

NEW FOREST NATIONAL PARK AUTHORITY

MINUTES OF A MEETING OF THE RESOURCES, AUDIT AND PERFORMANCE COMMITTEE HELD ON MONDAY 5 MARCH 2018 AT 10:00 HOURS IN THE COUNCIL CHAMBER, LYMINGTON TOWN HALL, AVENUE ROAD, LYMINGTON

Present:

Members:

David Harrison (Chairman)
Marian Spain (Deputy Chairman)
Oliver Crosthwaite-Eyre
Richard Frampton
Patrick Heneghan
Edward Heron
Mel Kendal
Neville Penman
John Sanger

Officers:

Alison Barnes	Chief Executive Officer
Julia Mutlow	Solicitor and Monitoring Officer
Steve Avery	Executive Director Strategy and Planning
Nigel Stone	Chief Finance Officer
Nigel Matthews	Head of Recreation Management and Learning
Paul Walton	Head of Environment and Rural Economy
David Stone	Corporate Services Manager
Hilary Makin	Communications Manager
Holger Schiller	Partnerships and Community Officer
Jo Murphy	Information and Data Protection Officer
Frances Connolly	Executive Assistant

Also in attendance:

Leo Randall	NPA Member and NPA representative for Ninth Centenary Trust matters
John Pemberton	Public speaker – minute item 44 (New Forest Trust)
Kevin Suter	Associate Partner – Ernst and Young, External Auditors
Emily Farley	Assistant Manager – Ernst and Young, External Auditors
Antony Harvey	Interim Head of Internal Audit (NFDC)

39. Apologies for absence

39.1 No apologies for absence were received.

40. Declarations of Interest

40.1 There were no declarations of interest in relation to the public part of the meeting, however further details of declarations relevant to Part 2 of the meeting are contained in the exempt minutes.

41. Chairman's announcements

- 41.1 The Chairman advised Members that he had agreed to bring forward agenda item 11 New Forest Centre (NFNPA/RAPC 360/18), in order to accommodate a request from a member of the public who wished to address the meeting and had another meeting to attend that morning.

42. Minutes

- 42.1 The minutes of the meeting on 5 February 2018 were agreed as a correct record.

Resolved, that the minutes of the meeting held on 5 February 2018 be confirmed as a correct record.

Voting: none voting against

43. Public Question Time

- 43.1 John Pemberton, a Trustee of the New Forest Ninth Centenary Trust which operates the New Forest Centre, addressed the Committee and provided details of last year's visitor numbers and the particulars of how the Trustees believed the Centre supported the purposes of the National Park.
- 43.2 Mr Pemberton reminded Members of the financial contribution the National Park Authority (NPA) had made to the Trust in recent years and explained that the current £40,000 grant represented some 12% of the current running costs. He highlighted the risks to the Centre if the NPA were to reduce or change the current funding formula and suggested that if the NPA were itself to reproduce the services that are currently offered or source them from a third party, that it would likely cost more than the current contribution.
- 43.3 Mr Pemberton stated that the Centre was committed to providing the best possible service for the benefit of the New Forest and he asked that the NPA continued to support the Centre by contributing a minimum of £40,000 annually over three years beginning April 2018.

44. New Forest Centre

- 44.1 Nigel Matthews introduced the report and stated that he was pleased that Mr Pemberton had been able to speak on behalf of the Trust. Mr Matthews reminded members that the current and past Agreements stated that the NPA's funding was intended to 'support the long-term financial sustainability of the Centre' and that the Trust would 'use all efforts to make its operations financially self-sustaining'. The NPA's financial contributions had either been filling an unavoidable gap in the income of the Trust, or it could be argued that it should be possible to cover costs from the people visiting the centre so that NPA funding could become more focussed on specific outputs and projects.

- 44.2 Mr Matthews sought guidance from the Committee regarding the type of any agreement that should be explored with the Trust, the kinds of activity that could warrant payment from the NPA, confirmation on any interim payments that could be included in the Authority's 2018/19 budget when the current three year agreement comes to an end on 31 March 2018 and clarity about the timescale for developing a longer term proposal.
- 44.3 Members debated the future arrangements for the Centre and individual Members expressed various ideas including:
- the need to ensure that the Authority received value for money in terms of delivering its key messages and measurable, tangible benefits which supported the Authority's two purposes - any future agreement would need to reflect this;
 - the summer concierge service at the Centre needed to be repeated to support the New Forest Tour;
 - the use of smartphones and social media had changed the way many visitors to the National Park obtained information thus placing less reliance on information points such as the Centre; and
 - face to face communication about key recreation messages is still important
- 44.4 Following further general discussion, Members supported the option of a four-year Memorandum of Agreement (MoA) with the Ninth Centenary Trust, using the details set out in Section 6 of the report as a start. Officers were requested to ensure that any agreement was drafted as a legally binding contract on both parties with clearly defined deliverables which meet the Authority's statutory purposes. The agreement should also set out the funding to be provided by the Authority over the four years and contain a break clause allowing either party to withdraw from the agreement in the event of non-compliance.
- 44.5 Members further agreed the provision of funding in the budget to cover quarters one and two of the 2018/19 financial year as an interim measure pending completion of negotiations with the Trust on the details of the MoA and that officers report back on a proposed MoA at the June meeting of the Resources, Audit and Performance Committee.

Resolved, that

- 1) the current agreement be extended for six months and £10,000 funding per quarter for the Centre for quarters one and two of the 2018/19 financial year be approved; (such funding to be included within the 2018/19 Budget going to the Authority); and**
- 2) that officers liaise with the Ninth Centenary Trust to draw up a four year Memorandum of Agreement, which is contractually binding, contains key measurable and deliverable actions and contains a break clause, as per the points raised at the meeting, before reporting back to the Resources, Audit and Performance Committee in June.**

Voting: 8 for – 1 against

45. Ernst and Young – Audit Plan 2017-18

- 45.1 Kevin Suter and Emily Farley from Ernst and Young introduced themselves to the Members. Kevin Suter, Associate Partner, had replaced Helen Thompson as the Engagement Lead and Emily Farley had replaced Justine Thorpe as the key contact for the NPA finance team.
- 45.2 Mr Suter drew Members attention to the three main areas of risk which were set out in the report namely; valuation of land and buildings, valuation of pension liability and misstatements due to fraud or error.
- 45.3 He reminded the Committee that the Accounts and Audit Regulations 2015 had introduced a significant change in statutory deadlines from the 2017/18 financial year meaning that draft accounts now need to be prepared by 31 May and the audited accounts published by 31 July 2018. He was pleased to report that some work had already been brought forward to meet the new deadline.
- 45.4 In response to questions Mr Suter confirmed that the provision of affordable housing and the new commercial sponsorship venture had already been looked at previously and therefore they would not be directly audited again in this financial year, however he confirmed that any land and buildings on the balance sheet would be reviewed annually.

Resolved, that the Audit Plan 2017/18 be approved.

Voting: none voting against

46. Internal Audit Charter 2018-19

- 46.1 Antony Harvey introduced the report which defined the purpose, authority and responsibility of the internal audit activity. He informed members that the Internal Audit Charter needed to be reviewed annually by the Chief Internal Auditor and presented to Senior Management and the Resources, Audit and Performance Committee.

Resolved, that the Internal Audit charter 2018/19 be approved.

Voting: none voting against

47. Internal Audit Plan 2018-19 and overview of the Southern Internal Audit Partnership

- 47.1 Anthony Harvey explained that the Internal Audit Plan detailed the work to be carried out during the financial year which had been agreed with the Chief Executive and the Executive Management Team. He confirmed that the plan was flexible and if new matters arose during the year it could be amended to meet the Authority's needs if necessary.

- 47.2 He drew Members attention to the areas for review, explaining that it would take 18 days. He also explained that where we shared services or had similar processes, we benefitted from audits taking place concurrently with the New Forest District Council (NFDC).
- 47.3 Mr Harvey reminded Members that delivery of internal audit was included within the NPA's Service Level Agreement (SLA) with NFDC and that although internal audit was now being provided by the Southern Internal Audit Partnership it would continue within the SLA and there would not be any change to the service or cost. He explained that the new partnership was a 'not for profit', hosted by Hampshire County Council with a core team of 44 full time equivalent staff and was providing internal audit for a number of organisations in the charity and education sector, as well as other local authorities. He stated that such an arrangement was more robust compared to the previous arrangement whereby each authority employed its own small team.
- 47.4 The Chairman requested that if they should find a process that caused them concern they should raise it with the Committee Chairman immediately and not wait for the next meeting. Mr Harvey confirmed that any serious matters would be raised with senior officers and escalated to the Chairman of the Committee, and this process was set out in the Charter.

Resolved that;

1. **the Internal Audit Plan for 2018/19 be approved;**
2. **the delivery of Internal Audit will continue under the existing Service Level Agreement with New Forest District Council and provision will therefore transfer to the Southern Internal Audit Partnership (SIAP) be noted; and**
3. **that the overview of the SIAP (Appendix 2) be noted.**

Voting: none voting against

48. Draft Business Plan 2018-21 and Draft Work Programme 2018-19

- 48.1 Holger Schiller introduced the report and explained that the Business plan was the framework for the annual Work Programme as well as a three year plan for our work. He explained that it was not possible to capture everything in the document but that it represented the key areas of our work. He reminded Members that there had been a number of staff and Member workshops and that this final draft incorporated the comments received at these sessions. The Chairman reminded Members that this plan was focussed on our work and was distinct from the Partnership Plan which cut across wider issues.
- 48.2 One member felt that the Government's 25 year plan for a net gain for the environment was a really important point and should be highlighted earlier in the document, as this would inspire people to care for the environment. It was felt that the word 'champion' was overused and it was suggested that 'promote' or 'provide leadership' would be better alternatives.

- 48.3 Members thanked officers for their hard work in preparing the Business Plan. Members were asked to send any further changes or suggestions they have as soon as possible as the final draft would be considered at the Authority meeting on 22 March 2018.

Resolved that;

- 1. the Business Plan for 2018/21 be recommended for approval at the Authority meeting on 22 March 2018; and**
- 2. the Work Programme 2018/19 be recommended for approval at the Authority meeting on 22 March 2018**

Voting: none voting against

49. Draft General Fund Revenue Budget for the Financial Year 2018-19, Treasury Management Strategy and Medium Term Position to 2021

- 49.1 Nigel Stone drew Members' attention to the section 3 of the report which outlined the income and expenditure and in particular the division between the four work areas Protect, Enjoy, Prosper and Achieving Excellence. He explained that an additional £55,000 had been added to the planning income due to the recent 20% increase in planning fees and the proposal to increase pre-application fees by a similar amount.
- 49.2 Mr Stone pointed out that employee costs were predicted to increase by £54,000 as a result of the expected 2% pay award, the scale point rises and an increase in pension costs. He informed Members that the General Fund Reserve was being maintained at £300,000 which was approximately 10% of the Defra grant.
- 49.3 Mr Stone pointed out that there were a number of risks and uncertainties, the main ones being, the variability of planning income; possible changes to the Defra grant in-year; staff vacancy rates which had been planned at a 2% saving and staff costs which could rise further because the Unions had not accepted the 2% pay award offered.
- 49.4 The Chairman asked to see a more detailed breakdown of expenditure items within the 'Programme Fund' list. In response to a query on the apparent discrepancy between the 'Protect, Enjoy, Prosper and Achieving Excellence' pie chart in this report and a similar one in the Business Plan, Nigel Stone agreed to look into the matter and correct if necessary.

Resolved that,

- 1 the General Fund Budget for 2018/19 be supported and recommend for approval at the Authority meeting on 22 March 2018;**
- 2 that the underlying minimum level for the General Fund Reserve which remains at £0.3 million be noted;**
- 3 the implications on the Reserves of the proposed budget for 2018/19 be noted;**
- 4 the Risk Assessment and Section 25 Statement (Section 7) be noted;**

5 the Treasury Management Strategy in Annex 3 be noted and recommended for approval at the Authority meeting on 22 March 2018; and

6 the Medium Term Financial Plan up to 2020/21 in Annex 4 be noted.

Voting: none voting against

50. Any other items that the Chairman decides are urgent

50.1 There were no urgent items on this occasion.

51. Date of next meeting

51.1 Members noted that the next meeting of the Committee would be held on 4 June 2018.

NOTE:

Following the meeting, and in consultation with the Chairman it has been agreed that the next Resources, Audit and Performance Committee will take place on 14 May 2018 at 10.00 in the Town Hall. This will replace the scheduled meeting on 4 June 2018.

PART II ITEMS WHICH MAY BE TAKEN IN THE ABSENCE OF THE PRESS AND PUBLIC ON THE GROUNDS THAT EXEMPTED INFORMATION MAY BE DISCLOSED

Resolved, that the public be excluded from the meeting during the following item of business, as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during this item there would be disclosure to them of exempt information within Part 1 of Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, namely the need to avoid disclosing sensitive information relating to the Authority’s financial affairs.

52. National Parks Partnership – Sponsorship Deal

52.1 Members received an update on the National Parks Partnership. This is a summary of the minute which contains exempt information.

53. Requests for Joint Working

53.1 Members considered a report entitled ‘Requests for Joint Working’. This is a summary of the minute which contains exempt information.

The meeting closed at 13:00 hours

**SignedDate.....
(Chairman)**