

DARTMOOR NATIONAL PARK AUTHORITY

7 February 2014

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

Recommendation : That the Authority approves and adopts the 2014/15 Treasury Management & Investment Strategy at Appendix 1

1 Introduction

- 1.1 In March 2013 the Authority, in accordance with the revised Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice for Treasury Management in Public Services, adopted a Treasury Management Policy Statement together with a statement of its Treasury Management Practices (TMPs) (NPA/13/10). No changes are proposed to these policies for 2014/15.
- 1.2 The policy requires the Authority to consider a treasury strategy report, setting out the strategy and plans to be followed in the coming year, as part of the budget process.

2 Treasury Management and Investment Strategy

- 2.1 The Treasury Management and Investment Strategy document at Appendix 1 sets out:
- The current treasury position
 - Debt and investments
 - Prospects for interest rates
 - The borrowing strategy
 - Prudential indicators
 - The Investment Strategy
- 2.2 The strategy is broadly similar to that agreed for 2013/14. However it should be noted that a number of UK banks have had their credit ratings downgraded by the main credit rating agencies over the last 12 months. This has resulted in the lowering of the credit rating criteria in the Counterparty Approved List in Appendix 1. Notification of credit rating downgrades (or other market intelligence) is acted upon immediately, and may result in any further lending being suspended.
- 2.3 The overriding objective continues to be to invest prudently, with priority being given to security and liquidity before yield. Interest rates remain extremely low and the Authority does not have large surplus cash balances to invest. Indeed some public sector organisations are experiencing difficulty in finding institutions to lend to.

3 Equality and Sustainability Impact

- 3.1 We have not traditionally looked at how the Authority's bank invests the money held on deposit.

4 Conclusion

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

DONNA HEALY

TREASURY MANAGEMENT AND INVESTMENT STRATEGY 2014/15

The Authority has adopted the CIPFA Code of Practice for Treasury Management in the Public Services. This is one of the Prudential Indicators required by the Code. The CIPFA code also requires the Council to approve a Treasury Management Policy Statement together with a statement of its 'Treasury Management Practices' (TMPs). A revised Code of Practice was published by CIPFA in November 2011 and a revised Policy Statement and TMPs were agreed by the Authority in March 2012. No changes are proposed to these policies for 2014/15.

This Treasury Management Strategy document sets out:

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

Analysis of Long Term Debt

The Authority has no long term debt.

Schedule of Investments

The following table shows the Authority's fixed rate investments as at 31 March 2013 and at 6 January 2014

	Maturing in	Actual 31/03/13 £	Interest Rate %	Maturing in	Current 06/01/14 £	Interest Rate %
Deposits	1 month	2,750,000	0.38	1 month	900,000	0.35
	1 month	2,000,000	0.37	1 month	2,300,000	0.38

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

2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Forecast
£12,920	£13,841	£10,809	£21,920	£15,000

The recent investment performance of the Authority's cash has been affected by two major factors:

- The world economy has been in a fragile state since the global banking sector crisis in 2008, and whilst there are signs of a recovery the current uncertainty looks set to continue for some time

- Very low interest rates (as part of the measures used to alleviate the global credit crunch and as a tool by the Central Banks to prevent recession impacting on major world economies).

In response to the first factor the Authority has continued to adopt a very prudent approach to counterparties to whom the Authority is willing to lend. A number of UK banks have been removed from the counterparty list following the down grading of their credit ratings by the main credit rating agencies. The lending policy is kept under constant review with reference to strict criteria for inclusion in the counterparty list. It should be noted that the Authority continues to only use our Barclays Treasury Deposit Account.

The full effect of the second factor has now been seen in the rates being offered for new deposits in both the current year and going forward into 2014/15. The returns on the Authority's cash investments are therefore forecast to remain at the current low levels.

Prospects for Interest Rates

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

Forward guidance issued by the Bank of England has stated that they will not consider an increase in the base rate until unemployment has reduced to 7% or below. This was not expected to happen until towards the end of 2016, but revised forecasts now anticipate the 7% figure could be reached as early as the end of 2014. Many commentators are now expecting a rate rise in the second quarter of 2015, but Capita's view (external advisor to Devon County Council) is that the Bank of England is likely to maintain the current 0.5% rate for longer in order to continue to promote growth and employment.

The following table sets out forecast interest rates over the next year. These surveys of industry practitioners point to the likelihood that the current very low short-term rates are likely to continue for the foreseeable future.

Base Rate Forecasts	Dec 2013	Mar 2014	June 2014	Sep 2014	Dec 2014	Mar 2015
Sector	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Capital Economics	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
UBS	0.50%	0.50%	0.50%	0.50%	0.50%	-

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

Borrowing and Debt Management Strategy 2014/15 – 2016/17

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

Treasury Management Prudential Indicators

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

INVESTMENT STRATEGY 2014/15 – 2016/17

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

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

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

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

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

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

The lowest rating published by any of the agencies is used to decide whether an institution is eligible for inclusion. This rating also determines the maximum amount which can be loaned to an individual counterparty. Additionally, any bank in which the UK Government has in excess of a 30% shareholding will be considered to be a safer investment.

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

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

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

Counterparty Approved List Summary

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

The credit ratings shown in the table for banks and building societies allow for greater sensitivity in recognising counterparty risk.

Liquidity in investments is the second key factor in determining our strategy. Funds may be earmarked for specific purposes or may be general balances, and this will be a consideration in determining the period over which the investment will be made. Where cash is expected to be available long-term (at least a year) we maximise the length of time for the deposit, in order to obtain the best interest rate possible. All known short-term commitments are covered before lending for over 1 month and as the Authority currently only uses a callable deposit account, investments can be realised at any time.

For the period 2014/15 to 2016/17 it has been assumed that the interest rate earned on short-term lending will be 0.40% throughout the three years. This is thought to be a cautious assumption and should be achievable.

Performance Targets

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

DARTMOOR NATIONAL PARK AUTHORITY

7 February 2014

**2014/15 NET REVENUE BUDGET, MEDIUM TERM FINANCIAL PLAN
AND CAPITAL BUDGET**

Report of the Chief Executive (National Park Officer)

Recommendations : **That Members:**

- (i) **approve the net budget of £3,705,543 for the 2014/15 financial year as shown in Appendix 1;**
- (ii) **approve that £68,708 is appropriated from reserves to balance the budget;**
- (iii) **approve the Medium Term Financial Plan for the years 2015/16 and 2016/17 as shown in Appendix 1;**
- (iv) **approve the capital programme and the Prudential Indicators for 2014/15**
- (v) **note the need for a staffing and structure review in 2014/15 (due to reductions in funding from Defra) to reduce staffing costs**
- (vi) **determine whether they are willing for Dartmoor National Park Authority to host the UK National Parks conference in 2015 and, if so, appoint two members to sit on an organisation group for the conference**

1 Introduction

- 1.1 The Authority is required to set a balanced revenue budget for the 2014/15 financial year. The basis for the revenue expenditure is the pursuit of the 'Special Purposes' for which the National Parks were designated in the Environment Act 1995 (the Act). Section 65 of the Act determines the purposes as conserving and enhancing the natural beauty, wildlife and cultural heritage of National Parks and of promoting opportunities for the understanding and enjoyment of the Parks by the public. The Authority also has a duty to seek to foster the economic and social well-being of local communities within the National Park.
- 1.2 The outcome of the Comprehensive Spending Review (CSR) in 2010 resulted in Defra reducing its operations budget by 29% over the four years of the CSR financial planning timeframe. On 20 December 2010 the Authority was notified by Defra of the National Park Grant (NPG) for 2011/12 and indicative amounts for the following three years, which are shown in the table below:

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

- 1.3 The indicative figures for 2012/13 and 2013/14 were subsequently confirmed in December 2011 and December 2012. In December 2013 Defra confirmed NPG for 2014/15 and provided an indicative figure for NPG for 2015/16. The confirmed grant for 2014/15 is £3,636,835 and this represents a 8.51% cut in NPG from 2013/14. We had already budgeted for a 6.4% cut as this was the indicative figure provided in December 2011. The additional 2.11% is due to the financial pressures on Defra and the cuts to their Departmental Expenditure Limit announced by the Chancellor in

June 2013 (which Defra equate to a 9.6% reduction) and in the Autumn Statement (2013) which equates to a further 1.1% reduction in Defra unprotected budgets for 2014/15 and 2015/16. The indicative figure for 2015/16 is £3,573,586 – a 1.74% reduction on NPG for 2014/15. The table below shows the cumulative impact of the cuts from the original NPG allocation for 2010/11 to the indicative grant for 2015/16

National Park Grant 2010/11 – 2015/16

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

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

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

3 Cash reduction on previous year's National Park Grant

- 1.4 The impact for Dartmoor National Park Authority is a cash reduction in funding of £1,404,984 (28.2%), over the period 1 April 2010 to 1 April 2015.
- 1.5 Taking into account inflation and using CPI (Consumer Price Index) as the Government's preferred measure, the change in CPI from March 2010 to December 2013 has been 13.3% (roughly 3.3% a year). If the Government hits its annual CPI inflation target of 2%, cumulative CPI inflation by 2015/16 will be in the region of 17.3%. Applying 17.3% inflation to the original 2010/11 grant of £4,978,570 provides a figure of £5,839,862. The current projected grant for 2015/16 therefore represents a real terms cut (allowing for inflation) of £2,266,276, or 39%.
- 1.6 As well as reductions in National Park Grant, the Authority has also seen a reduction in other sources of income since 2010/11. For example, the sum of money available under the Service Level Agreement with Devon County Council for Public Rights of Way has reduced by 33% between 2010/11 and 2014/15 and Planning and Housing Delivery Grant which was worth an average of nearly £190,000 per annum between 2007/08 and 2009/10 has been cut completely. If the reductions in 'secondary' sources of income are included then the real reduction in income for the National Park Authority will be in excess of 40% over the life time of this Parliament.
- 1.7 Notwithstanding this significant reduction in funding, the Authority, through the change process it implemented in 2011/12, has established a robust financial position and is able to bring forward a balanced budget for 2014/15. Members will note, however, the need to make further reductions in 2015/16 and 2016/17. It should further be noted that the projections for 2016/17 are based on the optimistic assumption that there will be no further reduction in NPG, which seems unlikely. No indicative figures have been issued by Defra for 2016/17.

2 2014/15 Net Revenue Budget

- 2.1 The net revenue budget for 2014/15 is attached at Appendix 1 for Member consideration. The same format is used for the following two years so Members are able to see the Medium Term Financial Plan (MTFP) in greater detail.

- 2.2 To assist in budget planning and to ensure resources are being targeted to those areas of work the Authority considers to be a priority, a workshop is held in July each year for Members to consider all the work programme areas and discuss potential priorities for the future. In 2013 the Authority also undertook a residents' survey, which provided additional information. Members approved the priorities arising from this process and the associated Business Plan for 2014/15 on 10 January 2014 (NPA/14/002).
- 2.3 Officers of the Authority have submitted financial proformas showing planned work programmes for the next three years in support of these priorities. The proforma asks for:
- The outcome the work programme was seeking to achieve
 - Links to DNPA Priorities / National Park Management Plan
 - A description of the activity
 - Finance and/or staffing required for 2014/15
 - Contractual obligations
 - Implications if funding is not forthcoming
 - Income estimates for three years
 - Projected expenditure for 2015/16 and 2016/17
- 2.4 The budget bids submitted by officers have been extensively scrutinised by the Leadership Team, taking into consideration the approved priorities, available funding and the capacity available to take work programmes forward. The output from that process translates into the net revenue budget for 2014/15 and MTFP. Although the Authority does not budget incrementally, choosing instead to zero base its budget each year, Appendix 2 provides an overview of the % change from 2013/14 for each budget line for information. Appendix 3 provides additional detail of change across the 3 years of the MTFP.
- 2.5 Members' attention is specifically drawn to the following:
- i. The purchase of a number of vehicles in 2013/14 has resulted in a reduction of 29% in travel costs (payment of private mileage) and leasing costs. It is proposed to continue with this strategy in 2014/15 with the purchase of three further vehicles when current leases expire. Members will note that it is proposed to draw down funding of £51k from reserves to support this approach
 - ii. Transition funding from the Rural Development Programme has been confirmed to support the Hill Farm Project for a further 12 months
 - iii. Expenditure on Public Rights of Way has been reduced to match the income from Devon County Council. Previously the Authority has put additional resource into this area. This does not include staff time
 - iv. The allocation for the Sustainable Development Fund has been reduced to £75k in line with Members approval in 2012/13. To manage costs further the officer time required to manage this fund has been taken from the overall budget, reducing available grant funding to £59.5k. Work will be undertaken during 2014/15 to consider how grant funding may operate in the future linked to any funding which may be received from constituent Authorities through transfer of New Homes Bonus

- v. Funding of £13k has been allocated for purchase of a new microphone system for the Committee meeting room
- vi. Finance has been allocated against one-off projects including car park maintenance, construction of a bore hole at Haytor (to address water supply problems in the public toilets) and further energy efficiency work (invest to save)

2.6 Funding was allocated in 2013/14 for the work required at Princetown Visitor Centre to improve the facilities available and undertake essential decoration in the ballroom. That work is still in progress and there is likely to be a requirement to carry forward some of the funding into 2014/15 due to delay in some of the work being completed. In addition, funding will be required to renew the interpretation material as the next phase of improvement. The intention is to seek external grant funding, but a provision has been earmarked in reserves to support this work.

2.7 The Authority operates from two main locations in Parke, Bovey Tracey and Princetown. Both buildings are leased and have “full repairing” obligations. Due to the age and condition (particularly at Princetown) of the buildings, this can lead to considerable expenditure. Current works required include:

- Repair or replacement of failed render on rear elevation at Princetown
- Re-roofing of Stable wing at Parke
- Engineering works to replace failed gabions at the rear of the Stable wing at Parke

Provision for work to the failed render was included in the budget for 2013/14 but due to issues over the most effective remedy, this work has not yet been undertaken. Similarly, although not specifically allocated in the budget, work to re-roof the Stable wing, anticipated in 2013/14 has again not taken place due to Natural England altering advice over timing due to bat activity. All the above works will now be required during 2014/15. An estimate of costs has been obtained for the roofing and has been included in the net revenue budget. A recent tender for the rendering proved very expensive and while an element has been included in the revenue budget it is felt prudent to also make a provision in reserves while negotiations continue. The cost of the gabion work is not known at this stage and is again shown as a provision in reserves.

2.8 In 2010 appointment was made to the post of Historic Environment Record (HER) Officer as part of a joint funded 4 year project with English Heritage. The project is funded until March 2014, but due to some slippage in the expenditure (staff employed on a lower grade than planned and a gap due to maternity leave), there is funding of £10k still available from English Heritage to support the project. With a contribution of £5k from the Authority for 2014/15, we are able to support the project for a further year but at 0.5fte rather than full time. It is therefore proposed to continue the project for a further year, and it has been included in the revenue budget for 2014/15 but with reduced staffing. If the Landscape Partnership bid is successful, funding should be available to extend for a further year, again at 0.5 fte, to support this programme of work.

2.9 As a consequence of the constant reduction in funding and uncertainty for the future, the Authority has not fully allocated NPG to specific work programmes over the past two years. This approach has worked well for us during this period although the

available funding has reduced each year. In 2013/14, the project fund was set at £150k. For 2014/15 this will reduce to £85,860, and has been maintained at £85k in the MTFP. Elements which are anticipated to come forward during 2014/15 are:

- Aerial mapping of Dartmoor (usually undertaken every 5 years) – a consortium of Devon Authorities are endeavouring to develop a project which will bring costs down significantly
- Historic Farmsteads publication
- Visitor management schemes
- Archaeological works (Believer & Whitehorse Hill)
- Promotional films

3 Medium Term Financial Plan

3.1 Although the Authority has been able to set a robust balanced budget for 2014/15 the future years are far more uncertain. Issues which create difficulty for financial planning are:

- Potential further reduction in NPG
- Higher levels of inflation than anticipated
- Uncertainty over national pay settlements for the public sector
- Maintaining the pension contributions determined by the actuary as the workforce reduces
- Impact of pension auto-enrolment
- Possible changes in National Insurance contribution rates in relation to a revised State Pension provision (from 2016)

3.2 The Authority's greatest asset, but also its biggest cost, continues to be the staff it employs. Much of the work undertaken by the Authority is undertaken directly by its staff, with a smaller percentage of expenditure being on project costs. In 2013/14 staff costs as a percentage of NPG was 68% (64% in 2012/13, following the major change programme). In 2014/15 this will rise to 76% and even with only small pay rises (1%) this percentage increases up to 79% by 2015/16. This increase is understandable in the context of no further staffing changes since 2012/13; a reducing budget; 1% pay rise in 2013/14; staff increments and re-grading and pension provision for auto-enrolment.

3.3 The MTFP shows a deficit of £69k in 2015/16 based on current projections. There is, of course, no guarantee that the indicative NPG for that year will be confirmed. There is also considerable uncertainty regarding the anticipated funding through the Landscape Partnership bid. In light of these pressures and uncertainty it is recommended that further reductions are sought in the salary budget during 2014/15. The retirement of the Director of Communications & Business Support and the ongoing vacancy for a Communications Manager offers an opportunity to consider the future staffing requirements for the Authority. The costs of these posts are still included in the budget for 2014/15 and in the MTFP pending the staffing & structure review. Although this review will not be on the scale of that carried out in 2011/12, it does need to consider the needs of the Authority as it moves into the next CSR period. To support the communications and business support area, an interim senior manager is being sought for a time limited period. The post will specifically focus on the communications needs for the Authority and offer business support if appropriate. Any staffing budget not utilised in 2014/15 provides flexibility for short term

appointments to facilitate projects; provide additional capacity as required and support any costs arising out of the review.

3.4 The triennial valuation of the Devon Pension Fund is almost complete and whilst subject to fine tuning, the Actuary has provided us with the Employer contributions required for the next three years. The nominal total rate has been set at 18.3% of pensionable pay, an increase from the existing certified rate of 18%. This new overall total rate comprises of two elements:

- A Future Service Rate of 13.3%; and
- A Past Deficit Recovery rate of 5% which has been translated into a cash value for each of the next three years

2014/15	£109,000
2015/16	£113,000
2016/17	£118,000

3.5 This change in method of payment means that we know our full employer contribution commitment from the outset and will not face having to make additional payments when contributions fall into arrears as a result of further decline in pensionable payroll. The future service rate flexes the payroll contributions throughout the 3 year period and the past deficit recovery cash figure remains fixed. This means that the Fund's Deficit Recovery Plan is protected against possible underpayment.

3.6 For the last 6 years we have, in fact, been making payments to the pension fund in excess of our target rate (19.7% instead of 18%) in order to achieve the deficit recovery cash targets set as a result of the previous valuation in 2010. This strategy has proven to be successful given that the Actuary has only increased the nominal total rate by 0.3% at this valuation. The 2014/15 budget and MTFP has therefore been built to maintain the current employer contribution rate of 19.7%, in order to provide further resilience and future-proof our deficit recovery strategy. It is recommended that we continue with this approach whilst we are able to do so.

3.7 The Association of National Park Authorities (ANPA) – a network comprising of the 15 National Park Authorities in the UK – promotes a bi-annual conference on National Parks. Whilst the conference is badged as an ANPA event it is organised and run by a host Authority. Dartmoor NPA is due to host the conference in the Autumn 2015 and the MTFP includes a £30,000 contingency fund for this purpose, although we will seek external sponsorship to cover costs. There is also a contingency fund operated by ANPA. The main cost to the Authority will be in the staff time required to organise and run the conference. Views are sought from Members on whether the Authority should commit to hosting the conference. If we are to host and organise this event it is recommended that two Members are appointed to sit on an organising group.

4 Reserves

4.1 During 2010/11 the Audit & Governance Committee, at the request of the Authority, undertook work on a risk based approach to determining the level and use of reserves required by the Authority. The outcome of that work was an agreed methodology (NPA/AG/10/014) which has been applied to determining the level of

reserves for the future. Attached at Appendix 4 is the Risk Based analysis to guide the level of reserves held at 1 April 2014 and Appendix 5 shows the likely General Fund Reserve Balances for 2013/14 – 2014/15.

- 4.2 The reserve balances for future years has not been presented at this time due to the considerable uncertainty for future funding. Members will note that from the opening balance in 2013/14 to the closing balance in 2014/15, if all projected requirements are fully utilised, the reserve balance will reduce by £1.1M.
- 4.3 The Chief Finance Officer (CFO) is satisfied that there are sufficient reserves in place to deliver the budget for 2014/15 and the MTFP. This judgement is informed by the risk assessment in Appendix 4 and will need to be reviewed annually as the budget is considered and approved.

5 Capital Programme & Prudential Code

- 5.1 The government introduced the Prudential Code in 2004 and was revised in 2009 and 2011. It is a professional code of practice to support local authorities when taking capital investment (fixed asset) decisions. The objectives are to ensure, within a clear framework, that capital investment plans are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice.
- 5.2 The Code sets out a number of indicators to be used to demonstrate compliance with the Code's objectives. However, they are not designed to be comparative performance indicators, and should be considered in parallel with the treasury management indicators. The Authority does have a small capital programme in 2014/15 but has no plans to take up any external borrowing. Therefore, the only Prudential Indicator that applies is the one that gives a forecast of the actual capital expenditure spent against the approved budget (see Appendix 6).
- 5.3 If sources of additional capital income become available during the year, for example via additional grants or external contributions, the Authority will be requested to re-approve the capital programme and any resulting prudential indicators.

6 Equality & Sustainability Impact

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

7 Conclusions

- 7.1 Since 2010/11 the Authority has (like most other parts of the public sector and many individuals or households) been faced with year on year reductions in its income stream. We have sought to offset this by looking for alternative sources of income but we have limited opportunities to generate additional income. Whilst our aspiration and ambition remain, our practical capacity to 'deliver for Dartmoor' has been significantly reduced – all areas of work have been impacted on as we have reduced expenditure and staffing levels to reflect the available budget.

7.2 The major organisational change programme that we undertook in response to the Comprehensive Spending Review 2010 required us to reduce our staffing levels by approximately 25% (1 in 4 full-time equivalent posts) but enabled us to set a balanced budget. In light of increased, and further reductions, in NPG we will need to use the next twelve months to undertake a further review of staffing levels and structure so that we can reduce costs and address the financial pressure highlighted in the MTFP. Failure to do this will mean we are unable to set a balanced budget in the medium term and we will have very little money for project work or to support external projects.

KEVIN BISHOP

Attachments: **Appendix 1 – Budgets for 2014/14, 2015/16 and 2016/17**
 Appendix 2 – % change from 2013-14 to 2014-15
 Appendix 3 – MTFP Comparator Detail
 Appendix 4 – Reserves fund risk based analysis
 Appendix 5 – General fund reserve balances
 Appendix 6 – Summary of Prudential Indicators

BUDGET 2014/2015	Salaries	Travel	Transport	Premises	Supplies & Services	2014/15 GROSS EXPENDITURE	Grants	Treasury	Fees & Charges	Sales	Rents	2014/15 INCOME	2014/15 NET EXPENDITURE
	£	£	£	£	£	£	£	£	£	£	£	£	£
BIO-DIVERSITY	84,949	1,080			14,274	100,303						0	100,303
MIRES PROJECT	60,237				1,655	61,892	(61,892)					(61,892)	0
LAND MANAGEMENT					13,056	13,056						0	13,056
WOODLANDS	37,135	1,430			2,000	40,565						0	40,565
RDPE - UPLANDS DARTMOOR	40,976	1,300			19,724	62,000	(62,000)					(62,000)	(0)
CENTRAL COSTS		230			3,500	3,730						0	3,730
HILL FARM PROJECT	16,751	500			14,250	31,501	(5,000)					(5,000)	26,501
NATURAL ENVIRONMENT	240,048	4,540	0	0	68,459	313,047	(128,892)	0	0	0	0	(128,892)	184,155
ARCHAEOLOGY	104,570	3,200	100		17,140	125,010	(24,152)					(24,152)	100,858
MTMTE	7,960					7,960	(7,960)					(7,960)	0
BUILT ENVIRONMENT	37,135	300			2,000	39,435						0	39,435
UPPACOTT				31,220		31,220				(200)	(4,792)	(4,992)	26,228
CULTURAL HERITAGE	149,665	3,500	100	31,220	19,140	203,625	(32,112)	0	0	(200)	(4,792)	(37,104)	166,521
VISITOR FACILITIES	39,661		2,420	11,030	103,767	156,878			(49,650)			(49,650)	107,228
ACCESS & RECREATION	75,345	370	100		25,007	100,822			(2,500)			(2,500)	98,322
PROW	81,596				43,000	124,596	(43,000)					(43,000)	81,596
SUSTAINABLE TOURISM & TRANSPORT	15,780				9,810	25,590			(1,500)			(1,500)	24,090
TRAFFIC MANAGEMENT						0						0	0
RECREATION MANAGEMENT	212,382	370	2,520	11,030	181,584	407,886	(43,000)	0	(53,650)	0	0	(96,650)	311,236
VISTOR CENTRES	179,748	1,500		12,170	89,111	282,529			(3,750)	(87,750)		(91,500)	191,029
COMMUNICATIONS	150,691	530			53,208	204,429			(33,000)			(33,000)	171,429
EDUCATION	104,606	1,020	1,980		12,913	120,519			(6,450)			(6,450)	114,069
PROMOTING UNDERSTANDING	435,045	3,050	1,980	12,170	155,232	607,477	0	0	(43,200)	(87,750)	0	(130,950)	476,527
RANGERS	330,727		67,500	2,946	22,903	424,076						0	424,076
CONSERVATION WORKS SERVICE	176,666	100	37,560	12,917	12,270	239,513						0	239,513
RANGERS, ESTATES & VOLUNTEERS	507,393	100	105,060	15,863	35,173	663,589	0	0	0	0	0	0	663,589
DEVELOPMENT MANAGEMENT	474,605	4,700			48,656	527,961			(179,500)			(179,500)	348,461
DEVELOPMENT MANAGEMENT	474,605	4,700	0	0	48,656	527,961	0	0	(179,500)	0	0	(179,500)	348,461
FORWARD PLANNING & COMMUNITY	143,061	1,300			59,000	203,361	(20,000)		0			(20,000)	183,361
SUSTAINABLE DEVELOPMENT FUND	15,434		0		59,566	75,000						0	75,000
FORWARD PLANNING	158,495	1,300	0	0	118,566	278,361	(20,000)	0	0	0	0	(20,000)	258,361
CORPORATE CENTRE	206,991	4,200	400		61,054	272,645		(12,000)				(12,000)	260,645
MEMBERS' ALLOWANCES, EXPENSES, TRAINING					58,024	58,024						0	58,024
CORPORATE & DEMOCRATIC CORE	206,991	4,200	400	0	119,078	330,669	0	(12,000)	0	0	0	(12,000)	318,669
INFORMATION TECHNOLOGY	142,601	950	150		52,484	196,185			(250)			(250)	195,935
CORPORATE OPERATING COSTS			17,350		113,744	131,094	(27,137)		(225)			(27,362)	103,732
RESOURCES	167,098	70			13,219	180,387						0	180,387
LEGAL	101,455	450			7,800	109,705			(4,250)			(4,250)	105,455
HUMAN RESOURCES	90,784	100			51,814	142,698						0	142,698
OFFICE ACCOMMODATION (PARKE)	22,622			94,667		117,289			(4,044)			(4,044)	113,245
OFFICE ACCOMMODATION (PRINCETOWN)				65,024		65,024			(13,190)		(1,122)	(14,312)	50,712
CORPORATE SERVICES	524,560	1,570	17,500	159,691	239,061	942,382	(27,137)	0	(21,959)	0	(1,122)	(50,218)	892,164
PROJECT FUND					85,860	85,860						0	85,860
OTHER	0	0	0	0	85,860	85,860	0	0	0	0	0	0	85,860
TOTAL	2,909,184	23,330	127,560	229,974	1,070,809	4,360,857	(251,141)	(12,000)	(298,309)	(87,950)	(5,914)	(655,314)	3,705,543

Summary:

Gross Expenditure	4,360,857
Income	(655,314)
Net Budget	3,705,543
From Reserves (HFP)	(7,608)
From Reserves (HERO) approx	(10,000)
From Reserves for Capital Vehicles	(51,100)
National Park Grant	(3,636,835)
Deficit / (Surplus)	(0)

BUDGET 2015/2016	Salaries	Travel	Transport	Premises	Supplies & Services	2013/14 GROSS EXPENDITURE	Grants	Treasury	Fees & Charges	Sales	Rents	2015/16 INCOME	2015/16 NET EXPENDITURE
	£	£	£	£	£	£	£	£	£	£	£	£	£
BIO-DIVERSITY	124,444	1,080			13,274	138,798						0	138,798
MIRES PROJECT						0						0	0
LAND MANAGEMENT					12,056	12,056						0	12,056
WOODLANDS	37,514	1,430			2,000	40,944						0	40,944
RDPE - UPLANDS DARTMOOR						0						0	0
CENTRAL COSTS		230			5,000	5,230						0	5,230
HILL FARM PROJECT	14,508					14,508						0	14,508
NATURAL ENVIRONMENT	176,466	2,740	0	0	32,330	211,536	0	0	0	0	0	0	211,536
ARCHAEOLOGY	107,516	3,200	100		7,077	117,893	(22,973)					(22,973)	94,920
BUILT ENVIRONMENT	37,514	300				37,814						0	37,814
UPPACOTT				16,443		16,443					(4,830)	(4,830)	11,613
CULTURAL HERITAGE	145,030	3,500	100	16,443	7,077	172,150	(22,973)	0	0	0	(4,830)	(27,803)	144,347
VISITOR FACILITIES	40,409		2,520	11,291	64,317	118,537	0		(49,650)			(49,650)	68,887
ACCESS & RECREATION	75,953	370	100		25,007	101,430	(2,500)					(2,500)	98,930
PROW	82,632				43,000	125,632	(43,000)					(43,000)	82,632
SUSTAINABLE TOURISM & TRANSPORT	16,455				9,260	25,715			(1,500)			(1,500)	24,215
TRAFFIC MANAGEMENT						0						0	0
RECREATION MANAGEMENT	215,449	370	2,620	11,291	141,584	371,314	(45,500)	0	(51,150)	0	0	(96,650)	274,664
VISITOR CENTRES	180,057	1,500		11,607	85,768	278,932			(4,370)	(97,875)		(102,245)	176,687
COMMUNICATIONS	152,231	530			52,858	205,619			(34,000)			(34,000)	171,619
EDUCATION	106,250	1,020	1,580		14,765	123,615			(7,700)			(7,700)	115,915
PROMOTING UNDERSTANDING	438,538	3,050	1,580	11,607	153,391	608,166	0	0	(46,070)	(97,875)	0	(143,945)	464,221
RANGERS	334,683		43,220	2,958	23,003	403,864						0	403,864
CONSERVATION WORKS SERVICE	183,765	100	11,530	12,310	10,750	218,455						0	218,455
RANGERS, ESTATES & VOLUNTEERS	518,448	100	54,750	15,268	33,753	622,319	0	0	0	0	0	0	622,319
DEVELOPMENT MANAGEMENT	460,255	4,700			50,486	515,441			(169,500)			(169,500)	345,941
DEVELOPMENT MANAGEMENT	460,255	4,700	0	0	50,486	515,441	0	0	(169,500)	0	0	(169,500)	345,941
FORWARD PLANNING & COMMUNITY SUSTAINABLE DEVELOPMENT FUND	145,644	1,300			75,000	221,944			0			0	221,944
					75,000	75,000						0	75,000
FORWARD PLANNING	145,644	1,300	0	0	150,000	296,944	0	0	0	0	0	0	296,944
CORPORATE CENTRE	210,568	4,200	400		89,372	304,540		(10,500)				(10,500)	294,040
MEMBERS					58,459	58,459						0	58,459
CORPORATE & DEMOCRATIC CORE	210,568	4,200	400	0	147,831	362,999	0	(10,500)	0	0	0	(10,500)	352,499
INFORMATION TECHNOLOGY	145,546	950	150		45,813	192,459			0			0	192,459
CORPORATE OPERATING COSTS			8,020		101,054	109,074			(225)			(225)	108,849
RESOURCES	169,216	70			11,470	180,756						0	180,756
LEGAL	102,608	450			8,400	111,458			(4,150)			(4,150)	107,308
HUMAN RESOURCES	92,403	100			49,101	141,604						0	141,604
OFFICE ACCOMMODATION (PARKE)	22,852			71,556		94,408			(3,294)			(3,294)	91,114
OFFICE ACCOMMODATION (PRINCETOWN)				38,166		38,166			(13,610)		(1,122)	(14,732)	23,434
CORPORATE SERVICES	532,625	1,570	8,170	109,722	215,838	867,925	0	0	(21,279)	0	(1,122)	(22,401)	845,524
PROJECT FUND					85,000	85,000						0	85,000
OTHER	0	0	0	0	85,000	85,000	0	0	0	0	0	0	85,000
TOTAL	2,843,023	21,530	67,620	164,331	1,017,290	4,113,794	(68,473)	(10,500)	(287,999)	(97,875)	(5,952)	(470,799)	3,642,995

Summary:	
Gross Expenditure	4,113,794
Income	(470,799)
Net Budget	<u>3,642,995</u>
National Park Grant	(3,573,856)
Deficit / (Surplus)	<u>69,139</u>

BUDGET 2016/2017	Salaries	Travel	Transport	Premises	Supplies & Services	2013/14 GROSS EXPENDITURE	Grants	Treasury	Fees & Charges	Sales	Rents	2016/17 INCOME	2016/17 NET EXPENDITURE
	£	£	£	£	£	£	£	£	£	£	£	£	£
BIO-DIVERSITY	126,569	1,080			13,274	140,923						0	140,923
MIRES PROJECT						0						0	0
LAND MANAGEMENT					12,056	12,056						0	12,056
WOODLANDS	37,898	1,430			2,000	41,328						0	41,328
RDPE - UPLANDS DARTMOOR						0						0	0
CENTRAL COSTS		230			5,000	5,230						0	5,230
HILL FARM PROJECT	14,662				0	14,662						0	14,662
NATURAL ENVIRONMENT	179,129	2,740	0	0	32,330	214,199	0	0	0	0	0	0	214,199
ARCHAEOLOGY	95,268	3,200	100		7,116	105,684						0	105,684
BUILT ENVIRONMENT	37,898	300				38,198						0	38,198
UPPACOTT				16,667		16,667					(4,320)	(4,320)	12,347
CULTURAL HERITAGE	133,166	3,500	100	16,667	7,116	160,549	0	0	0	0	(4,320)	(4,320)	156,229
VISITOR FACILITIES	40,931		2,670	11,574	65,017	120,192			(49,650)			(49,650)	70,542
ACCESS & RECREATION	77,267	370	100		25,007	102,744	(2,500)					(2,500)	100,244
PROW	83,903				43,000	126,903	(43,000)					(43,000)	83,903
SUSTAINABLE TOURISM & TRANSPORT	16,881				9,885	26,766			(1,500)			(1,500)	25,266
TRAFFIC MANAGEMENT						0						0	0
RECREATION MANAGEMENT	218,982	370	2,770	11,574	142,909	376,605	(45,500)	0	(51,150)	0	0	(96,650)	279,955
VISITOR CENTRES	183,776	1,500		12,044	93,383	290,703			(5,110)	(108,000)		(113,110)	177,593
COMMUNICATIONS	153,789	530			54,358	208,677			(34,000)			(34,000)	174,677
EDUCATION	107,526	1,270	1,980		13,010	123,786			(7,700)			(7,700)	116,086
PROMOTING UNDERSTANDING	445,091	3,300	1,980	12,044	160,751	623,166	0	0	(46,810)	(108,000)	0	(154,810)	468,356
RANGERS	340,053		46,020	2,970	21,857	410,900						0	410,900
CONSERVATION WORKS SERVICE	181,270	100	12,780	12,498	11,140	217,788						0	217,788
RANGERS, ESTATES & VOLUNTEERS	521,323	100	58,800	15,468	32,997	628,688	0	0	0	0	0	0	628,688
DEVELOPMENT MANAGEMENT	466,969	4,700			51,776	523,445			(169,500)			(169,500)	353,945
DEVELOPMENT MANAGEMENT	466,969	4,700	0	0	51,776	523,445	0	0	(169,500)	0	0	(169,500)	353,945
FORWARD PLANNING & COMMUNITY SUSTAINABLE DEVELOPMENT FUND	148,357	1,300			53,000	202,657						0	202,657
					75,000	75,000						0	75,000
FORWARD PLANNING	148,357	1,300	0	0	128,000	277,657	0	0	0	0	0	0	277,657
CORPORATE CENTRE	213,015	4,200	400		59,072	276,687		(10,000)				(10,000)	266,687
MEMBERS					59,031	59,031						0	59,031
CORPORATE & DEMOCRATIC CORE	213,015	4,200	400	0	118,103	335,718	0	(10,000)	0	0	0	(10,000)	325,718
INFORMATION TECHNOLOGY	148,467	950	150		39,916	189,483			0			0	189,483
CORPORATE OPERATING COSTS			7,920		101,687	109,607			(225)			(225)	109,382
RESOURCES	172,236	70			11,771	184,077						0	184,077
LEGAL	103,664	450			9,000	113,114			(4,250)			(4,250)	108,864
HUMAN RESOURCES	93,990	100			49,192	143,282						0	143,282
OFFICE ACCOMMODATION (PARKE)	23,122			69,908		93,030			(3,294)			(3,294)	89,736
OFFICE ACCOMMODATION (PRINCETOWN)				37,034		37,034					(15,165)	(15,165)	21,869
CORPORATE SERVICES	541,479	1,570	8,070	106,942	211,566	869,627	0	0	(7,769)	0	(15,165)	(22,934)	846,693
PROJECT FUND					85,000	85,000						0	85,000
OTHER	0	0	0	0	85,000	85,000	0	0	0	0	0	0	85,000
TOTAL	2,867,511	21,780	72,120	162,695	970,548	4,094,654	(45,500)	(10,000)	(275,229)	(108,000)	(19,485)	(458,214)	3,636,440

Summary:	
Gross Expenditure	4,094,656
Income	(458,214)
Net Budget	3,636,442
National Park Grant	(3,573,586)
Deficit / (Surplus)	62,856

% Change between the 2013/14 Budget and the Draft 2014/15 Revenue Budget

FUNCTIONAL STRATEGY	2013/14 Net Budget £	2014/15 Net Budget £	Variance £	Percentage Change %
BIO-DIVERSITY	110,214	100,303	(9,911)	-9%
MIRES PROJECT	0	0	0	
LAND MANAGEMENT	20,382	13,056	(7,326)	-36%
WOODLANDS	49,534	40,565	(8,969)	-18%
RDPE - UPLANDS DARTMOOR	0	0	0	
SOUTH WEST PROTECTED LANDSCAPES	0	0	0	
CENTRAL COSTS	8,850	3,730	(5,120)	-58%
HILL FARM PROJECT	22,318	26,501	4,183	19%
NATURAL ENVIRONMENT	211,298	184,155		
ARCHAEOLOGY	96,899	100,858	3,959	4%
BUILT ENVIRONMENT	60,184	39,435	(20,749)	-34%
MOOR THAN MEETS THE EYE - HLF	0	0	0	
UPPACOTT	18,576	26,228	7,652	41%
CULTURAL HERITAGE	175,659	166,521		
VISITOR FACILITIES	73,350	107,228	33,878	46%
ACCESS & RECREATION	99,506	98,322	(1,184)	-1%
PROW	92,647	81,596	(11,051)	-12%
SUSTAINABLE TOURISM & TRANSPORT	24,767	24,090	(677)	-3%
TRAFFIC MANAGEMENT	500	0	(500)	-100%
RECREATION MANAGEMENT	290,770	311,236		
VISTOR CENTRES	268,004	191,029	(76,975)	-29%
COMMUNICATIONS	188,102	171,429	(16,673)	-9%
EDUCATION	111,955	114,069	2,114	2%
PROMOTING UNDERSTANDING	568,061	476,527		
RANGERS	395,810	404,076	8,266	2%
CONSERVATION WORKS SERVICE	218,625	217,413	(1,212)	-1%
RANGERS, ESTATES & VOLUNTEERS	614,435	621,489		
DEVELOPMENT MANAGEMENT	370,722	348,461	(22,261)	-6%
DEVELOPMENT MANAGEMENT	370,722	348,461		
FORWARD PLANNING & COMMUNITY	228,737	183,361	(45,376)	-20%
SUSTAINABLE DEVELOPMENT FUND	115,013	75,000	(40,013)	-35%
FORWARD PLANNING	343,750	258,361		
CORPORATE CENTRE	259,356	260,645	1,289	0%
MEMBERS	62,604	58,024	(4,580)	-7%
CORPORATE & DEMOCRATIC CORE	321,960	318,669		
INFORMATION TECHNOLOGY	195,879	195,935	56	0%
CORPORATE OPERATING COSTS	78,442	94,732	16,290	21%
RESOURCES SERVICE	172,269	180,387	8,118	5%
LEGAL SERVICES	105,059	105,455	396	0%
HUMAN RESOURCES	139,188	142,698	3,510	3%
OFFICE ACCOMMODATION (PARKE)	99,970	113,245	13,275	13%
OFFICE ACCOMMODATION (PRINCETOWN)	93,620	50,712	(42,908)	-46%
CORPORATE SERVICES	884,427	883,164		
PROJECT EXPENDITURE FUND	150,000	85,860	(64,140)	-43%
CAPITAL	183,016	51,100	(131,916)	-72%
OTHER	333,016	136,960		
TOTAL	4,114,098	3,705,543	(408,555)	-10%
FUNDED FROM	£	£	£	%
NATIONAL PARK GRANT	(3,975,321)	(3,636,835)	(338,486)	-9%
TO / (FROM) RESERVES	(138,777)	(68,708)	(70,069)	-50%
DEFICIT / (SURPLUS)	0	0		

See Appendix 3 for detailed explanations

Standard Subjective Group Analysis (Cipfa)	2013/14 NET BUDGET £	2014/15 NET BUDGET £	% Change	Explanation	2015/16 NET BUDGET £	% Change	Explanation	2016/17 NET BUDGET £	% Change	Explanation
Salaries	2,858,539	2,909,184	1.8%	Pay & increment inflation being offset by termination of grant funded posts and minor structure changes relating to retirements	2,843,023	-2.3%	Pay & increment inflation being offset by the termination of posts due to the ending of grant funded projects	2,867,511	0.9%	Pay & increment inflation being offset by the termination of posts due to the ending of grant funded projects
Travel	32,900	23,330	-29.1%	Reduced use of Grey Fleet due to new pool cars	21,530	-7.7%	Reduction in staff in grant funded projects	21,780	1.2%	Inflation
Transport	74,568	76,460	2.5%	Inflation	67,620	-11.6%	Change from lease to owned vehicles	72,120	6.7%	Inflation & fleet management & repair costs
Premises	240,732	229,974	-4.5%	One off items in 2013/14	164,331	-28.5%	Significant R&M completed in prior years	162,695	-1.0%	
Supplies & Services	1,378,730	1,070,809	-22.3%	See below	1,017,290	-5.0%	See below	970,548	-4.6%	See below
Capital	183,016	51,100	-72.1%	Vehicles only in 2014/15	0		No capital programme	0		No capital programme
Income	(654,387)	(655,314)	0.1%		(470,799)	-28.2%	Reduction in grant funded projects and fees & charges	(458,214)	-2.7%	Reduction in grant funded projects and fees & charges
NET BUDGET	4,114,098	3,705,543	-10%		3,642,995	-2%		3,636,440	0%	

Supplies & Services Analysis	2013/14 Supplies & Services £	2014/15 Supplies & Services £	Explanation	2015/16 Supplies & Services £	Explanation	2016/17 Supplies & Services £	Explanation
BIO-DIVERSITY	18,201	14,274	Reduction in BAP budget	13,274	Reduction in Species Survey budget	13,274	
LAND MANAGEMENT	20,382	13,056	Farming Futures work completed via external funding	12,056		12,056	
WOODLANDS	10,000	2,000	Essential work only - reflects priorities	2,000		2,000	
MIRES	1,025	1,655	Externally funded	0	Project ends	0	
RDPE - UPLANDS DARTMOOR	0	19,724	Transition funding received for 12 months	0	Current version of Project ends	0	
CENTRAL COSTS	8,000	3,500	Uniform in accordance with replacement schedule	5,000	Uniform in accordance with replacement schedule	5,000	
HILL FARM PROJECT	12,540	14,250	Dependent on external funding & partners	0	Dependent on external funding & partners	0	Dependent on external funding & partners
NATURAL ENVIRONMENT	70,148	68,459		32,330		32,330	
ARCHAEOLOGY	33,753	17,140	White Horse Hill expenditure matched with external funding	7,077	Externally funded projects ended: Leats, HERO, WHH	7,116	
BUILT ENVIRONMENT	22,000	2,000	One off project in previous year	0	One off project in previous year	0	
CULTURAL HERITAGE	55,753	19,140		7,077		7,116	
VISITOR FACILITIES	66,950	103,767	One off projects: Bore hole at Haytor & car park maintenance	64,317	One off projects in prior year	65,017	Inflation
ACCESS & RECREATION	27,643	25,007	Expired access agreements	25,007		25,007	
PROW	60,000	43,000	Reflects reduced Devon County Council funding	43,000	Reflects reduced Devon County Council funding	43,000	Reflects reduced Devon County Council funding
SUSTAINABLE TOURISM & TRANSPORT	11,050	9,810	Some projects are biennial	9,260	Some projects are biennial	9,885	Some projects are biennial
TRAFFIC MANAGEMENT	500	0	Removed: rarely utilised & reflects priorities	0		0	One off costs in previous year
RECREATION MANAGEMENT	166,143	181,584		141,584		142,909	
VISITOR CENTRES	203,012	89,111	One off project to remodel the High Moorland Visitor Centre in 2013/14	85,768	One off improvement projects in 2014/15	93,383	Increased budget for stock procurement
COMMUNICATIONS	68,770	53,208	One off projects in 2013/14	52,858		54,358	Inflation
EDUCATION	11,668	12,913	Inflation & training	14,765	Inflation & training	13,010	Inflation & training
PROMOTING UNDERSTANDING	283,450	155,232		153,391		160,751	
RANGERS	30,440	22,903	One off costs in 2013/14	23,003	Inflation	21,857	Inflation
CONSERVATION WORKS SERVICE	13,750	12,270	One off costs in 2013/15	10,750	Inflation	11,140	Inflation
RANGERS, ESTATES & VOLUNTEERS	44,190	35,173		33,753		32,997	
DEVELOPMENT MANAGEMENT	66,281	48,656	Planning Appraisals being done in house	50,486	Inflation	51,776	Inflation
DEVELOPMENT MANAGEMENT	66,281	48,656		50,486		51,776	
FORWARD PLANNING & COMMUNITY	76,200	59,000	LDF/DMD work completed in 2013/14. Buckfastleigh NP referendum	75,000	Core strategy review, Strategic housing viability assessment	53,000	Core strategy review. Minerals plan complete.
SUSTAINABLE DEVELOPMENT FUND	100,000	59,566	Reduced per Members' approval 2012/13 - admin costs deducted	75,000	To include admin costs	75,000	
FORWARD PLANNING	176,200	118,566		150,000		128,000	
CORPORATE CENTRE	62,590	61,054		89,372	Provision for National Park Conference	59,072	
MEMBERS	62,604	58,024	Reduction from 22 to 19 Members	58,459	Inflation	59,031	Inflation
CORPORATE & DEMOCRATIC CORE	125,194	119,078		147,831		118,103	
INFORMATION TECHNOLOGY	60,463	52,484	No PC replacement scheduled for this year	45,813	One off projects completed in 2014/15	39,916	One off projects completed in 2015/16
CORPORATE OPERATING COSTS	107,809	113,744	Replacement of Committee room microphone system	101,054	One off projects completed in 2014/15	101,687	
RESOURCES	13,093	13,219		11,470	Training complete	11,771	
LEGAL	10,482	7,800	Training	8,400	Inflation	9,000	Inflation
HUMAN RESOURCES	49,524	51,814	DBS checks this year	49,101		49,192	
CORPORATE SERVICES	241,371	239,061		215,838		211,566	
HLF - LANDSCAPE PARTNERSHIP BID		0		0			
PROJECT EXPENDITURE FUND	150,000	85,860	Unallocated NPG to be bid for in-year	85,000	Unallocated NPG to be bid for in-year	85,000	Unallocated NPG to be bid for in-year
OTHER	150,000	85,860		85,000		85,000	
TOTAL	1,378,730	1,070,809		1,017,290		970,548	

2014/15 RESERVES: RISK BASED ANALYSIS <i>Dependent on 2013/14 closing balances</i>	Risk Level	Rate	2014/15 Opening Balance £'000
Employees:			
Allowance for increased pay awards	Low	1% extra PA	35
Maternity / Paternity Cover	High	Based on 4 staff	42
Equal Pay Claims / Employment Tribunals	Low	Est.	50
Redundancy post 2014/15	Low	Est.	100
2016/17 National Insurance / Pension changes (ongoing future pressure)	High	Est.	55
Pension Fund - Past Deficit Recovery	Medium	Est.	231
Costs & Awards:			
Appeals / Public Enquiries / Litigation	High	Est.	250
Loss of Income:			
Planning related fees	Medium	5%	9
Reduced Sales, Fees & Charges	Medium	10%	19
Partnership Income / Grants	High	10%	14
General Inflation:			
	Medium	Average of 3%	42
External Funding:			
Grants & Contributions with Restrictions	N/A	Actual	18
Match Funding Reserve	N/A	Actual	91
HLF - MTMTE Landscape Partnership Bid - phase 2	N/A	Actual	200
Cycling in National Parks	N/A	Actual	30
Property:			
Repairs & maintenance	Medium	Est.	222
Revenue Projects in 2014/15			
Chagford Cattle Grid	N/A	Actual	3
Princetown Visitor centre - Phase II	N/A	Est.	100
Capital Projects in 2014/15			
Vehicle Replacement Programme	N/A	Actual	51
Provision for future replacement of Landrovers (sinking fund)	N/A	Est.	12
Revenue -			
2% Future Reductions in NPG	Medium	Rebased NPG	72
Contribution to 2015/16 Revenue Budget	High		69
2% Future Reductions in NPG	Medium	Rebased NPG	71
Contribution to 2016/17 Revenue Budget	High		63
General Reserve - Minimum amount to cover unanticipated costs / emergencies			300
Total Reserve Balance			2,149

2013/14 to 2016/17 GENERAL FUND RESERVE BALANCES

General Fund Reserves	2013/14 Opening Balance	2013/14 Movements	2014/15 Opening Balance	2014/15 Movements	2014/15 Closing Balance	Notes
	£	£	£	£	£	
Grants & Contributions with Restrictions						
South West Protected Landscapes - Various	(1,104.00)	1,104.00				Various
Dartmoor Sustainable Development Fund	(89,378.00)	89,378.00				DNPA - grants awarded, not yet paid
Biodiversity Action Plan	(5,000.00)	5,000.00				Defence Infrastructure Org
Farming Futures	(22,230.37)	22,230.37				Duchy & Commoners
Hill Fram Project Grant	(7,608.00)	0.00	(7,608.00)	7,608.00	0.00	Duchy
HERO	0.00	(10,000.00)	(10,000.00)	10,000.00	0.00	English Heritage
Action for Wildlife	(21,385.00)	21,385.00				Various Partners
White Horse Hill	(39,357.53)	39,357.53				English Heritage & Partners
Leats Project	(1,480.00)	1,480.00				Various Partners
Neighbourhood Planning Grant	(5,000.00)	5,000.00				DCLG
Public Rights of Way	(42,761.00)	42,761.00				DCC
Haytor Hoppa	(1,000.00)	1,000.00				Natural England
New Homes Bonus	(97,000.00)	97,000.00				West Devon, South Hams, Teignbridge Councils
	(333,303.90)	315,695.90	(17,608.00)	17,608.00	0.00	
Earmarked Reserves Opening Balance :	(1,830,423.66)		(1,631,646.66)			<i>Dependent on 2013/14 closing balance</i>
2012/13 Project Fund						
Conservation Area Appraisals	(2,900.00)	2,900.00				Virement completed
Higher Uppacott Works	(6,800.00)	6,800.00				Virement completed
2012/13 Programme Delays						
LDF/DMD	(75,000.00)	75,000.00				Virement completed
National Park Management Plan	(15,000.00)	15,000.00				Virement completed
Enjoy Dartmoor - second print run	(7,356.00)	7,356.00				Virement completed
Princetown Car Park Machines	(12,000.00)	12,000.00				Virement completed
Uppacott - Income earned in year	(1,002.00)	1,002.00				Spent on property improvements
External / Match Funding						
HLF - Moor Than Meets the Eye match funding	(100,000.00)	0.00	(200,000.00)	200,000.00		Bid submitted January 2014
Local Sustainable Transport Scheme match funding	(40,000.00)	0.00				Bid unsuccessful
Cycling in National Parks (DFT) match funding		0.00		30,000.00		(NPA/13/015) to be paid over in 2014/15 & 2015/16
Appropriations from reserves to MTFP						
2013/14 Contribution to Revenue & Capital Budget		138,777.00				Transfer done at year end
2014/15 Capital Programme				51,100.00		
2014/15 Premises - provisions for Repairs & Maintenance				92,000.00		Estimates only
2014/15 Princetown Visitor Centre - Phase II				100,000.00		Estimates only
2014/15 Chagford Cattle Grid				3,000.00		Approved.....timing unknown
Budget Management Fund C/Fwd	(2,090,481.66)	258,835.00	(1,831,646.66)	476,100.00	(1,355,546.66)	
General Reserve	(300,000.00)	0.00	(300,000.00)	0.00	(300,000.00)	Statutory Minimum Reserve
Total General Fund Balance	(2,723,785.56)	574,530.90	(2,149,254.66)	493,708.00	(1,655,546.66)	

SUMMARY OF PRUDENTIAL INDICATORS

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

	Prudential Indicator	2014/15	2015/16	2016/17
1	Forecast Annual Capital Expenditure	51	Nil	Nil
2	Capital Financing Requirement as at 31 March	Nil	Nil	Nil
3	Total Authorised Limit for External Debt	Nil	Nil	Nil
4	Total Operational Boundary for External Debt	Nil	Nil	Nil
5	Ratio of Financing Costs to Net Revenue Stream	Nil	Nil	Nil
6	Net borrowing will only be for a capital purpose. Net borrowing will not, except in the short term, exceed the total of the capital financing requirement in the preceding year, plus the estimate of any additional capital financing requirement for the current and next two financial years.			

Treasury Management

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

DARTMOOR NATIONAL PARK AUTHORITY

7 February 2014

MOBILE VENDING 2014 - 2016Report of the Director of Conservation and Communities

Recommendation : **That the Authority accepts the tender received for Haytor car parks (top and bottom) as outlined in paragraph 6.1**

1 Background

- 1.1 A mobile vending licence system is administered by the Authority for seven sites within its ownership, or that of the Duchy of Cornwall. In March 2103 licences were awarded for a period of three years from 1 April 2012 to 31 March 2015 for Shapley Moor Gate and Pork Hill and a one year licence was awarded for the two sites at Haytor. Members may recall that this was to allow completion of the Information Centre review.
- 1.2 The tenders for Haytor were re-advertised in November 2013. An advertisement was placed in the local press inviting tenders of an individual or composite nature for one or both of the two sites for a two year period. Businesses submitting a tender were asked for details of the main products sold and their suppliers and for their current practice on waste disposal and recycling. They were advised that preference might be given to those businesses which support local producers/suppliers or operate in a more environmentally friendly manner.

2 Tenders received

- 2.1 Completed tenders were received from two prospective vendors. The tenders received in respect of each site for the two year period 01/04/14 – 31/03/16 are as follows:

Site	Grid Ref	Tenderer/s	Amount (£)
1. Haytor Down top car park	759 767	Tender A Tender B	15,000 14,000
2. Haytor Down Bottom car park	765 771	Tender A Tender B	15,000 14,000

- 2.2 This is the first time for many years that we have had two tenders for Haytor. Both companies have submitted a tender for both sites. One Tender comes from the existing licence holder at Haytor and is for a traditional "ice cream van" mobile

vending unit. The other Tender is offering a wider range of goods for sale with a focus on hot drinks, soups and light snacks including paninis, baguettes and pies. This is a new company who state that they are keen to support local businesses.

3 Award Criteria

3.1 The invitation to tender advised interested parties that the Authority would consider the following factors in reaching a decision:

- The design, scale, size and appearance of the proposed mobile vending unit;
- The use of sustainable, local produce and support for local businesses;
- The reduction of waste such as packaging and the use of recycled materials

Together with the value of the tender.

4 Assessment

4.1 Although Tender A is higher in cash terms, officers have strong reservations about the suitability of the proposed mobile vending unit. The tender proposes using an open single axle trailer towed behind a land rover type vehicle as the vending unit. There will be no cover or shelter for the operative, apart from seats in the vehicle, and it is felt that the impression given to visitors may be rather mixed. While innovative solutions are welcome, officers are not confident that this proposal would be suitable to support a service to visitors in all weathers.

4.2 Tender B proposed a more conventional solution from an experienced operator. It is recommended that this Tender be accepted.

5 Financial Implications

5.1 Tender B will result in an income of £7,000 annually. This equates to a reduction of £250 per annum over the figure received for 2013 and is £500 per annum below the higher tender offer.

6 Recommendation

6.1 That Members accept Tender B for both Haytor top and Haytor bottom car parks due to concerns about the design and practicality of the vehicle proposed in Tender A.

7 Equality and Sustainability Impact Assessment

7.1 A screening assessment has been completed and it is not considered that the continuation of mobile vending licences will have a negative impact on equality or sustainability. Mobile vending has operated from Haytor for many years and therefore there is not any new impact either positive or negative on the economy of the area. The service offered by the vans is well received by the public. No formal complaints are received by the Authority.

7.2 There is potential for litter associated with the vans, but the licence clearly spells out the requirement to keep the area free of litter and this has not been a problem in recent years. Some people argue that the vans are not in keeping with the

landscape. The mobile vending site in the lower car park at Haytor has been relocated to a site against the boundary wall to help address these concerns.

- 7.3 Vendors are encouraged to reduce, re-use, and recycle and details of products and suppliers have been obtained and taken into account

ALISON KOHLER

DARTMOOR NATIONAL PARK AUTHORITY

7 February 2014

ENFORCEMENT POLICYReport of the Planning Team ManagerRecommendation: **That Members:**

- (i) **note the content of the report, and**
- (ii) **resolve to formally adopt the draft Enforcement Policy, attached at Appendix 1**

1 Introduction

- 1.1 A report on the Enforcement Review undertaken during 2012/13 was presented to the Dartmoor National Park Authority at its meeting on 7 June 2013 (NPA/13/022) when Members agreed a number of recommendations.
- 1.2 One of the recommendations was that a new Enforcement Policy be drafted to clearly set out what complainants and landowners can expect of the Authority in dealing with alleged breaches of planning control and the timescales for delivering a satisfactory outcome.
- 1.3 It was also agreed that a more detailed Local Enforcement Plan should be drafted to support the Policy and establish relevant points at which interested parties will be contacted, as well as how site visits will be conducted and people kept informed. This is in line with best practice set out in the National Planning Policy Framework (NPPF) which recommends that all Local Planning Authorities publish a local enforcement plan.

2 Progress

- 2.1 A new 'Enforcement Policy' has been drafted and is attached at Appendix 1 to this report for Members' consideration. This draft policy was presented to the Audit and Governance Committee at its meeting in November 2013 when there was broad acceptance of the report and draft policy. The policy includes basic information about breaches of planning control; how we deal with alleged breaches; what powers are available to resolve breaches and the scheme of delegation for enforcement.
- 2.2 A Local Enforcement Plan has also been drafted as an operational document setting out in detail how officers carry out the enforcement function. It includes the Authority's policy and procedures for enforcing planning control in the National Park and is intended to act as a guide for those responsible for or affected by breaches of planning control who may wish to know what steps the Authority can take and the timescale involved in achieving a result.

3 Next Steps

- 3.1 If formally adopted, the Enforcement Policy and Local Enforcement Plan will supersede the existing Enforcement Code of Practice. The Authority's website will be updated in order to inform complainants, landowners, Parish Council's, etc. of our processes which in turn will hopefully prevent repeat calls and requests for information.
- 3.2 It is proposed that both documents shall be reviewed after three years and, if necessary, appropriate changes shall be made.

4 Equality and sustainability Impact

- 4.1 Equality and sustainability issues are always at the forefront of officers' minds in carrying out planning and enforcement duties. In particular, careful attention will be paid to those enforcement cases where there are implications for equality for example in relation to gypsy and traveller sites, or in relation to where residential occupancy issues arise. The way in which we communicate with complainants and people who are alleged to have breached planning control has also been given attention to ensure that all such communication is carried out in a way that does not put any particular person or group at a disadvantage.

5 Financial implications

- 5.1 The financial implication for each of the action points identified during the Review was included in the report on the Enforcement Review presented to the Dartmoor National Park Authority at its meeting on 7 June 2013 (NPA/13/022) when Members agreed the recommendations. The financial implications of improving 'information and communication' in the enforcement process stated at that time are still applicable. The Enforcement Policy and Local Enforcement Plan have however now been drafted. Finalising these reports and placing these on the Authority's web site can be achieved with minimal planning/enforcement officer time with some IT officer assistance required to install on the web site. This can be achieved within existing budgets/work programmes.

JAMES AVEN

Background Papers: Local Enforcement Plan

Attachments: Appendix 1 – Draft Enforcement Policy

20140207 JA Enforcement Policy



ENFORCEMENT POLICY

October 2013

Introduction

Dartmoor National Park covers an area of 369 square miles and is the largest expanse of open country in the south of England. National Parks have the highest status of legal protection in relation to landscape and scenic beauty.

Dartmoor National Park Authority ("the Authority") has a legal duty to conserve and enhance the natural beauty, wildlife and cultural heritage of the National Park and to promote opportunities for the understanding and enjoyment of the special qualities of the National Park by the public. The Authority, acting through its Development Management Committee, is also the sole local planning authority for Dartmoor.

Enforcement of Planning Control

The proper application and observance of planning control is vital to safeguarding the quality of landscape and buildings in the National Park. Effective enforcement maintains the integrity of the planning application and permission decision making process.

This Enforcement Policy aims to provide a clear statement of the Authority's approach to enforcing planning control in the National Park.

There are two main ways in which a breach of planning control can occur:

- a) **Building or engineering operations, or changes in the use of land or buildings, that are carried out without the necessary planning permission.**
- b) **Where planning permission has been granted but the approved plans and/or the conditions attached to the approval have not been followed properly.**

The Authority's Approach to Enforcement

In investigating and dealing with apparent breaches of planning control, the Authority has to exercise a careful balance between the rights of the individuals concerned and the wider public interest. When dealing with enforcement complaints the Authority will:

- investigate to establish the facts and a full picture of the situation
- adopt a positive approach and seek to negotiate an acceptable resolution without formal legal action wherever possible

- encourage the submission of a retrospective application to regularise unauthorised development, unless the development is contrary to the adopted policies of the National Park or causes serious harm to the landscape quality or buildings in the National Park
- where necessary, use formal enforcement powers to secure the removal or cessation of harmful unauthorised development
- seek to prevent breaches of planning control, through pro-active monitoring of selected developments to ensure that conditions and approved drawings are complied with
- maintain a proportionate and balanced approach to unauthorised development

Delegated Powers

The Development Management Committee has delegated to the Director of Planning its powers to take legal action and to close enforcement cases. Enforcement matters will normally only be referred to the Development Management Committee for consideration where legal action would prevent a person residing in or on premises or significantly affect their ability to do so, or would prevent or significantly affect the operation of a business, employment site or community use.

The Director of Planning, and any other staff expressly authorised in writing, can determine to close enforcement cases where, in their view:

- (a) there is no breach of planning control
- (b) any breach is immune from enforcement action, or
- (c) it is not expedient in the wider public interest to take enforcement action

Further Information

The Authority has published a Local Enforcement Plan which gives detailed information on how we carry out our work, including keeping complainants and the public informed. In addition this Plan also contains links to government guidance relating to the enforcement of planning control.

If you believe that we have not followed this Policy, please write to the Director of Planning at Parke, Bovey Tracey, Newton Abbot TQ13 9JQ setting out the details.