

NATIONAL PARK AUTHORITY

3 February 2016

Present: Councillor M James (Chair)

Mr D Ellis, Councillor ML Evans, Councillor P Harries, Councillor S Hudson, Mrs G Hayward, Councillor L Jenkins, Councillor R Kilmister, Councillor RM Lewis, Councillor PJ Morgan, Councillor R Owens, Councillor D Rees, Mr AE Sangster, Mrs M Thomas, Councillor A Wilcox and Councillor M Williams.

(NPA Offices, Llanion Park, Pembroke Dock: 10.00am – 12.25pm)

1. Apologies

Apologies for absence were received from Mr A Archer and Ms C Gwyther.

2. Welcome

The Chairman welcomed officers from the Wales Audit Office, as well as Ms Hannah Dahill and Mrs Liz Williams, two of the three people who were interested in becoming Members of the Authority and were taking part in the Authority's Mentoring scheme. The third person, Ms Karen Maddock-Jones, was unable to attend the meeting that day.

3. Disclosures of Interest

There were no disclosures of interest.

4. Minutes

The minutes of the meeting held on the 18 November 2015 were presented for confirmation and signature.

It was **RESOLVED** that the minutes of the meeting held on 18 November 2015 be confirmed and signed.

5. Matters arising

(a) Carew Mill – new roof (Minute 5(a))

The Chief Executive advised Members that work to replace the roof had been completed and that officers would endeavour to recoup any costs incurred by the Authority with regard to the slates, however their hands were, to a degree, tied.

NOTED.

6. Reports of meetings of various of the Authority's Committees

The following reports of meetings of a number of the Authority's Committees were presented to Members for consideration/information:



- (i) Development Management Committees held on 12 October, 11 November and 16 December 2015
- (iii) Audit and Corporate Services Review Committee held on 25 November 2015
- (iii) Operational Review Committee held on 9 December 2015

7. Report of the meeting of the Chief Executive Performance Review Panel

The report of the meeting of the Chief Executive Performance Review Panel held on 16 December 2015 was presented for adoption.

It was noted that Mr Sangster should have been referred to as Immediate past Vice Chair of NPA, rather than Vice Chair, in the list of those present.

It was **RESOLVED** that the report of the meeting of the Chief Executive Performance Review Panel held on 16 December 2015 be adopted subject to the above correction.

8. Wales Audit Office: Delivering with Less: Planning Services

The Chairman welcomed Mr John Roberts and Mr Rob Hathaway from the Wales Audit Office. Mr Roberts explained that as part of the Auditor General's work, local government studies were undertaken each year on a single topic across the whole of Wales. In 2014/15 the topic was leisure services, however as this was not applicable to National Parks the focus in these Authorities had been on planning. This work had been funded from the Welsh consolidated fund rather than local fees. Final publication of the report had been delayed, and given the delay the Authorities had asked the Auditor to consider the 2014/15 figures which became available before the report was published.

The Auditor who had carried out the work, Mr Rob Hathaway, then introduced the report. His findings were positive overall, and the recommendations he had reached could largely be applied across the three National Park Authorities (NPA's) as well as to Councils in general, had work on this topic been undertaken in them. Overall the report concluded that improving leadership and community focus were supporting better planning performance, although the Authority's approach to collaborating with other national park and planning authorities in Wales and achieving value for money was not sufficiently robust. The report made four recommendations, the first two of which were common with the other two NPAs. Mr Hathaway stated that the Authority had achieved improvements since the service had last been assessed and was laying a platform for further improvement going forward.



Thanking the Auditor for his report, the Chair of the Development Management Committee commented that it was a positive report and reflected the hard work and dedication of officers. Another Member pointed out the danger of putting too much pressure on staff through the emphasis on reducing service staff and costs; he conceded that while this might not be an audit consideration, it was one that Members had to take into account. The Auditor believed that such considerations could be assisted through effective benchmarking with other organisations. It was also pointed out that the Authority had used consultants in a cost-effective manner to help balance the peaks and troughs of work.

Turning to the Local Development Plan (LDP), some Members were concerned that as this had been the first to be adopted, no lessons could be learned from policies already adopted by other Authorities, and they feared this had impacted on the insufficient landbank that the Authority currently held. The Auditor disagreed that there was any correlation, noting that other Authorities were in the same position, due to the viability and availability of sites put forward by landowners. He believed this would be addressed in the LDP review which was currently underway. He also felt that it was dangerous to suggest that land outside of settlement limits could be used as alternative sites, and assistance could be provided by Councillors, as community leaders, to bring allocated land forward in cooperation with officers.

The Director of Planning responded that officers were happy with the report which showed the progress that had been made. With regard to the recommendation that there be greater joint working, closer links were being established with Pembrokeshire County Council since their appointment of a new Head of Planning. Although it was disappointing that more progress had not been made regarding the development of a new document management system for the Authority, investigation of systems used by other Authorities was continuing, with money earmarked for implementation. With regard to charging for pre-application work, this would be implemented on a county-wide basis later in the year.

The Chairman congratulated the Director and her team for the hard work undertaken, and thanked the Auditors.

NOTED.

9. Draft Budget Planning 2016/17

The report of the Chief Executive and Chief Financial Officer set out the draft Revenue and Capital budgets for 2016/17 and forecast 2017/18 to 2020/21, the draft 2016/17 levy on Pembrokeshire County Council, Prudential Indicators for the capital programme and an Investment Strategy & Treasury Management Policy Statement for 2016/17.



The development of the Authority's draft revenue and capital budgets for 2016/17 had taken place during a sustained challenging period for the public sector with the continued year on year reduction in the National Park Grant (NPG) and ensuing Levy on Pembrokeshire County Council. Meeting the financial pressures required a rigorous approach to identifying efficiencies, maximising non-core funding stream opportunities and the reprioritisation of spending within services.

The report set out the Authority's budget strategy and the key assumptions on which this had been based, as previously discussed by members in budget workshops. Although final figures were still awaited from Welsh Government, it was anticipated that there would be a reduction of 6% in the core NPA Grant and Levy for 2016/17, amounting to a cut in core funding of £253,000. In addition the Government's withdrawal of the National Insurance rebate for contracted out pension schemes had added a further £46,000 to the Authority's budget pressures. Measures to address budget shortfall and identify the 'other savings' of £292,000 shown in the report had been discussed previously with Members.

In light of the continued reduction to the NPG and government target on public spending over the course of the current parliament, it was reported that it was unlikely there would be a reversal of this trend in the medium term financial plan with further reductions expected. Figures showing the impact of 5% and 10% reductions over the five year period to 2021/21 were provided and even the lower of these two options would represent significant challenges for the Authority to overcome if it was to balance its budget, even given anticipated increases in other grant and locally generated income. Measures to address the need for contingency savings had been discussed at budget workshops during the year.

The report set out details of the capital budget which would total £15,900 in 2016/17, and consisted of IT equipment replacement, Carew walled garden interpretation, Castell Henllys round houses, energy saving projects, fleet replacement, car park integration and electronic planning/document management systems.

Details of the Authority anticipated cash based reserves at the end of 2015/16, together with the projected balances as at the end of 2016/17 were set out in the report. This showed that the expected surplus in 2015/16 would give a year-end balance for the general reserves of £605,000, with a break-even position expected for the year end 2016/17. However if no further action was taken, the reserve balance would fall. Earmarked Reserves, set aside for specific projects, were set out and were considered to be appropriate at the current time, although unexpected changes in the financial position might require these to be further reviewed.



Officers answered a number of questions from Members regarding the report before them, including a suggestion for establishment of an 'Invest to Save' reserve.

It was **RESOLVED** that:

- the draft budget 2016/17 be approved in principle subject to noting that the NPG/Levy estimate had yet to be confirmed.
- the financial projections for 2017/18 to 2020/21 be noted

(a) Levy on Pembrokeshire County Council

The Chief Finance Officer reminded Members that Section 71 of the Environment Act 1995, sub-section 3, determined the way in which the levy which was to be raised on Pembrokeshire County Council, should be issued. The following statement complied with this requirement.

<p><u>Levy on Pembrokeshire County Council</u></p>



The Authority must authorise the making of a levy of £984,578 from Pembrokeshire County Council, in accordance with Section 71 of the Environment Act 1995 and the National Park Authorities (Levies)(Wales)(Regulations) 1995 SI 1995 No.3019 as amended by the National Park Authorities (Levies)(Wales)(Amendment) Regulations 1996:

- the sum required to meet expenditure for the Authority which will fall to be charged for that year in the Revenue account is

£5,465,283

- making such provision as is appropriate for meeting contingencies, the expenditure on which would fall to be charged in the Revenue Account

£Nil

- the sum required to secure the availability to the authority of adequate working balances on its Revenue Account

£Nil

- the sum required to provide the Authority with other requirements for covering any deficit brought forward from the previous financial year

£Nil



Sub-total		£5,465,283
LESS		
• Section 72, Grant (NPG)	£2,953,720	
• Income credited to the Revenue Account	£1,526,912	
• other sums not covered above which are likely to be available in the year	73	£4,480,705
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Levy requirement		<u>£984,578</u>

Members were advised that the official levy requirement had to be notified to Pembrokeshire County Council by 15th February. It was recommended that the National Park Authority continue with the current arrangement of 12 equal monthly instalments receivable on or before the 12th of each calendar month, such payments to be received by bank transfer.

Members asked how the level of the levy compared to previous years. Officers replied that in absolute terms it was £62,000 less, however they understood that the amount local authorities had to pay to National Park Authorities was compensated for in the amount they received from Welsh Government. This surprised Members, given that the levy was shown on as a precept on the council tax bill.

It was **RESOLVED** that a levy of £984,578 (*or other appropriate amount as determined on receipt of confirmation of the approved net funding from the WG*) from Pembrokeshire County Council for the year 2016/17 be authorised.

(b) Prudential Code Indicators

The Local Authorities (Capital Finance & Accounting)(Wales) Regulations 2003 required the National Park Authority to have regard to the Chartered Institute of Public Finance & Accountancy's (CIPFA) Prudential Code in setting annual budgets. The Prudential Code required the Authority to consider Prudential Indicators encompassing estimated and actual expenditure and financing, and limits on both.

These indicators were intended to support and record local decision making, and were not designed to be comparative indicators across local authorities. However, as the Authority was debt free and there were no proposals at this time to undertake further borrowing, due to the capital expenditure plans being financed either by revenue funds, external grant aid or capital receipts, then many of the indicators were not relevant. The report therefore set out only those indicators that were relevant at the current time, and Members were asked to adopt the Prudential Indicators as presented.



The Chief Finance Officer also presented an Investment Strategy for 2016/17 in compliance with statutory guidance and in support of the prudential borrowing system. The Strategy also supported CIPFA's "Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes".

It was **RESOLVED** that Members

- a) Adopt the Prudential Indicators as presented.
- b) Approve the Investment Strategy & Treasury Management Policy Statement for 2016/17.

10. Financial Standards Update

Members were reminded that the Authority's Financial Standards were reviewed on a four yearly cycle and the report requested approval of the updated Standards. The Financial Standards provided a financial framework in which the Authority could operate and ensured that legislation was complied with, the assets of the Authority were safeguarded, the funds available were spent and controlled efficiently, liabilities were met and best value achieved.

The updates reflected changes in Authority structures, both personnel shifts in job responsibilities and Committees, changes in Authority policies and changes in government legislation. The other main changes related to procurement guidelines and leases, grants and licenses.

It was **RESOLVED** that the updated Financial Standards be approved.

11. County Council guidance on implementing council tax premiums on long-term empty homes and second homes

Before the officer began her presentation, several Pembrokeshire County Council (PCC) appointed Members sought advice from the Monitoring Officer regarding issues of predetermination, given that they would be considering the issue as Councillors in March. The Monitoring Officer advised that as the Authority was considering its response to a consultation, any restriction in the participation of Councillors would render that consultation ineffective. Having spoken to the Monitoring Officer at PCC, both were of the opinion that taking part in the debate that day would not, as a matter of principle, preclude Councillors participation when the matter came before the full County Council meeting. However the final decision lay with each Member on the basis of their objectivity in considering the matter.

Later in the debate, the question was raised whether Members who had a second home had a declarable interest regarding this item. The Monitoring Officer again advised that this was a matter for individual Members. No interests were declared.



The report of the Head of Park Direction explained that following implementation of the Housing (Wales) Act 2014 and associated Welsh Government Regulations, local authorities would be able to charge a premium of up to 100% of the standard rate of council tax on long-term empty homes and second homes in their areas from 1 April 2017. To introduce a premium charge in April 2017, the local authority had to give a full year's notice, and a report would therefore be considered at the County Council's meeting in March 2016. PCC had undertaken a draft regulatory impact assessment and commenced a consultation to aid its decision making, however it was not proposing to make a decision on whether to introduce a premium on empty homes at this point in time with the issue being considered in a separate consultation later in the year. The Authority had been asked for its views due to its role in enabling affordable housing.

The report set out an officer appraisal of the guidance and a summary of the potential impacts on the National Park, appending the guidance as well as data on the number of second homes, holiday lets and house prices. Officers had concluded that on balance given:

- There was external pressure on the housing market in parts of Pembrokeshire which made properties more difficult to afford.
- That the Council's recent consultation showed local support for such a proposal in Pembrokeshire.
- the exemptions available in order to exclude holiday let businesses
- the opportunity to alter current arrangements to make more use of properties maximising best use of the existing stock.
- that this mechanism provided an opportunity to raise revenue by imposing increased council tax to directly benefit local communities (including the potential for greater spend on affordable housing delivery) and compensate for the economic loss that arose from concentrations of non-primary accommodation in some areas.

That, with the funding used as suggested to meet local housing needs in line with the policy intentions of the premiums, the proposal should be supported in principle.

Members began by seeking clarification of what dwellings would be covered by the proposals and also what the money raised would be spent on should the Council approve the proposals. The officer replied that under the definitions provided, a second home was not one that was registered for business rates as a holiday let or properties with an occupancy conditions preventing year-round occupation. With regard to the money generated, there was an expectation that this would be used to respond to the impacts of the properties in local communities, with especial mention of affordable housing. However the full guidance had



not yet been published by Welsh Government and they also intended to introduce a monitoring system for how the money was spent.

A number of Members were very concerned that the scheme had been ill-thought out and introduced with undue haste, with insufficient time for consideration of the economic implications, particularly on local businesses and the local tourism industry. They were also clear that communities with a high proportion of second homes should benefit directly from the premium through the provision of more affordable housing, rather than it being spent in the County more generally on things such as roads. Concerns were also expressed that PCC were not consulting on implementation of the proposals regarding empty homes as it was felt this should have been introduced first, allowing more time for the consideration of the premium on second homes. It was feared that furniture would be removed from second homes, thus excluding them from the premium but also removing any contribution they may have made to the local community.

Other Members, however, replied that while the regulations might have been published only recently, PCC needed to consult immediately otherwise they would not be able to implement the proposals in the 2017/18 financial year and would thus lose out on a revenue stream much needed by the County. While there was some concern regarding the accuracy of the figures provided for second homes in different communities, several Members believed that second homes contributed nothing to the community – both in terms of participation in clubs and societies and use of local businesses. While not being against second homes per se, one Member felt that a limit ought to be set on their numbers by requiring permission to be granted for a change of use through the planning system.

The officer clarified that the figures in her report were taken from PCC's council tax register, as opposed to the census and the two sets of figures were not directly comparable.

It was proposed that the officers conclusions form the Authority's response to the consultation, together with the concerns of Members as expressed at the meeting – these generally related to hasty implementation, insufficient information, lack of ring fencing for the money generated and insufficient consideration of the implications leading to possible unintended consequences. This was put to a vote and was won 10 votes in favour, 3 against with 3 abstentions.

It was **RESOLVED** that the Authority's response to the Pembrokeshire County Council consultation on the Implementation of council tax premiums on second homes consist of the Officers conclusions as set out in the report together with Members concerns which related in principle to



too hasty a decision, lack of information, lack of ring fencing for money generated and insufficient consideration of the implications leading to possible unintended consequences.

12. Corporate Plan 2016/17

It was reported that under the Local Government Measure, the National Park Authority was required to publish its Improvement Plan as soon as practical for the new financial year. The recent Well-being of Future Generations legislation required public bodies to publish a plan showing how it would deliver towards the well-being goals. It was not yet certain whether the Authority would be required to continue to comply with the Local Government Measure. Therefore, in order to reduce the need for duplication the draft corporate plan was intended to fulfil the requirements of both pieces of legislation by developing the Authority's well-being objectives which could also be considered the improvement objectives.

The plan presented was still very much a draft plan and Members were invited to approve the approach and comment on the content. The final version of the corporate plan would be presented to Members for approval in March/April.

Members were happy with the general approach taken in the plan, but suggested that further consideration be given to the system of 'ticks' used in the report to make the degree to which the Authority complied with the goals clearer. It was also suggested that as the Authority's purpose was to 'conserve and enhance', this wording should be carried through the document where reference was made to 'conservation'.

NOTED.

[Councillor M Williams left the meeting during consideration of the following item.]

13. Action plan to deliver the recommendations of the Joint Scrutiny Committee on the impact of the policies and work of the National Park Authorities on the economic activity of both the Pembrokeshire Coast and Snowdonia National Parks

Members were reminded that at its meeting in July 2015, a report from a Joint Scrutiny Committee on the impact of the policies and work of the National Park Authorities on the economic activity of both the Pembrokeshire Coast and Snowdonia National Park Authorities had been received. That paper included a recommendation to prepare an Action Plan to take forward the recommendations and this was before Members for their agreement.

Members were pleased to see the Action Plan, which would ensure that the work of the Committee was taken forward. It was suggested that a



Members' workshop be arranged regarding buildings, particularly large agricultural buildings, in protected landscapes to which businesses could be invited thus providing a forum for greater understanding for all parties. Officers agreed that consideration would be given to arranging something later in the year. With regard to monitoring of the Action Plan, reports would be made to future meetings of the Audit and Corporate Services Review Committee.

It was **RESOLVED** that the Joint Scrutiny Action Plan be agreed.

[Councillor M Evans left the meeting during consideration of the following item].

14. Task and Finish Group on Support Services

Members were reminded that in March 2015, the National Park Authority had agreed to set up Strategy Task and Finish Groups to oversee the development of new approaches to delivering services. To date two groups had been set up to look at alternative ways of managing car parks owned or leased by the Authority and potential changes to the provision of information to visitors. The report proposed setting up a similar group to consider the future delivery of support service functions. It was anticipated that the group would initially report back by December 2016, but subject to approval by the Authority, would continue past that date.

It was **RESOLVED** that:

- a) the proposal to set up a Task and Finish Group to consider the future delivery of support service functions be agreed
- b) the proposed Terms of Reference for the Group appended to the report be agreed;
- c) the following Members be appointed to the Task and Finish Group: Mr D Ellis, Councillor ML Evans, Mrs G Hayward, Councillor RM Lewis, Councillor P Morgan and Councillor M Williams

15. Future Use of the National Park Site at Cilrhedyn, Llanychaer

Members were reminded that at the previous meeting of the Authority in November 2015, a business plan had been put forward by Coed Cymru and Tir Coed to take over responsibility of part of the National Park Authority site at Cilrhedyn and to manage a community woodland and wood products initiative from that site.

Part of the project was dependant on Rural Development Plan (RDP) funding, however the progress of the funding timescales had been slower than expected and it was not anticipated that the Tir Coed/Coed Cymru operation at Cilrhedyn could start until December 2016.

While the end goal of a partnership with Tir Coed at Cilrhedyn was very desirable for the Authority, the proposed delay involved a significant cost



to the Authority as the present working arrangements would have to remain in place for another ten months. However operating costs at Cilrhedyn had been reduced significantly in 2015-16 and it was anticipated that the delay could be accommodated.

Members were of the opinion that this was a 'hiccup' in the process and that continuation of the current operations was the most cost effective way to proceed at the current time.

It was **RESOLVED** that the continuation of the operation of the Cilrhedyn Centre at the present staffing level until the end of 2016 be agreed, subject to clear evidence that the Coed Cymru/Tir Coed partnership was making progress in defining their business plan and obtaining the necessary European funding.

