks were designated in the Environment Act 1995 (the Act). Section 65 of the Act determines the purposes as conserving and enhancing the natural beauty, wildlife and cultural heritage of National Parks and of promoting opportunities for the understanding and enjoyment of the Parks by the public. The Authority also has a duty to seek to foster the economic and social well-being of local communities within the National Park.
- 1.2 The revenue budget set out in this paper is based on the indicative figure for 2015/16 National Park Grant (NPG) of £3,573,586 that was provided to the Authority in December 2013. Defra (Department for Environment, Food and Rural Affairs) normally confirm NPG in December. At the time of writing this paper we have not yet had NPG for 2015/16 confirmed and had no official correspondence from Defra on funding since December 2013. Given the need to set the revenue budget and provide Members with time to comment and question the draft budget we have had to build the budget on the indicative figure rather than a confirmed amount. This adds considerable uncertainty and, if the indicative figure is not confirmed, it will lead to additional work.
- 1.3 If the final NPG for 2015/16 is significantly lower than expected officers, will need to review the revenue budget and bring a revised budget to the Authority. A further reduction in NPG for 2015/16 may necessitate the need to use reserves to balance the budget in 2015/16.

2 Financial Context

2.1 The outcome of the Comprehensive Spending Review (CSR) in 2010 resulted in Defra reducing its operations budget by 29% over the four years of the CSR financial planning timeframe. On 20 December 2010 the Authority was notified by Defra of the National Park Grant (NPG) for 2011/12 and indicative amounts for the following three years, which are shown in the table below:

	2010/11	2011/12	2012/13	2013/14	2014/15
Dartmoor NPA	4,739,642	4,484,867	4,230,095	3,975,321	3,720,547

2.2 The indicative figures for 2012/13 and 2013/14 were subsequently confirmed in December 2011 and December 2012. In December 2013 Defra confirmed NPG for 2014/15 and provided an indicative figure for NPG for 2015/16. The confirmed grant for 2014/15 was £3,636,835 and represented an 8.51% cut in NPG compared to 2013/14. We had already budgeted for a 6.4% cut as this was the indicative figure provided in December 2011. The additional 2.11% was due to the financial pressures placed on Defra's Departmental Expenditure Limit announced by the Chancellor in June 2013 (equating to a 9.6% reduction) and in the 2013 Autumn Statement, equating to a further 1.1% reduction in Defra unprotected budgets for 2014/15 and 2015/16. The indicative figure provided to us for 2015/16 was £3,573,586 – a 1.74% reduction on NPG for 2014/15. As noted above, the 2015/16 NPG has still to be confirmed.

2.3 The table below shows the cumulative impact of the cuts from the original NPG allocation for 2010/11 to the indicative (unconfirmed) grant for 2015/16

National Park Grant 2010/11 – 2015/16

	2010/11 ¹	2010/11 ²	2011/12	2012/13	2013/14	2014/15	2015/16
National Park Grant	4,978,570	4,739,641	4,484,867	4,230,095	3,975,321	3,636,835	3,573,586
Cash Reduction³		238,929	254,774	254,772	254,774	338,486	63,249
Cumulative cash reduction		238,929	493,703	748,475	1,003,249	1,341,735	1,404,984

1 Original confirmed level of National Park Grant for 2010/11 including £200,000 ring fenced by Defra for the Sustainable Development Fund

2 Actual National Park Grant for 2010/11 following in-year cut of 5% announced in June 2011

3 Cash reduction on previous year's National Park Grant

2.4 The impact for Dartmoor National Park Authority is a cash reduction in funding of £1,404,984 (28.2%), over the period 1 April 2010 to 1 April 2015, but the final year is still not confirmed.

2.5 Taking into account inflation and using CPI (Consumer Price Index) as the Government's preferred measure, the cumulative change in CPI from January 2010 to December 2015 is 14.6%. Currently CPI inflation is actually running at 0.5% well below the inflation target of 2%. Applying 14.6% inflation to the original 2010/11 grant of £4,978,570 provides a figure of £5,705,441. The current indicative grant for 2015/16 therefore represents a real terms cut (allowing for inflation) of £2,131,855 or 37.4%.

- 2.6 As well as reductions in National Park Grant, the Authority has also seen a reduction in other sources of income since 2010/11. For example, the sum of money available under the Service Level Agreement with Devon County Council for Public Rights of Way has reduced by 33% since 2010/11 and Planning and Housing Delivery Grant which was worth an average of nearly £190,000 per annum between 2007/08 and 2009/10 has been cut completely. If the reductions in 'secondary' sources of income are included then the real reduction in income for the National Park Authority will be in excess of 40% over the life time of this Parliament.
- 2.7 Notwithstanding this significant reduction in funding, the Authority, through the change process it implemented in 2011/12, established a robust financial position. The additional cuts to NPG announced in December 2013 have necessitated the need to make further savings. The changes to the senior management structure proposed to take effect from 1 April 2015 will, together with the proposed cut to the Your Dartmoor fund, enable us to set a balanced budget for 2015/16 (subject to Defra confirming the previously indicated NPG for 2015/16).
- 2.8 Defra has not provided any indication of NPG beyond 2015/16. As a result financial planning for the periods beyond the General Election in May 2015 is based on a number of broad scenarios. Given the contents of the 2014 Autumn Statement and announcements from other mainstream political parties it would appear that the period of austerity will continue for most, if not all of, the next Parliament. If certain budgets are protected (such as health and international development) then the implications for unprotected Government Departments is severe. There will need to be recognition that continued year on year reductions to funding without some support to diversify our income base is unsustainable. Whilst we have been successful in securing external funding from bodies such as the Heritage Lottery Fund and The Prince's Countryside Fund this requires staff time and match funding – both are impacted on in terms of continual cuts to core funding.

3 2015/16 Net Revenue Budget

- 3.1 The net revenue budget for 2015/16 is attached at Appendix 1 for Member consideration and is based on the indicative level of NPG provided by Defra in December 2013.
- 3.2 To assist in budget planning and to ensure resources are being targeted to those areas of work the Authority considers to be a priority, a workshop is held in July each year for Members to consider all the work programme areas and discuss potential priorities for the future. Members approved the priorities for the 2015/16 Business Plan in November 2014 (NPA/14/044).
- 3.3 Officers of the Authority have submitted financial proformas showing planned work programmes in support of the priorities in the Business Plan. The proforma asks for:
- The outcome the work programme was seeking to achieve
 - Links to DNPA Priorities / National Park Management Plan
 - A description of the activity
 - Finance and/or staffing required for 2015/16

- Contractual obligations
- Implications if funding is not forthcoming
- Projected expenditure for 2016/17 and 2017/18
- Income estimates for three years

3.4 The budget bids submitted by officers have been extensively scrutinised by the Leadership Team, taking into consideration the approved priorities, available funding and the capacity available to take work programmes forward. The output from that process translates into the net revenue budget for 2015/16 and a draft (aspirational) Medium Term Financial Plan (MTFP). Although the Authority does not budget incrementally, choosing instead to zero-base its budget each year, Appendix 2 provides an overview of the % change from 2014/15.

3.5 Members' attention is specifically drawn to the following:

- i. External funding from The Prince's Countryside Fund has been confirmed to support the Hill Farm Project for the next 2 years
- ii. The Your Dartmoor Grant Fund is to be closed. A new Communities Fund Grant scheme has been established, financed by the transfer of New Homes Bonus Grant from constituent district/borough councils but this has a different focus to the previous Your Dartmoor and Sustainable Development Funds.
- iii. The Authority is hosting the National Parks UK Conference in October 2015 and a £20k contingency fund has been provided for costs over and above those met by delegate fees
- iv. Some externally funded projects have or are about to cease (for example, the Rural Development Programme Funding for the Dartmoor Uplands project ceased in January 2015 and funding for the Dartmoor Mires Project is likely to end or be significantly reduced in 2015).
- v. The Naturally Healthy Dartmoor project started in November 2014 and is included in the revenue budget for the first time, being part funded from Reserves
- vi. In partnership with others we secured £2m from the Heritage Lottery Fund for the Moor than meets the eye Landscape Partnership Scheme in 2014 and the delivery phase has now commenced. The Authority is the lead accountable body. The partnership budget and accounts are held separately and are therefore not included in the Authority's Revenue Budget. Members will receive separate progress and monitoring reports via the Audit and Governance Committee
- vii. A minor staffing & structure review has been undertaken during 2014/15, which has mainly focused on Leadership Team. The proposed structure will save between £65,000 and £95,000 per annum.
- viii. We have included a specific allocation in the Authority's reserves for future work on the Dartmoor Local Plan review. This money will be drawn down as we progress this work programme.
- ix. In March 2014 we secured additional funding from Defra to help fund work to restore public rights of way damaged by the extreme weather experienced in the winter of 2013/14. This money is committed and projects have been progressed but not all of the money has been spent. In particular, there are two significant projects (a new bridge over the Swincombe and major repairs to the bridleway from Princetown to South Hessary) that have yet to be completed.

3.6 Funding was allocated in 2013/14 for work required at the National Park Visitor Centre Princetown to improve the facilities available and undertake essential decoration in the ballroom; the majority of which is complete. Indeed, our Visitor Centres received a Gold Award in the recent regional tourism awards. The original plans included proposals to install a new access ramp to the front of the building to improve disabled access and provide an improved public realm area. Following discussions with the landowner and design input from the Duchy of Cornwall the revised costs for the ramp have meant that we have decided to seek external funding for a programme of works that would include the ramp, improved interpretation within the Visitor Centre and a 'citizen science project' to engage local communities and visitors in the National Park's special qualities. The external funding bid is being developed and will require match funding. Therefore the current provision set aside in reserves will be retained along with the balance of circa £35k in this year's revenue budget (i.e. carry forward).

3.7 The Authority operates from two main locations at Parke, Bovey Tracey and Princetown. Both buildings are leased and have "full repairing" obligations. Due to the age and condition (particularly at Princetown) of the buildings, this can lead to considerable expenditure. Works carried out during 2014/15 include:

- Repair of failed render on rear elevation at Princetown
- Re-roofing of Stable wing at Parke
- Engineering works to replace failed gabions at the rear of the Stable wing at Parke (to commence February 2015)

The cost of all of the above has been met from the 2014/15 Revenue budget, without drawing on reserves, as was originally anticipated. Additionally 50% of the stable roof repair costs were met by the National Trust. The planned maintenance programme for 2015 is included in the 2015/16 Revenue Budget. There are no planned significant, large or expensive projects that require implementation during the life of this MTFP.

3.8 In recent years the Authority has operated a Project Fund as part of its revenue budget. This Fund has enabled us to buy-in support for staff during the financial year to meet unforeseen work demands, to fund new projects and invest in new equipment if a business case is proven. This approach has worked well for us and it is proposed to continue with the Project Fund, giving us the flexibility to respond to new opportunities, buy in extra capacity and the ability to mitigate possible in-year threats. For 2015/16 the Project Fund has been set at £157,675 and has been maintained at £100k in the MTFP. Elements which are anticipated to come forward during 2015/16 currently amount to circa £90,000 and include:

- Dartmoor Peatland Study
- Mires PR14
- Replacement tools and equipment
- Extra capacity in the Planning Service
- Replacement windows at Higher Uppacott
- A Wild Camping film
- A new Website for the Authority
- Pay & Display parking machines

- Upgrade of Countryside Access Management Service (ICT) system

This leaves an unallocated balance of just £67,675 for new bids to the fund.

- 3.9 As already stated, the 2015/16 revenue budget has been built based on the indicative NPG figure provided by Defra in December 2013. Defra has advised that formal clarification will not be provided until at least the end of January 2015. The Chairman has written to the Minister with responsibility for National Parks expressing concern about the delay and its impact on our work programmes. The Chief Executive (National Park Officer) has sought a meeting with our 'sponsoring officer' in Defra to discuss the budget for future years. A verbal update will be given at this meeting.

4 Medium Term Financial Plan

- 4.1 The situation that we face is unprecedented in recent times: we do not have a confirmed figure for NPG for 2015/16 and have no indications of potential funding for 2015/16 or 2016/17. This paper proposes a balanced budget for 2015/16 based on the indicative figure for NPG provided to the Authority by Defra in December 2013; no further indicative figures have been provided by Defra. It is clear from the Autumn Statement 2014 that public sector spending is set on a downward trajectory for the foreseeable future but we do not know the speed or scale of any potential cuts. This lack of information makes it difficult to prepare a Medium Term Financial Plan (MTFP). Other issues which create uncertainty include: uncertainty over national pay settlements for the public sector; maintaining the pension contributions determined by the actuary as the workforce reduces; and the impact of pension auto-enrolment.
- 4.2 The Authority's greatest asset, but also its biggest cost, continues to be the staff it employs. Much of the work undertaken by the Authority is undertaken directly by its staff, with a smaller percentage of expenditure being on project costs. In 2015/16 staff costs as a percentage of NPG is 76% (identical to last year and 68% in 2013/14). The 2015 pay award was 2.2% for a 15 month period and if we assume only small inflationary pay awards (1%) going forward this will increase to circa 79% by 2016/17 (based on the current level of NPG). This increase is understandable in the context of no significant staffing changes since 2012/13; a reducing budget; 1% pay rise in 2013/14 and a 2.2% pay rise in 2015; staff increments and re-grading; pension provision for auto-enrolment and the changes in National Insurance contribution rates in relation to a revised State Pension provision (from 2016).
- 4.3 The following tables set out the net budget requirement for a two year MTFP, based on our current priorities in the Business Plan and demonstrate the impact of further reductions in NPG (2.55, 5% and 10% reductions).

Year	Net Budget	2.5% cut in NPG	(Surplus)/Deficit
2016/17	£3,485,440	£3,484,540	(£2,070)
2017/18	£3,463,230	£3,397,397	£65,833

Year	Net Budget	5% cut in NPG	(Surplus)/Deficit
2016/17	£3,485,440	£3,395,163	£87,277
2017/18	£3,463,230	£3,225,405	£237,825

Year	Net Budget	10% cut in NPG	(Surplus)/Deficit
2016/17	£3,485,440	£3,216,470	£265,970
2017/18	£3,463,230	£3,055,647	£407,583

- 4.4 These scenarios demonstrate the impact of further cuts on the MTFP and show anything from a small surplus in one scenario, to deficits ranging from £65,833 to £407,583. The figures assume that the indicative figure for NPG for 2015/16 will be confirmed. A further reduction to NPG for 2015/16 will obviously increase the potential deficits in future years. It is recognised that in all probability additional work will have to be undertaken to reduce our costs further. Whilst we have completed some work on different scenarios we cannot develop this further until we have a clearer indication of future funding levels. The Authority has maintained a robust level of reserves (though most of these are allocated); we may need to use some of the reserves to support the revenue budget for a period if we are faced with further significant reductions in NPG, as demonstrated in the tables above, whilst we take steps to reduce our costs.
- 4.5 As well as reducing our costs we are also continuing to look at ways to increase income. We have been successful in securing considerable sums of external grant funding but such bids require staff time to develop and match funding – further cuts to NPG will reduce our ability to secure external grant funding. Unlike some National Park Authorities we do not have many assets that have the potential to generate income and we do not have a general power of competency (as per local authorities) that might enable us to develop trading ventures. This is something we have raised with Defra and the Department of Communities and Local Government.
- 4.6 The last triennial valuation of the Local Government Pension Fund took place in 2013/14 and our Employer Contribution rate was set at 18% of pensionable pay, by the Actuary. For the last 7 years we have been making payments to the pension fund in excess of our target rate (19.7% instead of 18%) in order to provide further resilience and future-proof our deficit recovery strategy. This also means that we do not have to make annual cash contributions to the pension fund, although we make provision for the future risk of a falling payroll and the impact of adverse fund valuations in our reserves.

5 Reserves

- 5.1 During 2010/11 the Audit & Governance Committee, at the request of the Authority, undertook work on a risk based approach to determining the level and use of reserves required by the Authority. The outcome of that work was an agreed methodology (NPA/AG/10/014) which has been applied to determining the level of reserves for the future on an annual basis. Attached at Appendix 3 is the Risk Based analysis to guide the level of reserves held at 1 April 2015 and Appendix 4 shows the likely General Fund Reserve Balances for 2014/15 – 2015/16 based on the indicative 2015/16 NPG only.
- 5.2 The reserve balances for future years has not been presented at this time due to the considerable uncertainty for future funding. Members will note that from the

opening balance in 2014/15 to the closing balance in 2015/16, if all projected requirements are fully utilised, the reserve balance will reduce by £1million.

- 5.3 The Chief Finance Officer (CFO) is satisfied that there are sufficient reserves in place to deliver the budget for 2015/16. The Authority may have to utilise a significant proportion of reserves over the life of the current MTFP if significant reductions in NPG are made, either by supporting some revenue spending, paying for redundancy packages or a combination of the two. At the last major staffing and structure review undertaken in 2011, redundancy and exit costs amounted to £398,698, and was met by Defra's Modernisation Fund (which is now closed). The MTFP and the judgements and risks surrounding the purpose and the level of reserves held will need to be kept under constant review whilst we wait for clarity about future funding settlements; which is likely to be after the May 2015 General Election and a subsequent Spending Review (as happened in 2010)..

6 Capital Programme & Prudential Code

- 6.1 The government introduced the Prudential Code in 2004 and was revised in 2009 and 2011. It is a professional code of practice to support local authorities when taking capital investment (fixed asset) decisions. The objectives are to ensure, within a clear framework, that capital investment plans are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice.
- 6.2 The Code sets out a number of indicators to be used to demonstrate compliance with the Code's objectives. However, they are not designed to be comparative performance indicators, and should be considered in parallel with the treasury management indicators. The Authority does not have a capital programme in 2015/16 or in the current MTFP and has no plans to take up any external borrowing. Therefore, the Prudential Indicators do not currently apply (see Appendix 5).
- 6.3 If sources of additional capital income become available during the year, for example via additional grants or external contributions, the Authority will be requested to approve a capital programme and any resulting prudential indicators.

7 Equality & Sustainability Impact

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

8 Conclusions

- 8.1 Since 2010/11 the Authority has (like most other parts of the public sector and many individuals or households) been faced with year on year reductions in its core funding from central Government. We have sought to offset this by looking for alternative sources of income but have limited opportunities to generate additional income. It is worth noting that we have been successful with a number of external funding bids (Heritage Lottery Fund, The Prince's Countryside Fund etc.) but this requires staff capacity to prepare the bids and an ability to provide match-funding. Whilst our aspiration and ambition remain, our practical capacity to 'deliver for

Dartmoor' has been significantly reduced – all areas of work have been impacted on as we have reduced expenditure and staffing levels to reflect the available budget.

- 8.2 The revenue budget for 2015/16 presented in this report is based on an indicative figure for NPG. This is very unusual, we would normally present a draft budget based on a confirmed NPG but delays in Defra confirming the grant for 2015/16 have meant that we have had to use the indicative figure in order to provide Members with an opportunity to comment and question the draft budget and for us to amend if required. If there is an additional cut to NPG for 2015/16 (i.e. above that already indicated) we will need to scrutinise the budget to look at opportunities to stop projects and work programmes in order to save money and, in all likelihood, we would have to use reserves to balance the budget. A revised budget would be presented to the Authority, in-year, for approval if we are faced with a further significant reduction to NPG.
- 8.3 The lack of any indication of future levels of funding via NPG makes it difficult to produce a MTFP. We are clear about potential expenditure but will need to wait until after the General Election (and in all probability) until after a Spending Review to get any indication of future funding levels. Officers will continue to work on options for income generation.

DONNA HEALY AND KEVIN BISHOP

Attachments: **Appendix 1 – Budgets for 2014/14, 2015/16 and 2016/17**
 Appendix 2 – % change from 2013-14 to 2014-15
 Appendix 3 – Reserves fund risk based analysis
 Appendix 4 – General fund reserve balances
 Appendix 5 – Summary of Prudential Indicators

BUDGET 2015/2016	Salaries	Travel	Transport	Premises	Supplies & Services	2013/14 GROSS EXPENDITURE	Grants	Treasury	Fees & Charges	Sales	Rents	2015/16 INCOME	2015/16 NET EXPENDITURE
	£	£	£	£	£	£	£	£	£	£	£	£	£
BIO-DIVERSITY	102,915	1,300			15,981	120,196						0	120,196
LAND MANAGEMENT					14,607	14,607			(4,069)			(4,069)	10,538
WOODLANDS	37,562	1,950			2,000	41,512			0			0	41,512
DIRECTORATE CENTRAL COSTS		850			7,000	7,850						0	7,850
HILL FARM PROJECT	48,717	1,000			11,950	61,667	(32,500)					(32,500)	29,167
NATURAL ENVIRONMENT	189,194	5,100	0	0	51,538	245,832	(32,500)	0	(4,069)	0	0	(36,569)	209,263
ARCHAEOLOGY	102,037	2,550	150		10,887	115,624	(24,473)					(24,473)	91,151
BUILT ENVIRONMENT	37,562	450			0	38,012						0	38,012
UPPACOTT				34,840	0	34,840					(4,788)	(4,788)	30,052
CULTURAL HERITAGE	139,599	3,000	150	34,840	10,887	188,476	(24,473)	0	0	0	(4,788)	(29,261)	159,215
VISITOR FACILITIES	40,462		3,490	11,950	71,887	127,789	0		(49,652)			(49,652)	78,137
ACCESS & RECREATION	78,504	250	250		22,507	101,511	0					0	101,511
PROW	83,942				43,000	126,942	(43,000)					(43,000)	83,942
SUSTAINABLE TOURISM & TRANSPORT	17,415				13,500	30,915			(2,000)			(2,000)	28,915
TRAFFIC MANAGEMENT					0	0						0	0
RECREATION MANAGEMENT	220,323	250	3,740	11,950	150,894	387,157	(43,000)	0	(51,652)	0	0	(94,652)	292,505
VISITOR CENTRES	179,700	1,800		10,714	106,086	298,300			(7,900)	(127,500)		(135,400)	162,900
COMMUNICATIONS	152,538	1,400			44,358	198,296			(31,000)			(31,000)	167,296
NATURALLY HEALTHY DARTMOOR	18,966					18,966	(18,966)					(18,966)	0
EDUCATION	106,354	1,100	2,380		14,645	124,479			(5,650)			(5,650)	118,829
PROMOTING UNDERSTANDING	457,558	4,300	2,380	10,714	165,089	640,041	(18,966)	0	(44,550)	(127,500)	0	(191,016)	449,025
RANGERS	339,936	800	43,602	2,650	37,724	424,712						0	424,712
CONSERVATION WORKS SERVICE	188,320	100	14,785	14,322	9,250	226,777						0	226,777
RANGERS, ESTATES & VOLUNTEERS	528,256	900	58,387	16,972	46,974	651,489	0	0	0	0	0	0	651,489
DEVELOPMENT MANAGEMENT	455,410	4,500			76,989	536,899			(205,000)			(205,000)	331,899
DEVELOPMENT MANAGEMENT	455,410	4,500	0	0	76,989	536,899	0	0	(205,000)	0	0	(205,000)	331,899
FORWARD PLANNING & COMMUNITY	144,430	1,400			92,211	238,041	(50,311)		0			(50,311)	187,730
FORWARD PLANNING	144,430	1,400	0	0	92,211	238,041	(50,311)	0	0	0	0	(50,311)	187,730
CORPORATE CENTRE	196,431	4,000	1,400		119,842	321,673		(12,000)	(42,000)			(54,000)	267,673
MEMBERS					58,088	58,088						0	58,088
CORPORATE & DEMOCRATIC CORE	196,431	4,000	1,400	0	177,930	379,761	0	(12,000)	(42,000)	0	0	(54,000)	325,761
INFORMATION TECHNOLOGY	134,105	1,700	400		37,188	173,393			0			0	173,393
CORPORATE OPERATING COSTS			7,900		109,876	117,776			(125)			(125)	117,651
FINANCE AND ADMINISTRATION	156,548				13,742	170,290						0	170,290
LEGAL SERVICES	69,911	550			21,360	91,821			(4,500)			(4,500)	87,321
HUMAN RESOURCES	96,879	100			45,290	142,269						0	142,269
OFFICE ACCOMMODATION (PARKE)	22,884			78,044		100,928			(3,197)			(3,197)	97,731
OFFICE ACCOMMODATION (PRINCETOWN)				52,213		52,213			(15,722)		(1,122)	(16,844)	35,369
SUPPORT SERVICES	480,327	2,350	8,300	130,257	227,456	848,690	0	0	(23,544)	0	(1,122)	(24,666)	824,024
PROJECT FUND					157,675	157,675						0	157,675
OTHER	0	0	0	0	157,675	157,675	0	0	0	0	0	0	157,675
TOTAL	2,811,528	25,800	74,357	204,733	1,157,643	4,274,061	(169,250)	(12,000)	(370,815)	(127,500)	(5,910)	(685,475)	3,588,586

Summary:

Gross Expenditure	4,274,061
Income	(685,475)
Net Budget	3,588,586
Reserves	(15,000)
National Park Grant	(3,573,586)
Deficit / (Surplus)	0

HIGH LEVEL SUMMARY	2014/15 NET BUDGET £	2015/16 NET BUDGET £	% Change	Explanation
SALARIES	2,909,184	2,811,528	-3.4%	Pay Award 2.2% & annual progression increments being offset by termination of grant funded posts and temporary contracts where projects have come to an end (e.g. Mires, Hero) and staff restructure savings (see report for explanation)
TRAVEL	23,330	25,800	10.6%	Increased public transport costs & mileage claims or hire cars when pool cars are not available
TRANSPORT	76,460	74,357	-2.8%	Fewer leased vehicles
PREMISES	229,974	204,733	-11.0%	One off repair & maintenance items in both years at Parke and Princetown - see report for detail
SUPPLIES AND SERVICES	1,070,809	1,157,643	8.1%	See below
CAPITAL PROGRAMME	51,100	0	-100.0%	Vehicles purchased in 2014/15. No capital expenditure programme in 2015/16
INCOME	(655,314)	(685,475)	4.6%	Reduction in external grant funding where projects are complete, being offset by increased planning fees and retail sales income
NET BUDGET	3,705,543	3,588,586	-3%	

SUPPLIES & SERVICES	2014/15 Supplies & Services £	2015/16 Supplies & Services £	Explanation
BIO-DIVERSITY	14,274	15,981	Residual GIS related costs from the MIRES project
LAND MANAGEMENT	13,056	14,607	Management of own land
WOODLANDS	2,000	2,000	
MIRES	1,655	0	Project complete
RDPE - UPLANDS DARTMOOR	19,724	0	Project complete
CENTRAL COSTS	3,500	7,000	Uniform replacement programme results in fluctuations between years
HILL FARM PROJECT	14,250	11,950	New project funding via Princes Countryside Fund, means a slight change in emphasis
NATURAL ENVIRONMENT	68,459	51,538	
ARCHAEOLOGY	17,140	10,887	White Horse Hill Project near completion. No new funding in 2015/16 but there will be residual funding to carry forward at year end
BUILT ENVIRONMENT	2,000	0	One off project in previous year
CULTURAL HERITAGE	19,140	10,887	
VISITOR FACILITIES	103,767	71,887	One off projects in 2014/15: car park resurfacing
ACCESS & RECREATION	25,007	22,507	Essential contracts only
PROW	43,000	43,000	
SUSTAINABLE TOURISM & TRANSPORT	9,810	13,500	Visit Devon membership in 2015/16
RECREATION MANAGEMENT	181,584	150,894	
VISITOR CENTRES	89,111	106,086	Increased retail stock purchases reflecting retail strategy and to increase sales revenue
COMMUNICATIONS	53,208	44,358	Interpretation costs transferred to Visitor Centres budget
EDUCATION	12,913	14,645	First Aid training for guides biennial
PROMOTING UNDERSTANDING	155,232	165,089	
RANGERS	22,903	37,724	Implementation of PROW review recommendations: volunteers and P3 Scheme
CONSERVATION WORKS SERVICE	12,270	9,250	one off H7S related costs in previous year
RANGERS, ESTATES & VOLUNTEERS	35,173	46,974	
DEVELOPMENT MANAGEMENT	48,656	76,989	Increase required for Planning Appraisals and specialist work required for specific/complex applications received in 2015
DEVELOPMENT MANAGEMENT	48,656	76,989	
FORWARD PLANNING & COMMUNITY	59,000	92,211	Communities Grant Fund Scheme, matched with New Homes Bonus transferred from constituent Authorities
YOUR DARTMOOR GRANT FUND	59,566	0	No longer affordable. Replaced by Communities Fund Grant Scheme
FORWARD PLANNING	118,566	92,211	
CORPORATE CENTRE	61,054	119,842	National Parks Conference in 2015: venue costs and programme budget. Will be offset by delegate fees - included in the income budget
MEMBERS	58,024	58,088	
CORPORATE & DEMOCRATIC CORE	119,078	177,930	
INFORMATION TECHNOLOGY	52,484	37,188	No PC replacement programme, now using Thin Client
CORPORATE OPERATING COSTS	113,744	109,876	Replacement of committee room microphone system in 2014/15
FINANCE & ADMIN	13,219	13,742	
LEGAL SERVICES	7,800	21,360	Legal support SLA with Devon County Council being offset by salary cost savings
HUMAN RESOURCES	51,814	45,290	Some H&S budgets transferred to Premises Budget. Discontinuation of E-Academy licences. One off training provision required in previous year
CORPORATE SERVICES	239,061	227,456	
PROJECT FUND	85,860	157,675	Unallocated NPG to be bid for in-year (£89,634 already potentially committed, being worked up)
OTHER	85,860	157,675	
TOTAL	1,070,809	1,157,643	

2015/16 RESERVES: RISK BASED ANALYSIS <i>Dependent on 2014/15 closing balances</i>	Risk Level	Rate	2015/16 Opening Balance £'000
Grants & Contributions with Restrictions carried forward: Grants & Contributions with Restrictions	N/A	Actual	79
Employees: Allowance for increased pay awards Maternity / Paternity Cover Equal Pay Claims / Employment Tribunals Pension Fund - Past Deficit Recovery	Low High Low Low	1% extra PA Based on 4 staff Est. Est.	28 42 50 231
Costs & Awards: Appeals / Public Enquiries / Litigation	High	Est.	250
Loss of Income: Planning related fees Reduced Sales, Fees & Charges Partnership Income / Grants	Medium Medium High	5% 10% 10%	10 29 17
General Inflation:	Medium	Average of 3%	46
Property: Repairs & maintenance (sinking fund)	Medium	Est.	150
Known Commitments Chagford Cattle Grid Dartmoor Local Plan Review Aerial photography contract Broadband	N/A Medium N/A N/A	Actual Est. Actual Actual	3 123 12 10
Capital Provision for future replacement of Landrovers (sinking fund)	N/A	Est.	12
Match Funding Reserve Hill Farm Project Cycling in National Parks Greater Dartmoor LEAF Naturally Healthy Dartmoor Princetown Visitor centre - Phase II Unallocated to match future opportunities	N/A N/A N/A N/A N/A N/A	Actual Actual Actual Actual Est. Actual	30 30 21 25 135 48
Revenue Future Reductions in NPG	High	Est. Uncertain	653
General Reserve - Minimum amount to cover unanticipated costs / emergencies			300
Total Reserve Balance			2,334

2014/15 to 2015/16 GENERAL FUND RESERVE BALANCES

Appendix 4 to NPA/15/006

Earmarked Reserves	2014/15 Opening Balance	2014/15 Movements	2015/16 Revised & New Opening Balances	2015/16 Movements & Commitments	2015/16 Closing Balance	Notes
	£	£	£	£	£	
Grants & Contributions with Restrictions						
Defra: Flood & Winter Storm Damage - Grant	(150,000.00)	150,000.00				Potential year end c/fwd if all committed works are not complete
Your Dartmoor Grant Fund	(89,714.00)	89,714.00				
Hill Farm Project		(4,863.00)	(4,863.00)	4,863.00		
Natural England - Farming futures	(20,680.00)	6,450.00	(14,230.00)	14,230.00		
English Heritage - Historic environment record	(10,000.00)	10,000.00				
White Horse Hill	(46,647.00)	34,159.00	(12,488.00)	12,488.00		English Heritage & Partners
Public Rights of Way	(12,547.00)	12,547.00				DCC
New Homes Bonus	(47,000.00)		(47,000.00)	47,000.00		To fund public realm works and Communities Fund Grants
Budget management Fund - Provisions						
Employees	(383,000.00)		(351,000.00)			See risk assessment for breakdown
Appeals/Public Enquiries/Litigation	(250,000.00)		(250,000.00)			See risk assessment for breakdown
Inflation & loss of income	(84,000.00)		(102,000.00)			
Redundancy	(100,000.00)					
Future reductions in NPG	(608,496.66)		(614,197.00)			To support revenue budget and / or redundancy costs
Year end Surplus (forecast)			(40,000.00)			Balance may change at year end
Property - Repairs & maintenance	(222,000.00)		(150,000.00)			
Known Commitments						
Broadband	(10,000.00)		(10,000.00)	10,000.00		
Holne Shop valuation review	(400.00)	400.00				
Greater Dartmoor Leaf	(1,250.00)	1,250.00				
Postbridge Village Hall	(3,000.00)	3,000.00				
Aerial Photography		(11,678.00)	(11,678.00)	11,678.00		Contract not fulfilled in 2014/15
Conservation Area Appraisals	(7,944.00)	7,944.00				
Princetown Visitor Centre	(63,057.00)	28,057.00				
Ashburton Master Planning	(22,274.00)	22,274.00				
2014/15 Chagford Cattle Grid	(3,000.00)		(3,000.00)	3,000.00		Expected 2015
Dartmoor Local Plan			(122,500.00)	122,500.00		Between 2015 & 2019 (estimates only/timing unknown)
Capital Expenditure & sinking fund	(51,000.00)	51,100.00	(12,000.00)			Vehicle replacement
Match Funding Reserve						
HLF - Moor Than Meets the Eye match funding	(200,000.00)	200,000.00				Scheme delivery commenced 2014
Cycling in National Parks (DFT) match funding	(30,000.00)		(30,000.00)	30,000.00		NPA/13/015 to be paid over in 2015
NPA/14/044 Princes Countryside Fund match funding			(30,000.00)	30,000.00		NPA/14/044 for years 2015-2017
Greater Dartmoor LEAF 2015-2020			(20,700.00)	20,700.00		NPA/14/038 for years 2018-2020
Naturally Healthy Dartmoor Project			(25,000.00)	25,000.00		NPA/14/031 for years 2014-2017
Princetown Visitor Centre - Phase II	(100,000.00)		(135,000.00)	135,000.00		Estimates only
Unallocated fund balance	(78,000.00)		(48,000.00)			
	(2,594,009.66)	600,354.00	(2,033,656.00)	466,459.00	(1,567,197.00)	
General Reserve (unallocated emergency reserve)	(300,000.00)	0.00	(300,000.00)	0.00	(300,000.00)	
Total General Fund Balance	(2,894,009.66)	600,354.00	(2,333,656.00)	466,459.00	(1,867,197.00)	

SUMMARY OF PRUDENTIAL INDICATORS

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

	Prudential Indicator	2015/16	2016/17	2017/18
1	Forecast Annual Capital Expenditure	Nil	Nil	Nil
2	Capital Financing Requirement as at 31 March	Nil	Nil	Nil
3	Total Authorised Limit for External Debt	Nil	Nil	Nil
4	Total Operational Boundary for External Debt	Nil	Nil	Nil
5	Ratio of Financing Costs to Net Revenue Stream	Nil	Nil	Nil
6	Net borrowing will only be for a capital purpose. Net borrowing will not, except in the short term, exceed the total of the capital financing requirement in the preceding year, plus the estimate of any additional capital financing requirement for the current and next two financial years.			

Treasury Management

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

DARTMOOR NATIONAL PARK PLANNING AUTHORITY

6 February 2015

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

Report of the Trees and Landscape Officer

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

SECTION 211 NOTICES

Teignbridge

Ref: 14/0047 10 Plymouth Road, Buckfastleigh SX 7393 6606

Notification to fell a semi-mature *Nothofagus*. The tree is growing in a very small garden and is considered to be an inappropriate species for the size of the garden.

A Tree Preservation Order has not been made.

West Devon

Ref: 14/0044 Avalon, Lydford SX 5118 8512

Notification to reduce long lateral branches and remove secondary growth from the main stem of a beech tree. The works will have minimal impact on the health or appearance of the tree.

A Tree Preservation Order has not been made.

Ref: 14/0045 The Elms, Horrabridge SX 55148 6992

Notification to reduce the crown of a beech tree back to previous growth points. The works will have minimal impact on the health or appearance of the tree.

A Tree Preservation Order has not been made.

Ref: 14/0046 Tawside House, Sticklepath SX 5118 8512

Notification to fell a semi-mature ash and poplar and crown reduce two ash trees and a *Eucryphia*. The works will have minimal impact on the character of the Conservation Area

A Tree Preservation Order has not been made.

BRIAN BEASLEY