

NATIONAL PARK AUTHORITY

7 February 2018

Present: Mrs G Hayward (Chair)

Mr A Archer, Councillor P Baker, Councillor K Doolin, Councillor P Harries, Dr R Heath-Davies, Councillor M James, Councillor R Owens, Dr RM Plummer, Mr AE Sangster and Councillor M Williams

[Councillor Mrs D Clements arrived during consideration of matters arising from the minutes (*Minute 4 refers*)]

(NPA Offices, Llanion Park, Pembroke Dock: 10.00am – 11.55am)

1. Apologies

Apologies for absence were received from Councillor M Evans, Mrs J James, Councillor P Kidney, Councillor PJ Morgan, Councillor A Wilcox and Councillor S Yelland. Councillor Mrs D Clements had advised that she was delayed in traffic.

2. Disclosures

There were no disclosures of interest.

3. Minutes

The minutes of the meeting held on the 29 November 2017 and the Extraordinary meeting held on 13 December 2017 were presented for confirmation and signature.

It was **RESOLVED** that the minutes of the meetings held on 29 November 2017 and 13 December 2017 be confirmed and signed.

4. Matters arising

(a) Newport Visitor Centre (*Minute 10, 29 November 2017*)

The Chief Executive reported that an invitation to submit proposals for Community Asset Transfer of the property at Long Street had been circulated, with a closing date of 28 February 2018.

NOTED.

(b) Appointment of a Monitoring Officer (*Minute 14, 29 November 2017*)

The Chief Executive advised that following discussions, someone was interested in the vacant Monitoring Officer position as advertised, however discussions with them were ongoing and it was hoped that greater progress could be reported to the next meeting.

NOTED.



5. Chair's Announcements

The Chair began by welcoming Dr RM Plummer to the meeting as the Authority's new Welsh Government appointed Member. She believed that Dr Plummer brought with her a wealth of experience and looked forward to working with her. The Chair went on to advise that she had attended the following events, as well as other engagements, on behalf of the Authority in recent weeks:

- Meeting organised by Eluned Morgan AM to discuss a report about the challenges faced by rural Wales
- The Minister for Environment, Hannah Blythyn AM had visited the National Park on 18 January, and the itinerary for the morning had been circulated to Members for their information. She felt that the visit had gone well and that the Minister had left with a better understanding of the National Park, the challenges it faced and the enthusiasm of staff.
- Working Breakfasts organised by the Friends of the Pembrokeshire Coast National Park and Farmers Union of Wales
- Chair's training, delivered to Members from both Pembrokeshire Coast and Brecon Beacons National Park and facilitated by the Welsh Local Government Association.

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 8 November 2017, 20 November 2017 and 13 December 2017;
- (ii) Chief Executive Performance Review Panel held on 13 November 2017;

Councillor M Williams wished it noted that while he had unfortunately been unable to stay until the end of the meeting of the Chief Executive Performance Review Panel, he had partaken in the discussion and provided his views before leaving.

- (iii) Standards Committee held on 15 November 2017;
- (iv) Audit and Corporate Services Review Committee held on 22 November 2017;
- (v) Personnel Committee held on 22 November 2017;
- (vi) Standards Committee Appointments Panel held on 29 November 2017;
- (vii) Operational Review Committee held on 6 December 2017.

NOTED.



7. **Appointment of Member to Various Committees and Groups**

Following the departure of Ms Chris Gwyther at the end of her term of office, it was necessary to fill a number of vacancies, and nominations for these were sought .

It was **RESOLVED** that Dr RM Plummer be appointed to the Operational Review Committee, Grievance Committee, Employee Forum and Member Development Strategy Working Group.

8. **Draft Budget Planning 2018/19**

The report of the Chief Executive and Chief Financial Officer set out the draft Revenue and Capital budgets for 2018/19 and forecast 2019/20 to 2022/23, the draft 2018/19 levy on Pembrokeshire County Council, Prudential Indicators for the capital programme and an Investment Strategy & Treasury Management Policy Statement for 2018/19.

The development of the Authority's draft revenue and capital budgets for 2018/19 had taken place during a sustained period of challenge for the public sector with yearly reductions in the National Park Grant (NPG) and ensuing Levy on Pembrokeshire County Council. The Authority approved budget 2017/18 had concluded that the Authority's future financial outlook was likely to continue to be challenging over the next few years as the impact of cumulative reductions in core funding was felt. 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. It was anticipated that there would be a 5% decrease in the core NPA Grant and Levy for both 2018/19 and 2019/20, however confirmation of this had yet to be received. It was noted that one of the key assumptions was a pay award increase of 2%, however information recently received from the Local Government Association had suggested that this might be slightly higher; however it was anticipated that this increase could be covered from the Authority's reserves.

Further, the UK Government target on public spending over the course of this parliament meant it was likely that there would be further reductions in the NPG in the medium term. While it was anticipated that there would be a reduction in the amount of funding from Welsh Government allocated to the National Parks, the actual size of these reductions beyond 2019/20 was uncertain. Figures showing the impact of 5% and 10% reductions over the four year period to 2022/23 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. It was anticipated that continuation of budget workshops would prove helpful in identifying areas for rationalisation and successful management of the anticipated budgetary challenges and an outline of the savings and efficiencies made to date were provided.

The report set out details of the capital budget which would total £493,000 in 2018/19, and consisted of IT equipment replacement, Carew walled garden interpretation, Castell Henllys round houses, energy saving projects, fleet replacement and car park repairs. Funding for three additional capital projects had been sought from Welsh Government in autumn 2017, but the outcome of the bid was so far unknown.

Details of the Authority's anticipated cash based reserves at the end of 2017/18, together with the projected balances as at the end of 2018/19 were set out in the report. This showed that the expected surplus in 2017/18 would give a year-end balance for the general reserves of £1,085,000, which would then fall, largely due to funding some of the capital program, to £1,007,000 by the end of 2018/19. Similarly, and for the same reason, the Capital Receipts Reserve was expected to fall to £113,000 by the end of 2018/19. 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.

Members asked various questions regarding fleet replacement with electric vehicles, the future of the Authority's centre at Cilrhedyn and the Authority's reserves, and these were answered by officers. Members commended officers for the way that the reduction in funding had been managed and for the report before them which they had found to be clear and intelligible.

It was **RESOLVED** that:

- the draft budget 2018/19 be approved, subject to noting that the NPG/Levy estimate had yet to be confirmed.
- the financial projections for 2019/20 to 2022/23 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.



Levy on Pembrokeshire County Council



The Authority must authorise the making of a levy of £984,885 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	£5,504,611
•	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	£5,504,611
	LESS	
•	Section 72, Grant (NPG)	£2,806,922
•	Income credited to the Revenue Account	£1,708,482
•	other sums not covered above which are likely to be available in the year	53,566

	Levy requirement	<u>£935,641</u>

Members were advised that the official levy requirement must 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.

It was **RESOLVED** that a levy of £935,641 (*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 2018/19 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 2018/19 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 2018/19.

[Councillor M Williams was not present for the decision on the following item]

9. 2018/19 Insurance Renewal

It was reported that all aspects of the Authority's insurance cover was managed by brokers Marsh UK including the renewal process. The Authority's insurance for the 2015/16 to 2017/18 financial years had been obtained as a result of a joint tendering exercise by the three Welsh National Parks, yielding significant savings in the total premiums for the three Parks. Under more favourable insurance market conditions, the three Authorities would now ordinarily be going out on a new tendering exercise for the period 2018/19 to 2020/2021. However, because of the poor market sentiments pushing up premiums in 2017, the advice from Marsh UK had been to hold over on the existing policies and extend them for a further two years. This arrangement had been agreed by the other



two Welsh National Parks and Members' approval for this strategy was also now being sought in respect of Pembrokeshire Coast.

It was **RESOLVED** that extension of the Authority's current insurance arrangements for the financial years 2018/19 & 2019/20 be approved.

10. Corporate Plan 2018/19

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 Well-being of Future Generations legislation required public bodies to publish a plan showing how it would deliver towards the well-being goals and how it had applied the Sustainable Development principle in its work. In order to reduce the need for duplication, this 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. It was anticipated that a final version of the Plan would be presented to the Authority for approval in March.

Thanking officers for the comprehensive work done to date, Members made some additional suggestions regarding a more comprehensive consideration of the Authority's support for the local economy, the decarbonisation agenda, work being undertaken which enhanced, rather than purely conserved, the natural beauty of the National Park, the health and wellbeing agenda and the importance of the Park's Welsh language communities.

NOTED.

11. Consultation on Law Commission's Planning Law in Wales Document

It was reported that the Law Commission had been invited by Welsh Government to review the possibility of simplifying and consolidating planning law in Wales, and in particular to make proposals for technical reforms.

While officers considered that the Law Commission's proposals were generally to be commended and supported, providing an opportunity to simplify the current complex system, the report highlighted three main concerns that they would wish the Law Commission to reconsider. These were: making clear in law the duty that there was on all statutory authorities to consider the implications of their actions on the National Parks and particularly the purposes for which they were designated; no



amalgamation of listed building consent and planning applications into a combined single application, as they believed this would create confusion and not clarity; and including National Park Authorities in the list of defined statutory undertakers, thus giving the relevant exemptions to undertake certain works (such as highway and coastal agency works).

Members acknowledged the work of the Commission in producing the report and thanked officers for preparing a thorough response to the consultation.

It was **RESOLVED** that the Law Commission be thanked for the opportunity to comment on the consultation recommendations and that delegated authority be granted to the Director of Park Direction and Planning to respond to the consultation on behalf of the Authority and also as part of a submission on behalf of the three National Parks in Wales.

12. Fundraising

This report was divided into three parts, discussing the creation of a national charitable entity to support UK National Parks, a change to the funding model of National Parks Partnership and the creation of a local charitable entity to support the Pembrokeshire Coast National Park.

Members were reminded that in 2015, the Authority had agreed to support the creation of a National Parks Partnership (NPP), a company to generate commercial income and support for the 15 National Park Authorities (NPAs) across the UK. It was noted that NPP had been working to engage with a number of national and international companies and had recently signed its first contract, with Columbia Clothing. Feedback from the Board and staff of NPP had indicated that the majority of companies approached to date wished to enter into agreements that were largely based on providing in-kind support. While there were a number of large companies willing to provide cash support, they would only do so to a charitable trust.

A working group to consider the issue had been set up, and this would be presenting a proposal for the 15 Chairs of NPAs to agree at a meeting of the Executive of National Parks UK on 20 February 2018. Members were therefore asked to delegate authority to the Chair to support the creation of a Charitable Trust by the UK NPAs.

Members questioned how any cash donations would be shared among the Authorities, and the Chief Executive replied that it was intended for donations to be shared equally among the 15 Authorities, and reassured them that the Chief Executives of the National Parks would also have to agree any deal reached. Another Member noted the importance of gift



aid, and agreed that a Charitable Trust was a sensible vehicle to take advantage of this mechanism.

It was **RESOLVED** that authority be delegated to the Chair of the Authority to support the creation of a Charitable Trust by the UK National Park Authorities.

With regard to the funding of the National Parks Partnership, Members were reminded that the company had been set up by an initial donation of £10,000 from each NPA to cover the start-up costs and first year of operation. A further £10,000 from each NPA provides sufficient income for the company to function until October 2018.

With the initial business model being based on generating income, it was assumed that a proportion of this income would be used to cover the costs of NPP. However with the initial deals agreed by NPP being based on in-kind support, there was a need to develop a different model of funding NPP in the future. A subscription model was suggested, whereby each NPA pays £10,000 per year to cover the costs of NPP. It was expected that the in-kind support received through agreements signed via NPP would reduce the costs for each NPA by a sum greater than this amount. It was proposed to trial this model for three years prior to undertaking a thorough review of NPP.

It was **RESOLVED** that a change to funding NPP by the subscription model be agreed.

Finally, Members considered the proposal to set up a charitable trust to support work in the Pembrokeshire Coast National Park to enable funding to be generated from a broader range of sources. The charitable trust's purposes would be aligned with the Authority's purposes.

Members were reminded that the issues surrounding the setting up of such a trust had been explored in a recent Members Workshop, and the report summarised the benefits that had been discussed.

It was **RESOLVED** that the setting up of a local charitable trust be approved in principle, subject to legal documentation and a memorandum of understanding being agreed by the Authority, prior to the application to the Charity Commission being submitted.

