

## DARTMOOR NATIONAL PARK AUTHORITY

5 June 2015

**FINANCIAL OUTTURN 2014/15**Report of the Head of Business Support

**Recommendation** : **That, subject to any amendment, the Members see fit to:**

- (i) Propose the content of this report is noted;**
- (ii) Approve the transfer of the 2014/15 revenue surplus of £210,184 into Reserves;**
- (iii) Approve the transfers into earmarked reserves, for specific grant income and projects, as set out in section 3.4 of the report**
- (iv) Agree 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.
- 1.2 The 2014/15 net revenue budget was £3,993,056 after bringing forward Reserves balances from 2013/14. Robust budget management and financial control has been maintained throughout the year which is essential to ensure priorities are delivered in accordance with the Authority's plans.
- 1.3 The Audit and Governance Committee has received detailed financial management reports on a quarterly basis and has therefore been kept up to date regarding in-year variances and the forecast outturn. A provisional outturn report was presented to the Audit and Governance Committee on 15 May (NPA/AG/15/005) and Members noted the report and agreed that the recommendations set out above should be presented to the Authority for approval.

**2 The 2014/15 Financial Outturn**

- 2.1 The financial outturn position as at 31 March 2015 can be found at Appendix 1 and after transfers, to and from, reserves there is a surplus of £210,084. A detailed variance analysis is provided at Appendix 2.
- 2.2 The Authority has once again proved to be very successful in leveraging in additional income, and has continued to make operational and efficiency savings in-year.
- 2.3 We have incurred some (planned) overspends which predominately relate to repairs and maintenance to our premises at Parke and Princetown and the purchase of additional stock for resale at the visitor centres. However, overall, there is a significant revenue surplus at year end. The main variations against the 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>
Salaries	28,066
Travel & Transport	5,160
In-year gain from stock valuation (understatement in prior year)	37,557
Training	8,042
Members' allowances and expenses	6,358
Telephone contracts	3,000
ICT Contracts	9,000
Consultancy (external support) contracts	13,415
Various	13,000
External funding for the Hill Farm Project, replacing our own budget	12,000
<b>Additional Income:</b>	
Charges for filming rights	5,542
External funding towards overheads/management costs (Mires/WHH)	15,456
Adopt a Monument, HER audit, Properties in Care grants	4,010
Donations (including car park cairns)	5,601
£ for the Park (received £4,396)	1,896
Retail sales	50,677
Advertising: Enjoy Dartmoor	4,461
Recharge of Officer time to other organisations	4,000
Renewable Heat Incentive	9,145
Planning Fees	33,504
Gallery Sales commission	1,899
Royalties	3,000
Treasury	5,998
Various fees & charges	8,909
Other Grants	5,000
<b>Total</b>	<b>294,696</b>

2.4 A Project Fund budget of £85,608 was approved at the start of the year. The fund has been fully utilised. Some projects or works had not been completed at year end

and are therefore included in the carry forward requests set out in section 3.4 of this report.

2.5 The Authority has, as ever, a complex work programme and, following reductions in National Park Grant and a much reduced workforce, management of work programmes continues to be challenging.

2.6 The Authority has also embarked on a 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 the HLF. Members are to be kept informed of the Scheme progress, the financial implications and the associated risks via the Audit and Governance Committee.

### 3 Transfers to and from Reserves

3.1 The draft financial outturn position as at 31 March 2015 can be found at Appendix 1. The first three columns marked as “a” (pale blue) shows the Original Budget, in-year budget movements and the subsequent Revised Budget. In-year movements include virements between budgets and transfer of monies for successful bids from the Project Fund.

3.2 The column marked as “b” in green shows the Outturn position before transfers to and from reserves. These transfers are made at year end and are explained in 2.3 & 2.4 below.

3.3 Transfers from Reserves (column “c” darker blue and set out in table 2 below) represent the 2013/14 work programme slippage and income bought forward (NPA/14/027) along with the in-year allocations approved by the Authority.

*Table2.*

<b>Transfers from Reserves (column c)</b>	<b>£</b>
Natural England grant: Farming Futures	14,230
Holne Leat: repair work	6,450
English Heritage grant: White Horse Hill	46,647
Conservation Area appraisals work	7,944
DCC: Public Rights of Way work outstanding	12,547
Defra: Public Rights of Way flood repairs	29,297
Princetown Visitor Centre: refurbishment works	63,057
Ashburton Masterplan	22,274
Contribution for: Rural Community Broadband project	10,000
Postbridge Village Hall feasibility study	3,000

Greater Dartmoor LEAF	1,250
Holne Shop	400
NHB: Public Realm improvement works	13,570
Your Dartmoor Grant Fund balance (awarded not paid)	89,714
Reserves used to balance the 2014/15 budget	68,708
<b>Total</b>	<b>389,088</b>

3.4 In March 2014, the Authority received a £150,000 one-off contribution from Defra to effect flood and storm damage repairs to the Public Rights of Way within the Park boundary. It was carried forward into reserves as it was received too late to spend in the 2013/14 financial year. As at 31 March 2015 actual cash expenditure incurred and therefore matched with balances in reserves is £29,297. Contracts and orders have been placed which will mean all of the remaining balance will be used in the early part of the 2015/16 financial year. For example:

- Replace the footbridge over the river Swincombe, which is being led by Devon County Council (contribution of £43,000)
- Replace/repair the Nun's Cross Path (circa £46,000)
- Works to various other footpaths, bridleways, stepping stone crossings

The Head of Recreation, Access and Estates can provide Members with more detail if required.

3.5 Proposed transfers to Reserves (column "d" pale blue and set out in table 3 below) relate to grants received and specific work programmes and commitments that are to be continued in 2015/16.

*Table 3.*

<b>Transfers To Reserves (column d)</b>	<b>£</b>
Natural England grant: Farming Futures	14,230
Prince's Countryside Fund grant: Hill Farm Project	7,891
English Heritage grant: White Horse Hill	15,536
English Heritage grant: Historic Farmsteads	5,230
DCC: Public Rights of Way works	10,984
Natural England & partners grant: Haytor Hoppa	1,750
Princetown Visitor Centre: refurbishment works	33,846
Postbridge Visitor Centre: Design contract	11,650
DCC: Naturally Healthy Dartmoor project grant	12,294
Contribution for the Rural Community Broadband project	10,000
DCLG grant: Vanguard Right to Buy Project	10,000

Ashburton Masterplan	4,809
Strategic Housing	3,580
Gypsy and Traveller Accommodation Assessment	1,996
Your Dartmoor Grant fund balance (awarded not paid)	53,500
Aerial Photography contract	11,678
New pool vehicle	12,596
WDBC: Communities Fund Grant balance (awarded not paid)	15,755
SHDC: Communities Fund Grant balance (awarded not paid)	17,627
TDC: 2015/16 Communities Fund Grant	25,000
<b>Total</b>	<b>279,952</b>

3.6 The outturn position as at 31 March 2015 after transfers to and from reserves is therefore set out in the column “e” (coloured green).

#### 4 Capital Programme and Prudential Indicators

4.1 The Authority set a small capital programme for 2014/15 totalling £51,100 funded from revenue reserves, consisting of replacement 3 lease vehicles, only two of which have been delivered as at 31 March. A new committee room microphone system was also purchased in-year, funded from the Project Fund, which will also be capitalised in accordance with our accounting policies.

*Table 4.*

<b>Capital Expenditure</b>	<b>£</b>
Rangers: Land Rover (delivered)	19,337
Conservation Works: Ford Ranger (delivered)	19,167
Committee Room Microphone System (installed)	15,722
Pool Car (delivered 6 May & therefore carry forward request)	12,596

The Capital Programme Outturn is therefore £54,226. The budget for the purchase of the pool car will be carried forward into reserves. The invoice will be paid in May.

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

#### 5 Reserves

5.1 The net transfer to reserves as at 31 March is £101,048 i.e. the total reserves balances have increased by this much. It should be noted that this is not as a result of a conscious decision by the Authority to do so. It actually reflects the increased demand on services provided to the public, which generates income (e.g. planning fees, donations, and Visitor Centre sales) and the budget savings made in year that

reflect our efforts to improve efficiency, effectiveness and provide value for money. A summary of the reserve balances is set out in table 5 below and full details of the Authority's reserve balances is set out in appendix 3.

*Table 5.*

<b>Reserve Balances</b>	<b>£</b>
2014/15 Opening Balance	2,894,009
Use of reserves in 2014/15 (table 2)	(389,088)
Transfers to reserves for specific purposes (table 3)	279,952
2014/15 Revenue Surplus	210,184
<b>Total Reserves at 31 March 2015</b>	<b>2,995,557</b>

This The General Reserve (unallocated) will be maintained at £300,000 as previously approved by the Authority in February 2015, and is included in the table above and in Appendix 3.

- 5.2 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.
- 5.3 Members will recall that when we set the 2015/16 Revenue Budget in February (NPA/15/006) we did not set out a detailed Medium Term Financial Plan (MTFP). At that time, National Park Grant (NPG) for 2015/16 had not been confirmed by Defra and whilst the indicative figure has now been confirmed, we have received warning of potential in-year cuts and have received no indication of NPG settlement figures going-forward.
- 5.4 The situation that we face is unprecedented in recent times. What is clear is that public sector spending is set on a downward trajectory for at least the next few years, but we do not know the speed or scale of any potential cuts. 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.
- 5.5 This means that the Authority may have to utilise a significant proportion of reserves over the life of the current and future MTFP if significant reductions in NPG are made, either by supporting some revenue spending, paying for redundancy packages or a combination of the two. 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. We know that there is an 'emergency budget' planned for 8 July 2015 but have no information on the time schedule for the spending review.
- 5.6 We will need to review our reserve balances over the next few months. In addition to the identified calls on reserves there is also a potential cash flow issue regarding the Landscape Partnership Scheme and Members may need to determine whether to allocate additional money (from reserves) to the Postbridge Visitor Centre Scheme. The HLF retain 10 per cent of their grant upon successful completion of the

Landscape Partnership scheme and this means that the Authority may need to consider using reserves to effectively 'gap fund' projects in the final year of the scheme; we are currently discussing this issue with the HLF and partners. Initial costings from the Architects and Quantity Surveyor appointed to design the Visitor Centre extension indicate that the allocated budget may not be sufficient to achieve the outcomes we seek.

## **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

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.

6.3 Management and the S151 Officer have once again discussed the issue and have come to the following conclusions for 2014/15:

- 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 times 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 2014/15 accounts

Members are invited to consider the issue and approve the decision for the note to be excluded.

## **7 Sustainability and Equality Impact**

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

## 8 Conclusions

- 8.1 The outturn surplus of £210,084 represents a minus 5.67% variance against the 2013/14 budget (£47,974 a minus 1.07% variance in 2013/14). The final outturn position may change very slightly over the next month as we finalise the Statement of Accounts, but no further significant variations are anticipated at this time.
- 8.2 Given reduced staff capacity (25% less compared to the start of the Comprehensive Spending Period), an ambitious work programme and the record of achievement and performance reported elsewhere on this agenda, 2014/15 has been a year of sound financial management. It was always anticipated that there could be some slippage in programmed work, especially in relation to the Visitor Centres and some of the more major works projects, where we are working in partnership with others or seeking additional external funding.
- 8.3 Indeed, it is pleasing to note that once again, in an era of austerity, that there continues to be support for National Parks from our partners and the public, as demonstrated by the additional income received this year which will be used to the benefit of the Park and its communities. Staff and Members should also be congratulated for continuing to maintain a culture of robust financial management and control and for:
- proactively seeking and achieving efficiency savings where ever possible;
  - proactively seeking and securing external funding;
  - promoting our key messages, which results in financial support in terms of sales, sponsorship, donations and partnership working
  - working strategically with our local authority neighbours (Teignbridge, West Devon, South Hams and Devon County Councils) with whom we achieve so much more together
- 8.4 The 2014/15 Statement of Accounts will be authorised for Issue by the Chief Financial Officer by 30 June and will be presented to the Authority for review and approval. The Statement of Accounts will be available for public inspection during July. The audit process will commence on 3 August and the Grant Thornton will present the Audit Letter to the Authority on 4 September.

DONNA HEALY

### Background Papers

NPA/AG/15/005 – Financial Outturn 2014/15 (Provisional)

NPA/AG/15/001 - Financial Management 1April to 30 December 2014

NPA/AG/14/052 - Financial Management 1April to 30 September 2014

NPA/14/008 – 2014/15 Net Revenue Budget, Medium Term Financial Plan & Capital Budget

NPA/14/027 – Financial Outturn 2013/14

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

**Attachments – Appendix 1 - 2014/15 Financial Outturn & Transfers to/from reserves**

**Appendix 2 - 2014/15 Outturn Variances**

**Appendix 3 – Reserve Balances**

**Appendix 4 – Risk Based Analysis of Reserve Balances**



Dartmoor National Park Authority 2014/15 Financial Outturn & Transfers To/(From) Reserves

	a	a	a	b	c	d	e	f	
Services	2014/15	2014/15	2014/15	2014/15	2014/15	2014/15	2014/15	2014/15	
	Original Budget	Budget Variation	Revised Budget	Outturn pre Reserve Transfers	(From) Reserves in-year	To Reserves @ 31 March 15	Revised Outturn	Year End Deficit/ (Surplus)	Final Year End Variances (after reserve transfers)
	£	£		£	£	£	£	£	
Biodiversity	100,303		100,303	107,372			107,372	7,069	Maternity cover
MIRES	0		0	5,538			5,538	5,538	Redundancy
Land Management	13,056	500	13,556	11,351	(20,680)	14,230	4,901	(8,655)	Underspends: Pony Support & Management Agreements. Filming income.
Woodlands	40,565		40,565	40,489			40,489	(76)	
Hill Farm Project	26,501		26,501	6,386		7,891	14,277	(12,224)	New grant funding received (PCF) resulting in budget saving
Directorate Costs	3,730		3,730	5,345			5,345	1,615	Uniform
<b>Natural Environment</b>	<b>184,155</b>	<b>500</b>	<b>184,655</b>	<b>176,481</b>	<b>(20,680)</b>	<b>22,121</b>	<b>177,922</b>	<b>(6,733)</b>	
Archaeology	100,858		100,858	118,315	(46,647)	15,536	87,204	(13,654)	Underspends: Bellever day cancelled, Minor Works. Overheads/management costs recovered via externally funded projects & other fees and charges
Built Environment	39,435		39,435	39,755	(7,944)	5,230	37,041	(2,394)	Conservation Character appraisals cancelled, Historic Farmsteads work c/fwd
Moor Than Meets the Eye			0	5,268			5,268	5,268	Deficit from development phase & running costs in Delivery Phase
Higher Uppacott	26,228		26,228	21,861			21,861	(4,367)	Savings: premises works. Income: donations & events
<b>Cultural Heritage</b>	<b>166,521</b>	<b>0</b>	<b>166,521</b>	<b>185,199</b>	<b>(54,591)</b>	<b>20,766</b>	<b>151,374</b>	<b>(15,147)</b>	
Visitor Management	107,228	9,000	116,228	112,403			112,403	(3,825)	Savings: Toilet grants. Income: donations
Access	98,322		98,322	90,656			90,656	(7,666)	Savings: CROW & terminated access agreements. Income: £ for the park & works recharged
Public Rights of Way	81,596		81,596	113,823	(41,844)	10,984	82,963	1,367	
Sustainable Transport & Tourism	24,090		24,090	25,895		1,750	27,645	3,555	JE regrading. Welcome guides not produced. C/fwd 2015 /16 Haytor Hoppa Grant
Traffic Management	0		0	302			302	302	
<b>Recreation Management, Traffic &amp; Transport</b>	<b>311,236</b>	<b>9,000</b>	<b>320,236</b>	<b>343,079</b>	<b>(41,844)</b>	<b>12,734</b>	<b>313,969</b>	<b>(6,267)</b>	
Visitor Centres	188,029	20,000	208,029	137,723	(63,057)	45,496	120,162	(87,867)	Savings: Salaries. Income: Retail Sales and Info Board advertising. Year end stock adjustment
Communications	174,429	3,000	177,429	183,456			183,456	6,027	Purchase of Timelapse film & music rights. Income: Enjoy Dartmoor Advertising & gallery sales commission
Naturally Healthy Dartmoor			0	(12,294)		12,294	0	0	
Education	114,069	5,055	119,124	113,648			113,648	(5,476)	Savings: vehicle fuel & tyres, training, volunteers. Income: events, Ranger Ralph
<b>Education, Information &amp; Communication</b>	<b>476,527</b>	<b>28,055</b>	<b>504,582</b>	<b>422,533</b>	<b>(63,057)</b>	<b>57,790</b>	<b>417,266</b>	<b>(87,316)</b>	
<b>Rangers</b>	<b>404,076</b>		<b>404,076</b>	<b>390,954</b>			<b>390,954</b>	<b>(13,122)</b>	Savings: vehicle fuel , training, phones & vehicle repairs deferred. Income: donations & recharge officer time (Bicton)
<b>Conservation Works Service</b>	<b>217,413</b>	<b>2,700</b>	<b>220,113</b>	<b>227,459</b>			<b>227,459</b>	<b>7,346</b>	Apprentice contract extended & vehicle servicing costs
<b>Development Management</b>	<b>348,461</b>		<b>348,461</b>	<b>319,155</b>			<b>319,155</b>	<b>(29,306)</b>	Savings: salaries. Income: planning fees. Offsets additional costs for planning appraisals, viability assessments, legal & subscriptions
<b>Forward Planning &amp; Community</b>	<b>183,361</b>	<b>750</b>	<b>184,111</b>	<b>190,811</b>	<b>(50,494)</b>	<b>30,385</b>	<b>170,702</b>	<b>(13,409)</b>	Minerals plan work deferred.
<b>Sustainable Development Fund</b>	<b>75,000</b>	<b>1,037</b>	<b>76,037</b>	<b>102,230</b>	<b>(89,714)</b>	<b>53,500</b>	<b>66,016</b>	<b>(10,021)</b>	Salary savings and balance of grant fund
<b>Corporate and Democratic Core</b>	<b>318,669</b>	<b>10,000</b>	<b>328,669</b>	<b>295,487</b>			<b>295,487</b>	<b>(33,182)</b>	Savings: salaries, Members' expenses & allowances, subscriptions, consultancy. Income: Treasury, royalties, audit fee refund
Information Technology	195,935	17,178	213,113	188,968		11,678	200,646	(12,467)	Savings: salaries, ICT contracts. Income: sale of equipment
Corporate Operating Costs	94,732	1,835	96,567	94,661			94,661	(1,906)	Savings: Pool cars fuel. Income: overheads recharged via external funding. Microphone system will be capitalised
Resources	180,387		180,387	169,531			169,531	(10,856)	Savings: salaries, training
Legal & Democratic Services	105,455		105,455	92,252			92,252	(13,203)	Savings: salaries. Income: recovery of costs. Offset specialist support costs
Human Resources	142,698	11,815	154,513	157,898			157,898	3,385	Internal secondment to support the conference & visitor Centres
Office Accommodation (Parke)	113,245	2,000	115,245	134,399			134,399	19,154	Works: stable block roof, gabions
Office Accommodation (Princetown)	50,712	738	51,450	67,151			67,151	15,701	Works: drains, rendering, electrics. Income: RHI from biomass boiler
<b>Support Services</b>	<b>883,164</b>	<b>33,566</b>	<b>916,730</b>	<b>904,860</b>	<b>0</b>	<b>11,678</b>	<b>916,538</b>	<b>(192)</b>	
Capital: Vehicles	51,100		51,100	38,504		12,596	51,100	0	Replacement pool car to be delivered in May
Project Fund	85,860	(85,608)	252				0	(252)	
<b>Total Net Expenditure</b>	<b>3,705,543</b>	<b>0</b>	<b>3,705,543</b>	<b>3,596,752</b>	<b>(320,380)</b>	<b>221,570</b>	<b>3,497,942</b>	<b>(207,601)</b>	
<b>Funded By:</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
National Park Grant	(3,636,835)		(3,636,835)	(3,636,835)			(3,636,835)	0	
Communities Fund Grant - SHDC				(17,277)		15,755	(1,522)	(1,522)	Will be included under Forward Planning in the Statement of Accounts
Communities Fund Grant - WDBC				(18,688)		17,627	(1,061)	(1,061)	Will be included under Forward Planning in the Statement of Accounts
Communities Fund Grant - TDC				(25,000)		25,000	0	0	Will be included under Forward Planning in the Statement of Accounts
Transfer From Reserves to Balance the Budget	(68,708)		(68,708)	0	(68,708)		(68,708)	0	
<b>Total</b>	<b>(3,705,543)</b>	<b>0</b>	<b>(3,705,543)</b>	<b>(3,697,800)</b>	<b>(68,708)</b>	<b>58,382</b>	<b>(3,708,126)</b>	<b>(2,583)</b>	
<b>Budget Variation - (Under) / Over Spend</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(101,048)</b>	<b>(389,088)</b>	<b>279,952</b>	<b>(210,184)</b>	<b>(210,184)</b>	

2014/15 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
	£	£	£	£	£	£	£	£	£	£	
BIODIVERSITY	6,548	106			415	7,069			0	7,069	Maternity cover
MIRES	9,448					9,448	(3,910)		(3,910)	5,538	Redundancy
LAND MANAGEMENT					(17,343)	(17,343)		(5,542)	(5,542)	(22,885)	Filming income. Farming Futures grant funding to be carried forward. Underspends: pony support
WOODLANDS	(72)	482		282	(431)	261		(337)	(337)	(76)	
HILL FARM PROJECT	(190)	(500)			(2,884)	(3,574)	(14,762)	(1,779)	(16,541)	(20,115)	Prince's Countryside Funding & RDPE grant resulting in budget saving
DIRECTORATE COSTS		725			890	1,615			0	1,615	Replacement Uniform
<b>NATURAL ENVIRONMENT</b>	<b>15,734</b>	<b>813</b>	<b>0</b>	<b>282</b>	<b>(19,353)</b>	<b>(2,524)</b>	<b>(18,672)</b>	<b>(7,658)</b>	<b>(26,330)</b>	<b>(28,854)</b>	
ARCHAEOLOGY	509	(607)		(19)	(12,352)	(12,469)	(15,971)	(750)	(16,721)	(29,190)	WHH income to be carried forward. Overheads recovered via external funding
BUILT ENVIRONMENT	396	154			(1,944)	(1,394)	(6,230)		(6,230)	(7,624)	Historic Farmsteads - externally funded by English Heritage c/fwd
MOOR THAN MEETS THE EYE					5,268	5,268			0	5,268	Deficit from the Development phase & running costs in Delivery Phase
UPPACOTT			(3,210)		461	(2,749)		(1,618)	(1,618)	(4,367)	Event costs covered by event income. Savings: Premises works
<b>CULTURAL HERITAGE</b>	<b>905</b>	<b>(453)</b>	<b>(3,210)</b>	<b>(19)</b>	<b>(8,567)</b>	<b>(11,344)</b>	<b>(22,201)</b>	<b>(2,368)</b>	<b>(24,569)</b>	<b>(35,913)</b>	
VISITOR MANAGEMENT	(773)		201	699	(2,678)	(2,551)		(1,274)	(1,274)	(3,825)	Savings: Toilet grants. Increased donations
ACCESS & RECREATION	107	(134)		408	(5,143)	(4,762)		(2,904)	(2,904)	(7,666)	
PUBLIC RIGHTS OF WAY	1,252	131			21,296	22,679	(3,000)		(3,000)	19,679	Flood & storm damage work to be met from reserves. C/fwd PROW grant
SUSTAINBLE TOURISM & TRANSPORT	2,655	52			1,098	3,805	(3,500)	1,500	(2,000)	1,805	Job evaluation regrading. Welcome Guides not done this year. C/fwd Haytor Hoppa funding
TRAFFIC MANAGEMENT					302	302			0	302	Speed visor batteries
<b>RECREATION MANAGEMENT</b>	<b>3,241</b>	<b>49</b>	<b>201</b>	<b>1,107</b>	<b>14,875</b>	<b>19,473</b>	<b>(6,500)</b>	<b>(2,678)</b>	<b>(9,178)</b>	<b>10,295</b>	
VISITOR CENTRES	(16,769)	708	(2,137)		(64,488)	(82,686)		(50,677)	(50,677)	(133,363)	Increased retail & stock purchases and new cash tills, increased sales & gallyer commission income. /Fwd unspend refurbishment project budget. Year end stock adjustment
COMMUNICATIONS	2,544	615			6,408	9,567		(3,540)	(3,540)	6,027	SLA in place for Communications Manager Post. Purchase of Timelapse Film & music rights. Gallery sales commission & Enjoy Dartmoor advertising income
NATURALLY HEALTHY DARTMOOR EDUCATION	7,489				216	7,705	(20,000)		(20,000)	(12,295)	Project spans 3 financial years, balance to be c/fwd
	(415)	(390)		(1,108)	(3,010)	(4,923)		(553)	(553)	(5,476)	Savings: vehicles, 1st aid training, Volunteer Group grants. Income Ranger Ralph & events
<b>PROMOTING UNDERSTANDING</b>	<b>(7,151)</b>	<b>933</b>	<b>(2,137)</b>	<b>(1,108)</b>	<b>(60,874)</b>	<b>(70,337)</b>	<b>(20,000)</b>	<b>(54,770)</b>	<b>(74,770)</b>	<b>(145,107)</b>	
RANGERS	335	1,152	(191)	(7,856)	(4,069)	(10,629)		(2,493)	(2,493)	(13,122)	Savings: Fuel, vehicle repairs, training, phones. Income from donations & recharging for officer time
CONSERVATION WORKS	7,334	(61)	(397)	1,663	(590)	7,949		(603)	(603)	7,346	Apprentice contract extended & vehicle running costs. Income from recharging officer time
<b>RANGERS, ESTATES &amp; VOLUNTEERS</b>	<b>7,669</b>	<b>1,091</b>	<b>(588)</b>	<b>(6,193)</b>	<b>(4,659)</b>	<b>(2,680)</b>	<b>0</b>	<b>(3,096)</b>	<b>(3,096)</b>	<b>(5,776)</b>	
DEVELOPMENT MANAGEMENT	(8,429)	235		40	18,194	10,040		(39,346)	(39,346)	(29,306)	Salary savings. Planning appraisals, Legal costs, viability assessments & subscriptions. Increased Planning fee income
<b>DEVELOPMENT MANAGEMENT</b>	<b>(8,429)</b>	<b>235</b>	<b>0</b>	<b>40</b>	<b>18,194</b>	<b>10,040</b>	<b>0</b>	<b>(39,346)</b>	<b>(39,346)</b>	<b>(29,306)</b>	
FORWARD PLANNING & COMMUNITIES	(2,903)	208			(26,571)	(29,266)	(61,887)	(35)	(61,922)	(91,188)	Salary Savings. Public Realm works funded from reserves. Stand alone Minerals Plan will not happen, looking to produce a single consolidated local plan, to include policies. C/fwd committed expenditure and grant income
YOUR DARTMOOR GRANT FUND	(5,365)				(52,773)	(58,138)		(5,385)	(5,385)	(63,523)	Salaries savings and unallocated grant. Event fees offsets event costs. C/fwd commitments
<b>FORWARD PLANNING</b>	<b>(8,268)</b>	<b>208</b>	<b>0</b>	<b>0</b>	<b>(79,344)</b>	<b>(87,404)</b>	<b>(61,887)</b>	<b>(5,420)</b>	<b>(67,307)</b>	<b>(154,711)</b>	
CORPORATE & DEMOCRATIC CORE	(5,379)	(500)		416	(18,721)	(24,184)		(8,998)	(8,998)	(33,182)	Savings include: Salaries, Members allowances & expenses, subscriptions, consultancy and an audit cost refund. Income: Airwick royalties and treasury deposit interest
<b>CORPORATE &amp; DEMOCRATIC CORE</b>	<b>(5,379)</b>	<b>(500)</b>	<b>0</b>	<b>416</b>	<b>(18,721)</b>	<b>(24,184)</b>	<b>0</b>	<b>(8,998)</b>	<b>(8,998)</b>	<b>(33,182)</b>	
INFORMATION TECHNOLOGY	(8,362)	581		89	(15,711)	(23,403)		(742)	(742)	(24,145)	Salary savings. Contract savings against budget estimates. Carry forward Aerial photography contract
CORPORATE OPERATING COSTS				(3,156)	8,338	5,182	(7,156)	(181)	(7,337)	(2,155)	New committee room microphone system being offset by pool cars fuel saving and recovery of overheads from external grant funding
RESOURCES	(9,870)	116			(1,102)	(10,856)			0	(10,856)	Salary savings & staff not in LGPS offsetting temporary agency staff cover for sickness and new
LEGAL	(14,012)	144			4,415	(9,453)		(3,750)	(3,750)	(13,203)	Salary saving. External professional / specialist legal support costs offset by recovery of legal costs
HUMAN RESOURCES	5,921	165			(434)	5,652		(2,267)	(2,267)	3,385	Internal Secondment to support NP Confernece and cross-cutting HR related tasks. Income: External works recharge & recovery of staff cycle scheme bike purchases
OFFICE ACCOMMODATION (PARKE)	(66)		18,668			18,602		552	552	19,154	Stable block re-roofing, timber treatment and gabions repairs.
OFFICE ACCOMMODATION (PRINCETOWN)			24,675			24,675		(8,974)	(8,974)	15,701	Works include: drains improvements, external rendering and electrical works. RHI income from Biomass boiler
<b>CORPORATE SERVICES</b>	<b>(26,389)</b>	<b>1,006</b>	<b>43,343</b>	<b>(3,067)</b>	<b>(4,494)</b>	<b>10,399</b>	<b>(7,156)</b>	<b>(15,362)</b>	<b>(22,518)</b>	<b>(12,119)</b>	
CAPITAL					(12,596)	(12,596)			0	(12,596)	Pool car to be delivered in May 2015
TRANSFERS TO / (FROM) RESERVES					100,788	100,788	136,297		136,297	237,085	Grant income and project carry forwards at year end
<b>REVENUE EXPENDITURE</b>	<b>(28,067)</b>	<b>3,382</b>	<b>37,609</b>	<b>(8,542)</b>	<b>(74,751)</b>	<b>(70,369)</b>	<b>(119)</b>	<b>(139,696)</b>	<b>(139,815)</b>	<b>(210,184)</b>	

**2014/15 to 2015/16 GENERAL FUND RESERVE BALANCES**

Appendix 3 to NPA/15/016

Earmarked Reserves	2014/15 Opening Balance £	2014/15 Transfers to Revenue & Within £	2014/15 Transfers from Outturn £	2014/15 Closing Balance £	2015/16 Movements & Commitments £	2015/16 Closing Balance £	Notes
<b>Grants &amp; Contributions with Restrictions</b>							
Defra: Flood & Winter Storm Damage - Grant	(150,000)	29,297		(120,703)	120,703	0	Fully committed against works
Your Dartmoor Grant Fund	(89,714)	89,714	(53,500)	(53,500)	53,500	0	Grants awarded not paid out at 31.03.15 (scheme now ended)
Prince's Countryside Fund: Hill Farm Project			(7,891)	(7,891)	7,891	0	Project runs from 2015-2017
Natural England - Farming futures	(20,680)	20,680	(14,230)	(14,230)	14,230	0	Approval to employ and Intern 2015-2016
Historic Environment Record	(10,000)	10,000		0		0	Project ended
Englishe Heritage: White Horse Hill	(46,647)	46,647	(15,536)	(15,536)	15,536	0	To fund the Exhibition at Postbridge VC
English Heritage: Historic Farmsteads			(5,230)	(5,230)	5,230	0	Project runs from 2014-2015
Natural England & Partners: Haytor Hoppa			(1,750)	(1,750)	1,750	0	For the 2015 summer service
DCC: Public Rights of Way	(12,547)	12,547	(10,984)	(10,984)	10,984	0	Service Level Agreement fund balance
2013/14 New Homes Bonus	(47,000)	40,250		(6,750)	6,750	0	To fund public realm works and Communities Fund Grants
WDBC: Communities Fund Grant 2015/16		(15,000)		(15,000)	15,000	0	For 2015-2016 financial year
TDC: Communities Fund Grant 2015/16			(25,000)	(25,000)	25,000	0	For 2015-2016 financial year
WDBC: Communities Fund Grant 2014/15			(17,627)	(17,627)	17,627	0	Grants awarded not paid out as at 31.03.15
SHDC: Communities Fund Grant 2014/15			(15,755)	(15,755)	15,755	0	Grants awarded not paid out as at 31.03.16
DCC: Naturally Healthy Dartmoor Project			(12,294)	(12,294)	12,294	0	Project runs from 2014-2017
DCLG: Vanguard Right to Buy			(10,000)	(10,000)	10,000	0	Grant received at year end, will support the project in 2015-2016
<b>Budget management Fund - Provisions (risk based)</b>							
Employees	(383,000)	32,000		(351,000)		(351,000)	See risk assessment for breakdown
Appeals/Public Enquiries/Litigation	(250,000)			(250,000)		(250,000)	See risk assessment for breakdown
Inflation & loss of income	(84,000)	(18,000)		(102,000)		(102,000)	See risk assessment for breakdown
Redundancy	(100,000)	100,000		0		0	Included under employees
Future reductions in NPG	(608,496)	36,908		(571,588)		(571,588)	To support revenue budget and / or redundancy costs
2014/15 Year end Surplus			(210,184)	(210,184)	12,000	(198,184)	
Property - Repairs & maintenance programme	(222,000)	72,000		(150,000)		(150,000)	See risk assessment for breakdown
<b>Known Commitments</b>							
Broadband	(10,000)	10,000	(10,000)	(10,000)	10,000	0	Rural Community Broadband Project
Holne Shop valuation review	(400)	400		0			
Greater Dartmoor Leaf	(1,250)	1,250		0			
Postbridge Village Hall	(3,000)	3,000		0			
Aerial Photography			(11,678)	(11,678)	11,678	0	Contract not fulfilled in 2014/15
Conservation Area Appraisals	(7,944)	7,944		0			
Princetown Visitor Centre	(63,057)	63,057	(33,846)	(33,846)	33,846	0	Improvements and redesign (internal)
Postbridge Visitor Centre			(11,650)	(11,650)	11,650	0	Architect engaged to redesign the VC under the MTMTE scheme
Ashburton Mater Planning	(22,274)	22,274	(4,809)	(4,809)	4,809	0	On-going contracts (BDP)
2014/15 Chagford Cattle Grid	(3,000)			(3,000)	3,000	0	
Dartmoor Local Plan		(122,500)		(122,500)	128,076	5,576	Between 2015 & 2019 (estimates only/timing unknown)
Gypsy and Traveller Accommodation Assessment			(1,996)	(1,996)	1,996	0	
Strategic Housing Market Needs Assessment (SHMNA)			(3,580)	(3,580)	3,580	0	
<b>Capital Expenditure &amp; sinking fund</b>	(51,000)	51,000	(12,596)	(12,596)	12,596	0	Pool Vehicle replacement delayed
		(12,000)		(12,000)	(12,000)	(24,000)	Vehicle replacement programme
<b>Match Funding Reserve</b>							
HLF - Moor Than Meets the Eye match funding	(200,000)			(200,000)	200,000	0	Scheme delivery commenced 2014
Cycling in National Parks (DFT) match funding	(30,000)			(30,000)	30,000	0	NPA/13/015 to be paid over in 2015
NPA/14/044 Princes Countryside Fund match funding		(30,000)		(30,000)	30,000	0	NPA/14/044 for years 2015-2017
Greater Dartmoor LEAF 2015-2020		(20,700)		(20,700)	20,700	0	NPA/14/038 for years 2018-2020
Naturally Healthy Dartmoor Project		(25,000)		(25,000)	25,000	0	NPA/14/031 for years 2014-2017
Princetown Visitor Centre - Phase II	(100,000)	(46,680)		(146,680)	146,680	0	HLF bid submitted, after round 1 approval
Unallocated fund balance	(78,000)	30,000		(48,000)		(48,000)	
				0			
	<b>(2,594,009)</b>	<b>389,088</b>	<b>(490,136)</b>	<b>(2,695,057)</b>	<b>1,005,861</b>	<b>(1,689,196)</b>	
<b>General Reserve (unallocated emergency reserve)</b>	<b>(300,000)</b>	0	0	<b>(300,000)</b>	0	<b>(300,000)</b>	
<b>Total General Fund Balance</b>	<b>(2,894,009)</b>	<b>389,088</b>	<b>(490,136)</b>	<b>(2,995,057)</b>	<b>1,005,861</b>	<b>(1,989,196)</b>	

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

**DARTMOOR NATIONAL PARK AUTHORITY**

15 June 2015

**2014/15 ANNUAL GOVERNANCE STATEMENT**Report of the Head of Business Support

Recommendation :    **That Members:**  
                          **(i)    note the content of the report;**  
                          **(ii)   approve the 2014/15 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 regulation 4(3) of “The Accounts and Audit (England) Regulations 2011”, 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 Dartmoor National Park Authority also adopted a Local Code of Corporate Governance in December 2009 and this Code is also reviewed and updated at the same time to evidence improvements and changes made during the year.

**2    2014/15 Annual Governance Review**

- 2.1 Production and publication of an Annual Governance Statement (AGS) are the final stages of an on-going review of governance and not an activity which can be planned and viewed in isolation. Compilation of an AGS involves the whole Authority:
- Reviewing the adequacy of its governance arrangements
  - Knowing where it needs to improve those arrangements, and
  - Communicating to users and stakeholders how better governance leads to better quality public services
- 2.2 During 2014/15 the review of the effectiveness of the governance arrangements has been informed by:
- The work of Officers of the Authority, who have responsibility for the maintenance and review of governance;
  - The work of the Audit & Governance Committee, who have responsibility for scrutinising performance and reporting to the Authority;
  - The work of the Internal Auditor (Devon Audit Partnership);
  - By responding to recommendations made by external auditors; and

- The 2013/14 survey of local residents which sought views on the performance of various services provided by the National Park Authority.

2.3 To assist the Authority in reviewing the effectiveness of its governance arrangements Officers use a self assessment style tool to benchmark itself against suggested best practice, which helps 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 the Authority's:

- General corporate governance arrangements;
- The system of internal control;
- The core principles contained within the Local Code of Corporate Governance; and
- The additional / expanded governance requirements from the Chief Financial Officer Statement

2.4 The Annual Governance Statement for Dartmoor National Park Authority for 2014/15 is attached at Appendix 1; it was reviewed by the Audit and Governance Committee on 15 May and recommended for approval.

2.5 It is recommended that the action plan for improvements contained in the Annual Governance Statement is implemented and/or continued in 2015/16 and that an on-going review of governance arrangements is continued during the forthcoming financial year, in order to provide reasonable assurance of the effectiveness of the governance framework and ensure compliance with the Local Code of Corporate Governance.

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

3.1 The Authority seeks to treat all people equally, honestly and fairly in any, or 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 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:

- Its system of financial internal control is sound;
- It has arrangements to detect and deter fraud and corruption in place; and
- Its arrangements to ensure the legality of its transactions are adequate and effective.

DONNA HEALY

Background Papers: The CIPFA/SOLACE Framework "Delivering Good Governance in Local Government"  
The Local Code of Corporate Governance  
The CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010)

Attachments: Appendix 1 – Annual Governance Statement 2014/15

# **ANNUAL GOVERNANCE STATEMENT**

## **2014/15**

### **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 2015 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 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 Corporate 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 on a 5 yearly cycle. DNPA was assessed in February 2011. The next review process is subject to discussion between the Department of the Environment, Food and Rural Affairs (Defra) and all ten English National Park Authorities..
- 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 2014/15 as follows:

- Implemented the changes resulting from Defra's review of Governance arrangements in National Park Authorities, which commenced in 2012
- Rolled out Finance and Procurement training across the Authority
- Continued with a major refurbishment scheme at the National Park Visitor Centre, Princetown
- Undertook a Value for Money Review of the Service Level Agreement the Authority has with Devon County Council for maintaining Public Rights of Way. Agreed a revised approach to the management of public rights of way within the National Park which will be trialled in 2015/16 for potential roll-out across the National Park in 2017/18
- Developed and consulted on a new draft Communications Strategy for the Authority, with a particular focus on external communications and community engagement
- Undertook a staffing and structure review of the Leadership Team to seek further reductions in the Authority's salary budget, reflecting the future uncertainty in the level of National Park Grant funding received from Defra
- Reviewed our Governance arrangements, Scheme of Delegation & financial regulations to reflect the new Leadership Team structure
- Adopted an Affordable Housing Supplementary Planning Document (SPD) in order to guide Local Plan Policies
- Approved the Local Development Scheme – a timetable for the Development Plan preparation and review
- Became the lead Partner to deliver the 5 year "Moor Than Meets the Eye" Heritage Lottery Funded Landscape Partnership scheme
- Developed a joint Economic Prospectus for Dartmoor and Exmoor National Parks to clarify the role of the two Authorities in economic development and the opportunities for sustainable rural growth

- Set up the Dartmoor Communities Grant Fund, in partnership with West Devon Borough, South Hams District and Teignbridge District Councils
- Adopted a Sponsorship Policy to aid the development of new fundraising and income generation
- Approved the Chagford Masterplan
- Approved the commencement of charging for pre-application planning advice
- The Ranger Service gained membership of the Community Safety Accreditation Scheme

**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 2015/16:

- Adopt a new Communications Strategy, with a particular focus on external communications and community engagement
- Review the Statement of Community Involvement – which sets out how we engage with stakeholders on Plan preparation
- Develop an organisational development strategy to support staff, volunteers and members improve processes and sustain high performance
- Develop a revised website as a two-way tool for communication, focused on user needs
- Continue to work at a national and local level to develop fundraising and new income sources
- Engage, via National Parks England, with the forthcoming spending review and respond as required to future funding settlement

**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:** .....  
**Chairman of the Authority**

**Signed:**.....  
**K D Bishop**  
**Chief Executive (National Park Officer)**

**Date:** .....

**Date:** .....

## DARTMOOR NATIONAL PARK AUTHORITY

5 June 2015

**PROPOSED INCREASE IN CHARGES FOR PRINCETOWN CAR PARK**Report of the Head of Recreation, Access and Estates

**Recommendation: That Members approve the revised charges for Princetown Car Park as set out in the report.**

**1 Background**

- 1.1 Pay and display charging for the public car park at Princetown was introduced in August 2013 following reductions in National Park Grant and the clear steer from DEFRA (Department for Environment, Food and Rural Affairs) that we should be looking at alternative sources of income. Two ticket machines were installed, with the parking service being managed by West Devon Borough Council through a Service Level Agreement (SLA).
- 1.2 Part of the decision to introduce formal car park charges at Princetown was the investment being made in the area by the Authority. Over the last twelve months the Authority has undertaken an extensive refurbishment of the Visitor Centre (circa £40k) with extended opening times; resurfaced the car park (circa £42k); completed repairs to Station Road (access road) to the car park (circa £6k); and completed wider improvements to the public realm – (an ongoing programme with circa £20k spent to date).
- 1.3 The Authority has provided £3,000 of the income from the new car park charges to the Dartmoor Forest Parish Council in the form of a grant towards the costs of the public conveniences (for the period 1 April 2014 – 31 March 2017).

**2 Current Charges**

- 2.1 The charges agreed for 2014/15 are outlined below. They were determined following consultation with the local community and businesses in Princetown and were set at the same rate as the donation cairns (which asked for a voluntary donation of £1).

Cars and motorcycles	£1.00 per day
Coaches or PSVs displaying a valid community disc etc	£1.00 per day
All other coaches and PSVs	£4.00 per day
Disabled persons vehicle displaying a valid Blue Badge	Free

- 2.2 The charges introduced are for seven days per week, all year round and are effective between the hours of 10.00am and 6.00pm each day. This enables the local community to use the car park free of charge outside of these times. In response to requests from local businesses and the parish council, and with support from the Authority, Devon County Council recently introduced a 30 minute

restriction on the carriageway alongside the shops and businesses in Princetown, which provides free parking for a limited period.

- 2.3 Officers have undertaken a review of the income and operating costs via the service level agreement (SLA) with West Devon Borough Council. Anecdotal evidence of visitor feedback suggests that the £1.00 for a whole day's parking is considered to be extremely low and that some visitors expect to pay more.

### 3 Income and operating costs October 2013 – September 2014

Income from ticket machines (Gross)	£22,616
Less VAT at 20%	(£3,769)
Less WDBC commission (20% of gross income)	(£4,523)
<b>Net income</b>	<b>£14,324</b>

- 3.1 The initial purchase and installation costs (including software maintenance agreements, tickets and electricity) for the ticket machines and associated car park signage was £10,373.
- 3.2 On-going annual revenue costs are estimated to be £1,100, but do not include staff costs associated with managing the SLA and finance staff costs relating to banking, reconciliations and audit related activity.
- 3.3 The net income for the period October 2013 – September 2014 was £14,324. The annual amount received previously through the donation cairns was around £6,000.00 per annum.
- 3.4 The Net receipt to the Authority is just £0.66 per £1 ticket when taking into account the deductions for VAT and the 20% commission paid to West Devon Borough Council for managing the service.
- 3.5 At its meeting in January 2015 Members agreed to consult on increased charges as set out below.

<b>Class of vehicle</b>	<b>Up to 3 hours</b>	<b>Over 3 hours</b>
Cars and motorcycles	£1.00	£2.00
Coaches or PSVs displaying a valid community disc etc	£1.00	£2.00
All other coaches and PSVs	£4.00	£4.00
Disabled persons vehicle displaying a valid Blue Badge	Free	Free

### 4 Projected income

- 4.1 It is difficult to accurately predict the projected income that may arise from an increase in charges as several factors influence visitor numbers. Weather is often the most influencing factor. There is no single, definitive source of information

relating to the length of stay of visitors to Princetown. A visitor survey carried out in 2012 found that 21% of respondents cited that their visit to Princetown was to walk for 2 miles or more. Data collected from people counters in the area suggests that a potential increase of around 20% of income through revised charges is possible.

- 4.2 The revised charging structure may also result in more frequent turnover of vehicles, which would result in a higher rate of income return as well as benefiting Princetown businesses.

## **5 Consultation**

- 5.1 The proposed new charges require an amendment to the Off Road Parking Places Order and a formal period of consultation has now taken place. This was advertised by West Devon Borough Council (WDBC) as part of an amendment order covering other sites managed by the Council.

- 5.2 The views of local businesses were sought informally before the report to members in January. Their feedback was generally negative towards any proposed increase in charging and their comments are summarised as follows:

- Increased charges will deter visitors (some claimed they had anecdotal evidence of this happening already).
- The half day charge should be extended to four hours, not three hours.
- Regular (winter) visitors to Princetown are deterred already and reluctant to pay the £1 parking fee.
- Revising the charges will lead to increased displaced parking.
- Two businesses stated that they had seen an increase in visitors parking on their premises (to go for a walk) to avoid paying since charging was introduced.
- The Authority should consider providing a parking permit for residents and those who work in Princetown, or a season ticket.

- 5.2 We have received six responses to the consultation, there has been no formal response from the parish council. The responses are outlined in Appendix 1 but in summary they reflect the concerns raised above:

- Possibly displacement of vehicles onto side roads, causing inconvenience for local residents
- Detrimental impact on visitor numbers, people will not stop and explore the area
- 100% increase in charges is too much in a deprived area.

- 5.3 In response to the comments received Members may wish to consider the following:

- The Authority has invested considerably in trying to improve the visitor experience at Princetown to support the local economy and community. During 2014 approximately £88,000 of investment in the Visitor Centre and car park and there are ongoing planned improvements to the Visitor Centre, local paths and trails in 2015.

- We have witnessed a 15,000 increase in visitor numbers to the Princetown Centre in 2014/15 as compared to 2013/14 which hopefully reflects the ongoing investment
- The new charges have been set at levels which are still considered to be reasonable given the investment made by the Authority and are unlikely to deter visitors
- The introduction of the 30 minute parking restriction on the main street has assisted in directing longer stay visitors to the car park and allowed short stay parking immediately outside of the shops.
- Through the income generated by car park charges at Princetown the Authority has supported the continued opening of Princetown toilets through a grant to the parish council for three years.
- Comparative car park charges across Dartmoor, and for other National Parks, is provided at Appendix 2.

## **6 Conclusion and Recommendation**

- 6.1 The proposed changes to car park charges seek to achieve a balance between increasing revenue for operational and maintenance costs of the car park, the Visitor Centre and paths and trails in the area, whilst maintaining a reasonable charge for parking. It is therefore recommended that the car park charges are increased as proposed.

## **7 Equality and Sustainability Impact Assessment**

- 7.1 Blue badge holders will qualify for free parking.

ANDREW WATSON

**Attachments:** Appendix 1 – Summary of responses  
Appendix 2 – Comparative Data

**Princetown off street parking place order – Proposed amendments to car parking charges**  
**Summary of responses**

No.	Copy of objection
Objection 1	Parking cost increase will make more vehicles park on side roads and cause more obstructions for local residents
<b>Response</b>	<b>The increase in car parking charges to £2 per day is considered to be reasonable. Waiting restrictions have been implemented, as agreed with the Parish Council, by Devon County Council</b>
Objection 2	I object to increase Princetown car park charges
<b>Response</b>	<b>The increase in car parking charges to £2 per day is considered to be reasonable</b>
Objection 3	I wish to object to the proposed car parking fee increases. Since I believe this will have a negative impact on visitor numbers to Princetown and will also encourage drivers to park in residential streets causing a nuisance.
<b>Response</b>	<b>The £2 per day charge is considered to be reasonable and has been set at a level which is unlikely to deter visitor levels. We hope that having a £1 fee for up to three hours may increase turnover of vehicles within the car park, which will benefit businesses.</b>
Objection 4	I object to the proposed raising of car parking charges in Princetown
<b>Response</b>	<b>The increase in car parking charges to £2 per day is considered to be reasonable</b>
Objection 5	I am extremely unhappy with the proposal to increase the parking charges at the car park in Princetown. To raise the charge for all day parking by 100% is very unfair to both the visitors and residents of Princetown. This increase will lead to either an increase in on-street parking, inconveniencing the residents of Princetown, or potential visitors just not staying at all. To charge the same amount for all day parking in both Princetown and Tavistock is plainly absurd given the disparity in facilities available to visitors. The choice of the cut-off period between the two rates of charging in the Princetown car park is blatantly cynical. Anyone contemplating a long walk away from the village is far more likely to over-pay by purchasing an all-day ticket "just to be on the safe side". These rates of charging are nothing more than a blatant exercise in opportunistic revenue harvesting. These proposals will do nothing but cause further inconvenience to both the residents and the businesses of Princetown.



<b>Response</b>	<b>The increases in charges reflect the cost of managing and operating public car parks and visitor facilities including the Visitor Centre. Anecdotal evidence from visitors is that they expect to pay a modest charge for parking. The Authority is also investing in access improvements to the surrounding paths and trails which benefits both visitors and residents.</b>
Objection 6	I am against the increase in Princetown car park charges to the tiered suggestion of £1 for up to 3 hours and £2 for all day. A pay and display system has operated for less than a year at £1 all day and it seems churlish to increase the charges by 100% for all day parking in a deprived area struggling to get customers in. Princetown residents struggle with public transport issues, poverty (it has a very high percentage of pupils receiving free school dinners) and poor weather putting visitors off. They have also suffered from ill considered parking on private streets so an affordable car park is seen as a way to encourage visitors in and then encourage them to park legally. Please do not let this increase through to spoil what has been achieved so far.
<b>Response</b>	<b>Pay and display at Princetown became operational in August 2013 and so has operated for well over 12 months before being reviewed by the Authority. Anecdotal evidence is that visitors expect to pay a modest charge and an increase to £2 per day is considered to be reasonable and income raised is re-invested into maintain facilities at Princetown.</b>

The proposed changes to car park tariffs seek to achieve a balance between increasing revenue towards operational and maintenance costs of the car park, Visitor Centre and associated investment in improvements to paths and trails in the area, whilst maintaining a reasonable charge for parking. The new charges have been set at levels which are considered reasonable and unlikely to deter visitors. The introduction of a two – tiered pricing structure may assist with increased turnover of vehicles which would benefit local businesses through greater visitor numbers. The introduction of the 30 minute parking restriction on the main street has assisted in directing longer stay visitors to the car park.

**Recommendation: That the car park charges are introduced as proposed.**

### Comparative car park charges for all day parking (cars)

Car park	Charge for all day parking
Widcombe (Teignbridge District Council)	£1.00
Chagford (West Devon Borough Council)	£1.90
<b>Princetown (Dartmoor National Park Authority)</b>	<b>£2.00 (proposed)</b>
Moretonhampstead (Teignbridge District Council)	£3.20
Ashburton (Teignbridge District Council)	£3.20
Bovey Tracey (Teignbridge District Council)	£3.20
Tavistock (West Devon Borough Council long stay)	£6.50 (Introducing a £2 day experimental charge?)

### Other National Park Authorities

National Park	Car Park	Charge for all day parking
Lake District	Coniston	£8.00 (other car parks £7)
Peak District	Standard charges	£4.50
Yorkshire Dales	Standard charges	£5.00
North York Moors	Standard charges	£4.00

**DARTMOOR NATIONAL PARK AUTHORITY**

5 June 2015

**RENEWAL OF ACCESS AGREEMENT – USE OF DISUSED RAILWAY  
WALKHAMPTON COMMON AND PEEKHILL FARM**Report of the Head of Recreation, Access and Estates

- Recommendation : **That Members:**
- (i) **Authorise the completion of an access agreement to allow walking and cycling along the section of the disused railway line at Peekhill Farm as set out in paragraph 2; and**
  - (ii) **Agree to the principle of securing continued cycle access on the disused railway line and authorise officers to work with interested parties to achieve this from 2017 when current arrangements terminate**

**1 Background**

- 1.1 The Authority has had an access agreements along the route of the disused Princetown railway line since 1998. The route runs across common land, land designated under the Countryside and Rights of Way Act (CROW) and enclosed farmland. Currently the Authority has three access agreements relating to the route.
- Two agreements pertain to two small sections of the route which are not on the common but are newtakes (CROW land). Separate agreements are needed for both of these sections because they are in different ownership. These agreements will terminate in 2017 to coincide with the end of the Higher Level Stewardship (HLS) scheme for Walkhampton Common. The costs of these agreements are £500 per agreement per annum.
  - The third agreement relates to land at Peekhill Farm and allows access on foot and bicycle. This agreement terminates in 2017, to coincide with the end of the Walkhampton HLS scheme. The cost of this agreement is £1207.80per annum.
- 1.2 Access over the section of the route across common land is currently included in a HLS agreement which expires in 2017. Given current guidance it is unlikely that any future Countryside Stewardship Scheme will pay for access and therefore the Authority is likely to be asked to enter into an agreement over this section of the route when the HLS comes to end. The route is 7.4km and would cost the Authority £3,000 a year under our agreed payment rates.
- 1.3 The cycle route is very popular with both experienced off road cyclists and families. The route is shown on the Authority's Off Road Cycling Map and is of strategic importance. The track also forms part of a circular route from the National Park Visitor Centre at Princetown and serves as a valuable recreational resource and economic asset. The surface of the track is durable and hence provides a safe, sustainable route

giving enjoyment to many people, including people with limited mobility using tramper type vehicles. Our people counter shows 13,000 cyclists per year use the route.

- 1.4 There has been an ambition to improve the road crossing at Peekhill since officers first started to negotiate an agreement in the 1990's and this has finally been realized with a new bridge funded through the joint DNPA/DCC Granite and Gears project. The new bridge has altered land ownership and tenancy over sections of the route at Peekhill Farm and therefore the current agreement through Peekhill Farm needs to be revised.

## **2 New Agreement for Peek Hill Farm**

- 2.1 A new access agreement is currently being drafted to take account a section of land that has been transferred to Devon County Council for the construction of the new bridge over the B3212 at Peek Hill. Access improvements along the route through Peek Hill Farm are also currently being undertaken by Devon County Council as part of the project.
- 2.2 It is proposed that the new agreement for Peek Hill Farm will contain the Authority's standard access provisions and standard access payments and will have a term of 20 years, with appropriate termination clauses. The cost of the agreement is therefore £1207.00 per annum (as existing) plus a payment for reasonable legal fees (£400.00). The existing agreement would terminate on commencement of the new agreement.
- 2.3 The route is shown on the attached plan at appendix 1 as a bold solid red line between points A-B and C-D. The route shown as a bold solid blue line between points B-C indicates land transferred to Devon County Council for the new bridge.

## **3 Future agreements**

- 3.1 It would not be correct to separate the Peekhill agreement from those relating to the rest of the disused railway line across Walkhampton Common. Although the section of route through Peekhill Farm is pleasant in its own right the real value of this route is its strategic links from Princetown and its benefits as a safe and sustainable off road route. As noted above it is possible that the section of route across the common will not be eligible for funding through the new Countryside Stewardship scheme. Members are asked to agree that officers work with Natural England and the landowners to secure new access arrangements for the whole length of the route across Walkhampton Common and the Newtakes to allow a smooth transition when current arrangements end in 2017.

## **4 Financial Resources**

- 4.1 Between now and 2017 when the current agreement at Peekhill Farm would have terminated there are no additional financial implications for the Authority apart from the cost of reasonable legal fees and officer time. Members will note that the proposed new agreement includes standard payment rates. Both the access payment and the cost of legal fees has been included in the budget for 2015/16.

- 4.2 It is proposed that the new agreement will run for 20 years and therefore there is a longer financial commitment for the Authority which Members should note, this is £1207.00 for 20 years from the start of the agreement. However the agreement does include appropriate termination clauses.
- 4.3 Members should also note that in order to accrue full benefit from the access agreement and the investment in the new bridge at Peekhill, renewal of the current access agreements on newtakes and agreement for access on bicycles on the route across the Common will be crucial.

## **5 Conclusion and recommendations**

- 5.1 The Authority has invested in securing access on bicycle to the disused railway line between Princetown and Burrator for over 15 years. The Granite and Gears project has enabled a significant and overdue improvement to the crossing of the B3212 by the erection of a new bridge. The route as a whole provides a strategic and well used recreational route for a range of users including experienced cyclists and family groups. Not only is this route attractive for local visitors it is also a draw for tourists. It is promoted via our Visitor Centre at Princetown and is well used attracting an average of approximately 40,000 users (cyclists and walkers) per year.
- 5.2 Implementation of the new bridge has required a change to the current access agreement at Peekhill Farm and, in order to secure past and current investment, officers have negotiated a 20 year agreement along this section of the route. Permissive access arrangements to the rest of the route towards Princetown are due to expire in 2017. In order to get full public benefit from the route the aim will be to achieve long term access to these sections of the route to compliment the Peekhill section. It is likely that new arrangements will be required for the section of route on common land if this cannot be included in a future Countryside Stewardship Scheme. This may have implications for the Authority.
- 5.3 Given the strategic importance, continued investment and improvements to the route and the level of use it receives, it is recommended that the Authority authorises the completion of a new 20 year access agreement to allow walking and cycling along the section of the disused railway line at Peekhill Farm. It is also recommended that the Authority authorises officers to facilitate and negotiate continued access for cycling along the rest of the route in accordance with standard access provisions and payments. Officers will bring any new agreement to Authority for approval.

## **6 Equality and Sustainability Impact Assessment**

- 6.1 The route is fully accessible for people with disabilities and is promoted through the Authority's Easy Going Dartmoor publication. The route is a traffic free cycle route with gentle gradients with accessible gates along the route. It provides opportunities for everybody; the young, elderly or less fit will all find this route manageable and enjoyable.

ANDREW WATSON

**Background Papers:** Authority Report NPA/09/004

**Attachments:** Appendix 1 – Site Plan, Peek Hill Farm

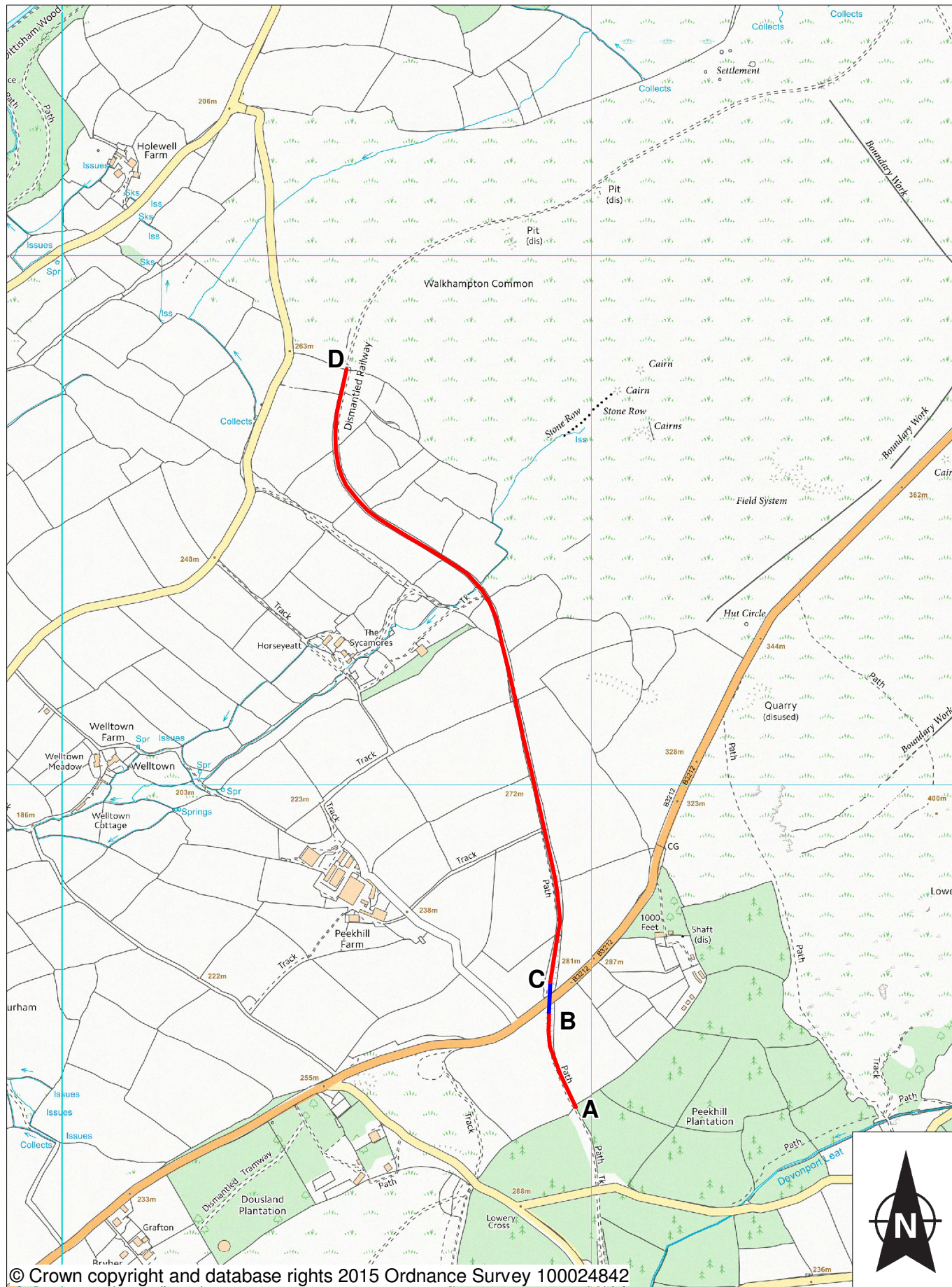
20150605 AW Princetown Railway Access Agreement

# Peekhill Farm access agreement



Scale 1:10000

Compiled by sbishop on 19 May 2015



**DARTMOOR NATIONAL PARK AUTHORITY**

5 June 2015

**DARTMOOR BUSINESS FORUM WORKSHOP AND  
JOINT SOUTH DEVON LOCAL AUTHORITIES BUSINESS SURVEY 2014**Report of the Communities Officer

**Recommendation:** **That Members:**

- (i) note issues emerging from the 2014 business survey Executive Summary (attached at Appendix 1), and**
- (ii) agree actions proposed in response to our economic role**

**1 Background**

- 1.1 Dartmoor is a living, working landscape and the Authority looks to support and promote a thriving local economy as part of our duty to promote the socio-economic well-being of local communities. Authority actions to support sustainable economic growth on Dartmoor are wide ranging and diverse, such as our support of the Hill Farm Project, the Rural Community Broadband Fund bid and Connecting Devon and Somerset programme, the recent Dartmoor and Exmoor National Parks Economic Prospectus and the continued support of the Great Dartmoor Local Economic Action Fund (GD LEAF).
- 1.2 Engaging directly with Dartmoor businesses along with targeted research and survey work provides the Authority with a clearer understanding of the businesses that make up the Dartmoor economy and to identify issues and opportunities to better enable them to thrive.

**2 Dartmoor Business Forum**

- 2.1 An evening event held at Parke in December 2014 was well attended by approximately 60 representatives from the local community and businesses. The evening's presentations included an update on future funding from GD LEAF, business support from the Heart of the South West Local Enterprise Partnership (LEP) and Planning on Dartmoor, which were well received.
- 2.2 The event also included an opportunity for the audience to pose planning questions. Topical subjects raised included barn conversions, advertisement consent, renewable energy, agricultural dwellings, new rural business premises and a request for a dedicated fast track channel for commercial/business planning queries, with questions intended to challenge the Authority on its stance and performance.
- 2.3 The opportunity for Dartmoor businesses to network was welcomed as was the opportunity to talk to DNPA officers informally. Feedback was supportive and indicated a desire for further events to take place.



### **3 South Devon Business Survey 2014**

- 3.1 South Hams District Council and West Devon Borough Council carried out a joint business survey in 2012, which provided a valuable insight into health of local businesses, their concerns and aspirations. The National Park Authority was invited to participate in the 2014 survey and the area was subsequently extended to include the whole of Teignbridge. A copy of the Executive Summary is contained in Appendix 1.
- 3.2 The 2014 business survey was open for online or telephone responses from October to November 2014. It was promoted extensively through a variety of media and networks with the Federation of Small Businesses (FSB) sending out over a 1000 cards to its members within the survey area. The spread of responses was fairly even with a total of 365 businesses responding of which 23% (82) were from Dartmoor. The survey captured a representative sample of businesses with over half from the accommodation and food service, wholesale & retail, and professional & technical sectors. In the National Park area (DNP) accommodation and food service sector was dominant at 24% (Similarly West Devon: 21% and South Hams: 26% with significantly less in Teignbridge) followed by agriculture, forestry and fishing at 17% which did not feature significantly in any of the Districts.
- 3.3 Smaller non VAT registered businesses amounted to 39% of responses. Smaller businesses are often overlooked by nationally produced data such as the Inter Departmental Business Register (IDBR) and this survey therefore provides a valuable insight to the many smaller businesses that play such an important role in Dartmoor's local economy. There were a lower proportion of business start-ups across the survey area (5%) when compared to regional (14%) and national (17%) averages, with Dartmoor the lowest at 2.5%. However, the overall survival rate for start-ups is strong at 66% compared to national average of 58%.
- 3.4 The proportion of businesses that have been established for more than 10 years was considerably higher than national average (43%), particularly on Dartmoor (65%), it is possible that this relates to Dartmoor's higher proportion of responses from the agricultural sector. Average business turnover was significantly lower on Dartmoor at £339k than the national average (£465k) the South West (£407k) and the Districts (Teignbridge: £791K, South Hams: £606k, West Devon: £483k).
- 3.5 Overall performance was more positive and outlook more optimistic than the previous 2012 survey with dramatic increase in staff employment and projections indicating that this trend is set to continue. 94% of businesses indicated they were expecting turnover and profits to remain stable or increase into 2015.
- 3.6 The Survey highlighted a number of factors, issues and constraints that are of particular note in the Dartmoor context. The most significant are discussed below.

### **4 Business Start ups**

- 4.1 The strong survival rate for business start-ups is to be welcomed but the significantly lower proportion of business start-ups on Dartmoor, when compared to national and regional levels, is of concern. Access to capital finance has remained an issue for 38% of businesses, but this has dropped significantly from the 60% identified in 2012 while start-up rates remain similar.

- 4.2 It is hoped that the rollout of GD LEAF grant and business support will help to support an enterprise culture on Dartmoor and encourage new enterprises and businesses to develop and create a diverse and resilient economy for Dartmoor. Business interest in GD LEAF has been keen with a good range of expressions of interest already submitted. Continuing to promote Dartmoor and its contribution to the wider South West economy to the Local Enterprise Partnership (LEP) and other partners will also help to ensure that other opportunities and funds are also accessible and appropriate to rural businesses.

## **5 Recruitment**

- 5.1 For 85% of businesses the issue of staff recruitment was considered to be a threat to growth of their business. Almost half the businesses that had tried to recruit staff in the past 12 months had difficulty, with the most frequent issue being insufficient applicants for posts (64% overall /47% Dartmoor), particularly in accommodation and food service sector (89% overall /100% Dartmoor). Other factors included lack of experience, lack of trade or professional skills, (49%) and personal attributes.
- 5.2 The importance of the accommodation and food service sector to the Dartmoor economy is well recognised and it is clearly of concern that issues with staff recruitment may hinder the success of businesses and growth in the sector. The issues around recruitment are complex and further analysis would need to be undertaken to fully understand the barriers, relationships and identify mitigation measures.
- 5.3 Businesses identified that a lack of affordable housing, rural inaccessibility, high private transport costs, inadequate public transport, perception of poor career prospects and difficulties in attracting employees away from urban centres all contribute to recruitment difficulties.
- 5.4 The positive promotion of the industry and its employment opportunities, supported training and apprentice schemes bringing together local colleges and sector leaders and assisted travel schemes could all play a part in raising the number and quality of applicants to the sector. While there is a possibility that funding streams may exist to support the development of such schemes into Dartmoor, current staff resources are not sufficient to allow for this to be pursued in this financial year.

## **6 Connectivity**

- 6.1 The main constraints holding businesses back were identified as poor public transport links and inadequate mobile telephone coverage. For some electoral wards mobile coverage was considerably more of an issue and often related to poor broadband coverage as well – a double ‘not spot’. The majority reported that fast, reliable broadband was either critical for their business or would help them improve. Across the whole survey area the majority reported that they are dissatisfied with current broadband speed; this was particularly pronounced in West Devon. Interestingly there were higher proportions of Information and Communication businesses within DNP than outside.
- 6.2 We continue to work with Connecting Devon and Somerset (CDS), Mobile Infrastructure Project (MIP) and others to secure the best digital connectivity on

Dartmoor. However, progress on MIP is slow with no approved schemes within DNP despite giving positive planning advice and meeting with the project lead, it is looking increasingly unlikely that MIP will provide any significant improvement of mobile provision on Dartmoor, in the foreseeable future.

- 6.3 The rollout of the current CDS superfast fibre programme has to date reached a limited number of Dartmoor communities, such as Moretonhampstead and Sticklepath with a more significant proportion falling within the later phases of the programme. However, with the additional funding secured for Dartmoor and Exmoor, it is expected that superfast fibre broadband will be delivered to 75% of all Dartmoor premises by end of 2016.
- 6.4 We are working with Devon County Council (DCC) to deliver a tailored Dartmoor and Exmoor solution as part of the wider CDS Superfast Extension Programme (SEP), with a national target of 95% superfast coverage by end of 2017. An open procurement process is re-testing the market for alternative but proven technology solutions suited to remote sparsely populated areas. A contract is hoped to be awarded by July 2015, with £4.6m (plus supplier contribution) committed to the provision of superfast broadband across Dartmoor and Exmoor.
- 6.5 There remains an ambition of achieving 100% superfast coverage by 2020. The Devon and Somerset area has been selected by central government as one of the pilot areas for the £10 million innovation fund (set up to explore alternative technologies for the final 5%). In total, £175,000 has been granted to fund a pilot scheme in the area, coordinated directly by Broadband Delivery UK (BDUK). The information gathered from this pilot will aid decisions over potential technologies used for filling the final 5% of areas not covered by the CDS or SEP initiatives.

## **7 Authority policy and planning perceptions**

- 7.1 While the survey does not provide any clear empirical evidence on the possible impact of designation and DNP policy on businesses, some comments from Dartmoor businesses have highlighted planning as an area where the DNPA appears less supportive in comparison to the Districts/Borough. A significant number of businesses identified DNP policy and attitude as a barrier to growth. This perception is something that we need to investigate further.
- 7.2 The Dartmoor Business Forum, held in December 2014 after the survey, has opened a positive dialogue between the Authority and Dartmoor businesses. While the planning questions posed were challenging, responses were generally well received and the evening also provided an opportunity to promote other areas of Authority work supporting Dartmoor businesses, such as GD LEAF.
- 7.3 One of the principal areas in which we can improve the perception of planning is to better communicate with businesses about what is or is not possible and why. In addition, it is important that we fully engage businesses in a conversation when we start on the review of the Local Plan. This is a good opportunity to take into account the needs of the business community when formulating new planning policies. One very practical action would be to pick up on the suggestion raised at the Business Forum and provide a more tailored planning response to business needs. Staff will consider how this might be developed as part of any review to the recently introduced charges for pre-application charges.

- 7.4 The economic prospectus will also help to promote the Authority's economic work but there remains a clear need for us to be more up front about what we offer businesses and how we can support the Dartmoor economy. The redesign of the website to include 'Working in' themed business pages, the continuation and development of the Business Forum network, closer working with County/Districts/LEP, and the review and progress of the Management Plan Prosper action plan objectives, will all help to highlight the Authority's role and signpost to others where appropriate.

## **8 Proposed Actions**

- 8.1 A range of actions are proposed to address the issues highlighted by the survey. While the importance of recruiting good quality staff for tourist businesses is recognised, current limited staff resources has precluded any actions on apprenticeships and training being proposed.

### **1 Connectivity**

- To continue to work with CDS to deliver a tailored Dartmoor solution as part of the wider Superfast Extension Programme
- Work with partners to secure further investment for innovative solutions to achieve as close to 100% superfast broadband for all Dartmoor premises by 2020.
- Work with partners to support improved mobile coverage on Dartmoor that does not damage the landscape; increasing recognition of the combined visitor and resident demand

### **2 Authority and Planning Perceptions:**

- Publication of Dartmoor and Exmoor Economic prospectus
- Establish Dartmoor Business Forum and associated network, engaging with businesses through regular communication and business sector focussed events
- Improved web based information for businesses taking into account their needs, encouraging enterprise, promoting opportunities and providing more explicit planning advice
- Engage with economic development partners including LEP, DCC, and district/borough councils working jointly to promote and support the Dartmoor economy
- A revised Statement of Community Involvement (SCI) to set out how we will engage with businesses and business organisations such as LEP and FSB in the development of new Local Plan policies
- Review pre application charging to ensure this is not a barrier to businesses
- Offer drop-in sessions for businesses providing free planning advice

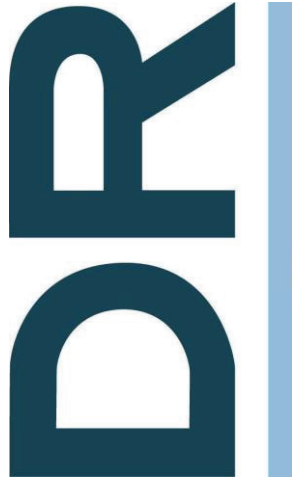
## **9 Equality and Sustainability Impact Assessment**

- 9.1 Actions proposed will provide improved and equitable access to services. The SCI and pre-application charging review will be subject to individual impact assessments.

## **10 Financial Implications**

- 10.1 Members approved the Authority's contribution to GD LEAF at the September 2014 Authority meeting. Any implications arising from the work with CDS or from the pre-application charging review would be the subject of a separate report to Members. Business advice sessions and Forum meetings will be subject to staff resources and workloads.

JOANNA RUMBLE



DR Business Survey  
South Hams, Teignbridge and West Devon



March 2015



### 3. EXECUTIVE SUMMARY

- |     |   |      |   |
|-----|---|------|---|
| 3.1 | 365 businesses responded to this survey that covered the South Hams, Teignbridge and West Devon.  | 3.8  | In spite of this, the average business size is still considerably smaller than the regional and national averages.                                  |
| 3.2 | The spread of responses across the districts was fairly even, with a total of 23% of businesses being based within Dartmoor National Park.  | 3.9  | The average business owner in the area is male and over 45 years old, which is older than the national average.                                     |
| 3.3 | The survey captured a representative sample of businesses in the area, with over half the responses from the <i>accommodation and food service, wholesale and retail, and professional and technical</i> sectors. | 3.10 | However, the proportion of female owned / managed businesses is higher in the survey area (35%) than the national average (29%).                    |
| 3.4 | Smaller, non -VAT registered businesses that play such an important role in the local economy are well represented in this survey at 39% of respondents.  | 3.11 | The average business turnover varied between districts but over the whole area it compared favourably to the regional and national average.         |
| 3.5 | As has been found in previous surveys, the proportion of businesses that have been established for more than 10 years was considerably higher than the national average, particularly on Dartmoor.                | 3.12 | Nearly half of the respondents reported an increase in turnover from 2013 to 2014, with a further third reporting stable turnover.                  |
| 3.6 | There were also fewer startups than the regional or national averages, but those that did start were more likely to succeed.  | 3.13 | The larger the business, the more likely they were to report an increase in turnover.   |
| 3.7 | There has been a dramatic increase in staff employment since 2012, both casual and permanent, and the projections made by businesses show that this is set to continue into 2015.                                 | 3.14 | When considering profitability, one quarter of respondents reported an increase from 2013 to 2014 with a further 58% reporting stable profits.      |
|     |   | 3.15 | Projections for the future were very positive with 94% of businesses expecting that turnover and profits would remain stable or increase into 2015. |
|     |   | 3.16 | A similar picture was found with regard to the customer base of the businesses, with 80% reporting the same number or more customers since 2013.    |

- 3.17 Overall the performance was more positive and the outlook much more optimistic than was found in the previous survey.<sup>1</sup>
- 3.18 Almost half of the businesses that had tried to recruit additional staff in the past 12 months had experienced difficulties doing so.
- 3.19 The most frequent issue was insufficient applicants for posts, particularly in the South Hams and particularly for the *accommodation and food service* sector.
- 3.20 Within Dartmoor, all of the *accommodation and food service* businesses who have tried to recruit staff reported that they received insufficient applicants.
- 3.21 A number of potential reasons were identified for this, including inadequate public transport, inaccessibility, lack of affordable housing, perception of poor career prospects and difficulties attracting employees away from the urban areas.
- 3.22 The most significant impact of these issues was that they restricted business growth opportunities, particularly for businesses in Teignbridge and for micro-businesses.
- 3.23 Businesses had been proactive in carrying out improvements to enhance their business in the past three years.
- 3.24 The most frequent type of improvement was to develop their web presence, and for some businesses this included setting up web trading.
- 3.25 More than half of businesses had made premises changes or improvements.
- 3.26 However, for one third of businesses, developments had not been implemented as planned.
- 3.27 The main constraints that held businesses back were identified as poor public transport links and inadequate mobile coverage.
- 3.28 There were specific wards within the area for whom mobile coverage was considerably more of an issue, and it is of some concern that businesses in most of these wards also reported inadequate broadband connectivity. This is of significance in relation to the government plans to extend superfast broadband coverage using the mobile network.
- 3.29 Access to finance for capital investment was still an issue for 38% of businesses, but this had dropped since 2012 when 60% of businesses experienced this issue.
- 3.30 Half of the businesses surveyed have a current business plan, although in the South Hams the level was higher at 59%.
- 3.31 Of the businesses that are planning moderate or rapid growth in the next three years, 15% don't have a current business plan, nor any plans to prepare one.

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<sup>1</sup> The previous survey was carried out in 2012 and included businesses in West Devon and the South Hams, but did not include Teignbridge.



- 3.32 In terms of environmental policies, the *construction* and *agricultural* sectors are most likely to have developed formal policies, which is likely to be (in part) a reflection of government policy which requires or incentivises this action.
- 3.33 41% of businesses had recently developed new products or services, down on the 2012 level of 46%.
- 3.34 20% of businesses had increased their workforce in 2014, with a further 24% planning to do so in 2015.
- 3.35 Across all formal business development areas, larger businesses were more likely to have carried out actions than smaller ones.
- 3.36 Almost one third of businesses were interested in changing their existing premises or building / finding new premises. For the majority of these businesses, this would enable them to expand.
- 3.37 The demand for types of premises varied between districts, with the greatest demand for larger industrial premises in Teignbridge, for smaller industrial premises in West Devon, and for offices in the South Hams.
- 3.38 In selecting new premises, businesses placed a higher importance on features that could have an impact on the profitability of their business such as cost.
- 3.39 Other important factors were those that may impact on the practical side of running a business such as access to broadband, the availability of parking and services.
- 3.40 Mobile coverage was also of particular concern to businesses in the South Hams.
- 3.41 Accessibility was a key feature in the location of premises, with broadband connectivity, access to town / city and access to a trunk road featuring most highly.
- 3.42 Within the survey area, Totnes, Okehampton and Newton Abbot were selected most frequently as possible new locations, but 41 businesses were also considering relocating out of the survey area.
- 3.43 When considering the second rail route, the views were divided between those businesses that perceived it as a threat (primarily those close to the current route), and those that considered it an opportunity (mostly those close to the proposed additional route).
- 3.44 There were many detailed comments made, and a particular emphasis on consideration for how any additional route would be developed to be of greatest value to local businesses, for example by linking in to other transport systems, and promoting the credentials of the area to attract visitors.
- 3.45 The majority of businesses reported that a fast, reliable broadband connection was either critical for their business or would enable them to improve.
- 3.46 Only one business that responded to the survey reported that they do not use a computer for their business.
- 3.47 In general broadband coverage was considered less of an issue in Teignbridge than in West Devon or the South Hams.

- 3.48 50 businesses reported that there were barriers to them taking up broadband, and there was some demand for additional support, particularly in the *food and accommodation services* sector.
- 3.49 In general businesses are using broadband for a wide range of activities.
- 3.50 The take up of broadband in the *agricultural* sector is relatively high, but their typical use of broadband is more limited to general email communication, internet browsing and government reporting.
- 3.51 Across the whole survey area, the majority of businesses are dissatisfied with the speed of broadband. This is particularly pronounced in West Devon and Dartmoor.
- 3.52 The reliability of broadband is less of an issue, but still of concern to over one third of businesses.
- 3.53 In general there is an increased awareness of the potential of broadband and the internet for business benefit, but some frustration with the inadequacies of the provision in the survey area.