

## NEW FOREST NATIONAL PARK AUTHORITY

### MINUTES OF A VIRTUAL MEETING OF THE RESOURCES, AUDIT AND PERFORMANCE COMMITTEE HELD ON MONDAY 1 MARCH 2021 AT 10:00 HOURS

#### **Present:**

##### *Members:*

Gordon Bailey  
David Bence  
Sue Bennison  
David Harrison (Chairman)  
Patrick Heneghan (Deputy Chairman)  
Alexis McEvoy  
George Meyrick  
John Sanger  
Ann Sevier

##### *Officers:*

Alison Barnes	Chief Executive
Steve Avery	Executive Director Strategy and Planning
Rosalind Alderman	Solicitor and Monitoring Officer
Nigel Stone	Chief Finance Officer
Nigel Matthews	Head of Recreation Management and Learning
Paul Walton	Head of Environment and Rural Economy
Hilary Makin	Communications Manager
Jim Mitchell	Interpretation and Outreach Manager
David Stone	Corporate Services Manager
Frances Connolly	Executive Assistant

##### *Also in attendance:*

Antony Harvey	Deputy Head of Partnership (Southern Internal Audit Partnership) and Chief Internal Auditor to the Authority
---------------	--

#### **25. Apologies for absence**

25.1 Apologies for absence were received from Neville Penman. Victoria Mander was present for part of the meeting but left due to another commitment.

#### **26. Declarations of Interest**

26.1 There were no declarations of interest.

#### **27. Chairman's announcements**

27.1 There were no Chairman's announcements on this occasion.

#### **28. Minutes**

28.1 The minutes of the meeting held on 1 February were agreed as a correct record.

Under Action 19.6 of the minutes the Chairman asked if a joint letter of response had been sent to the Public Sector Audit Appointments Ltd (PSAA). Nigel Stone advised that the letter had not yet been sent as the action was to be completed once Ernst & Young had written to the PSAA, but they had not formally done so yet. The response would be sent as soon as the Authority had been notified by the PSAA that they had heard from Ernst & Young.

Paul Walton was asked if the Discover England Fund meeting had taken place on the 22 February. He informed members that the meeting had taken place with up to eight businesses that had expressed an interest to take part in the programme. Mr Walton said that a full update of the meeting would be provided in the Members' Bulletin.

## **29. Public Question Time**

29.1 There were no questions or statements from the public.

## **30. Internal Audit Update 2020-21**

30.1 Antony Harvey provided an update on the internal audit plan for the current financial year. Following a recent consultation paper on the topic, and to stay in keeping with best practice, internal audit confirmed they had adopted revised opinions for current and future years – these would be substantial, reasonable, limited and no assurance.

30.2 Antony Harvey informed members that in terms of delivering the 2020/21 internal audit plan, all work was progressing well. He said many of the reviews were written around the recent financial system changes and work would be delivered in time for the Authority's annual report and opinion in June.

30.3 Mr Harvey added that under the Public Internal Audit Standards they were required to be formally assessed every five years by an independent external body, and in the interim years they had completed a robust self-assessment. They invited the Institute of Internal Auditors (IIA) to complete their external assessment, which was completed in September 2020.

30.4 Antony Harvey explained there was at least three hundred points of practice that needed to be complied with, and he was pleased to report that they were fully compliant in every single element that applied to them. Therefore, there were no significant formal recommendations for improvements that the IIA had identified.

30.5 The IIA also assessed them against their own maturity matrix which compared them against all internal audit providers that had been assessed. Mr Harvey was pleased to report that they were ranked as excellent on three fronts, and good on two. Opportunities for improvement were identified, many of which were already being worked on.

Members noted the report.

**31. Internal Audit Charter and Plan 2021-22**

- 31.1 Antony Harvey introduced the report informing members that it was a requirement under the Public Sector Internal Audit Standards that they formally reviewed the Authority's Internal Audit Charter each year and bring it to the management team for agreement and then to Resources, Audit, and Performance Committee to be approved.
- 31.2 Mr Harvey said the Internal Audit Charter outlined their roles and responsibilities, those of the organisation, and of the community. He said it had been assessed by the IIA, Public Sector Internal Audit Standards and was fully compliant. Officers were asked if they were happy with the report. Nigel Stone advised that the report had been to Executive Board in February which meant that all of the senior leadership team had seen it and were happy with it.
- 31.3 Mr Harvey spoke about the proposed plan for the next financial year. In developing the plan he said there had been some useful discussions with officers and a paper had been taken to Executive Board for comments. He had taken into account some of the key developments, strategies, risk registers and outcomes of external work too which had been noted when the plan was formed.
- 31.4 He said in previous years the work had focussed in and around the financial system work, but now he hoped they were in a position to turn their attention to some of the wider corporate areas that would need to be covered over a standard multi-year audit cycle. Mr Harvey had included a provision for any follow-up work that might be required as a result of the financial systems review this year.
- 31.5 He proposed to cover both business continuity and disaster recovery within the plan. He said that due to Covid-19 many organisations had to adapt to working from home and change the operating models, so IT changes would need to be robust, appropriate and well documented. He said they would extend the IT review, starting in the current year, and based upon those outcomes it would inform where more coverage would be needed.

**Resolved, that the Internal Audit Charter 2021/22 (Annex 1) and the Internal Audit Plan (Annex 2) be approved.**

*Voting: Unanimous*

**32. 2021/22 Work Programme Update**

- 32.1 Nigel Stone introduced the report which dealt with the drafting of the Work Programme for 2021-22. He said that the Authority and its partners were currently developing an updated Partnership Plan setting out a fresh vision for the Forest in terms of delivering the two purposes for the National Park.
- 32.2 The draft Partnership Plan would be referred to the Authority meeting on 29 April 2021. Officers were proposing that the current 2020/21 Work Programme attached as Annex 1 to the report be refreshed in line with key areas of delivery identified by officers for the next financial year and set out on pages 4 and 5 of the report. Members were asked to input into these key deliverables and comment on their

possible inclusion in the draft 2021/22 Work Programme. The final 2021/22 Work Programme would then be referred to the meeting of the Authority on 29 April for approval.

- 32.3 If required, further revisions to the 2021/22 Work Programme could take place once the Partnership Plan was finalised and approved. Updates to the Work Programme could also be made depending on new areas of work taking place with the Authority's partners as the New Forest emerged from lockdown and the impacts of the pandemic.
- 32.4 Following discussion, members supported this approach but asked that the draft 2021/22 Work Programme be referred to the Resources, Audit and Performance Committee for scrutiny ahead of this going to the April Authority meeting.

**Resolved, that** the draft 2021/22 Work Programme be referred to the Resources, Audit and Performance Committee for scrutiny ahead of this being referred to the Authority meeting on 29 April 2021 for approval and that an additional meeting of the Committee be set up in April for this purpose.

Voting: Unanimous

**33. Draft General Fund Revenue Budget for the financial year 2021/22, Treasury Management Strategy and medium-term position to 2024**

- 33.1 Nigel Stone informed members that the budget he presented would go to the Authority meeting in March to be approved. He said it was a legal requirement and the date could not be changed. He advised that the Authority had still not heard from Defra about the grant settlement. The report therefore assumed the Defra grant would continue at the same level, so the £3.25m the Authority would receive for 2020/21 would remain for the year ahead.
- 33.2 Mr Stone said the paper concentrated on what the Authority would spend the Defra grant on and the income generated. He outlined some of the other key partnership projects for the year ahead, such as the Higher Level Stewardship scheme, Pedall and Land Advice Service, which would be spent alongside the Authority's internal budgets.
- 33.3 He thought the planning fee income would be slightly higher in the year ahead as the current projected outturn for 2020/21 had not doubt been affected by the pandemic. The Authority would receive additional financial contributions for shared services such as the England Coast Path and the New Forest Tour.
- 33.4 Nigel Stone highlighted the employee costs for 2021/22 which had increased by 4% to £110,000 compared to 2020/21. This was due to scale point rises and potential pay awards, and the carried over Nature Based Solutions post had added around £50,000. Secretariat had increased by £11,000 to allow for a potential increase in external audit costs, and there was investment in training particularly around Equality, Diversity and Inclusion this year.

- 33.5 Mr Stone noted that the medium term financial planning and forward projection are particularly difficult with the Authority's single year Defra grant settlement. He informed members that a further £120-200,000 needed to be found for the 2022/23 and 2023/24 budgets to balance. He advised that any funding shortfall would be sought first from additional income generation, if not, the Authority would have to look to cut costs. He said the Authority will be looking at savings such as office space which would not be used as much in the future as most of the staff would likely continue to work from home some of the time.
- 33.6 Nigel Stone said the Authority hoped for a Comprehensive Spending Review this current calendar year which included strong, multi-year funding agreements for national parks. There was some discussion about how much the Authority's Defra grant had shrunk by. Nigel Stone informed members that this was roughly £1m per year - in 2009/10 budget the Defra grant was in the region of £4.25m and was currently £3.25m. He said the Authority has therefore lost at least six to seven million over that ten year period.
- 33.7 Although David Bence had to leave the meeting and was not present for the vote, he expressed support for the paper.

**Resolved that,:**

- 1 General Fund Budget for 2021/22 be supported and recommend for approval at the Authority meeting on 25 March 2021
- 2 It be noted that the underlying minimum level for the General Fund Reserve remains at £0.3 million
- 3 The implications on the Reserves of the proposed budget for 2021/22 be noted
- 4 The Risk Assessment and Section 25 Statement (Section 7) be noted
- 5 The Treasury Management Strategy in Annex 3 be supported and recommended for approval at the Authority meeting on 25 March 2021
- 6 The Medium-Term Financial Plan up to 2023/24 and the Forward projection in Annex 4 be noted

*Voting: Unanimous*

**34. Local Cycling and Walking Infrastructure Plan**

- 34.1 Jim Mitchell informed members that the New Forest National Park Authority was working in partnership with Hampshire County Council (Lead Partner), New Forest District Council, Forestry England and a range of other partners to produce a Local Cycling and Walking Infrastructure Plan (LCWIP).
- 34.2 He said that LCWIPs were about 'utility' journeys, for example, going to the shops, going to school and day to day short journeys which could be swapped from using a car to walking and cycling. Mr Mitchell advised that the Recreation Management Strategy Steering Group supported the initial development of the LCWIP.

- 34.3 Mr Mitchell said Hampshire County Council and the New Forest National Park Authority were of the view that walking and cycling were both pertinent to the Forest and would be included in the plan in equal measure.
- 34.4 Jim Mitchell informed members that there had been early engagement with parish and town councils which had been positive, and presentations on the LCWIP had been given to the quadrant meetings in January and February. He said the report was to inform members what partners intended to do in the year ahead.

**Resolved, that** the New Forest National Park Authority agrees to continue to work with partners over the coming year to prepare a New Forest LCWIP, and that officers report to the Resources, Audit and Performance Committee on progress.

*Voting: Unanimous*

### **35. Legacy Landscape Partnership MoU**

- 35.1 In introducing the paper, Paul Walton advised that the Our Past, Our Future Landscape Partnership Scheme was due to end in April 2021. The key partner organisations involved in the scheme had drafted a memorandum of understanding to provide a framework for the partners to continue the partnership working beyond the life of the scheme for a period of up to two years. He drew members' attention to the tracked changes outlined in the MoU attached as Annex 2 to the report which had been identified by the Authority's officers. Each of the partners was currently taking the draft MoU to their governing body and any amendments identified through that process would be referred back to a meeting of the partners and final agreement of the MoU.
- 35.2 Members commented briefly on the MoU and the suggested amendments and then approved the recommendation as set out on the paper.

**Resolved, that** the Committee approve the Authority entering into the legacy landscape partnership memorandum of understanding attached as Annex 2 to the report, subject to agreeing final minor amendments to the MoU with the Legacy Landscape Partners.

*Voting: Unanimous*

### **36. Updated Ethical Sponsorship Policy**

- 36.1 Hilary Makin reported that the New Forest National Park Authority had a strong track record collaborating with other organisations and businesses and looked to increase its fund raising efforts.
- 36.2 Mrs Makin said the sponsorship policy was originally set up in 2015 and was approved by the Resources, Audit and Performance Committee (RAPC), but needed to be updated and reviewed. Hilary said one of the main changes to the policy was the introduction or inclusion of individuals as well as corporate sponsorship, and those supporters were encouraged to think about social as well as environmental considerations. She said it was important that the policy was in sync with the National Parks Partnership Limited and to liaise with them on a regular basis.

- 36.3 The other main change was that management of the updated ethical policy would now be in the Communications Team and Ms Makin would provide regular updates when there were new sponsors. She would also seek RAPC members approval if the sponsorship agreement was over £10,000 or below, and if there were particular risks associated with the partnership. If there were any issues raised which were outside of the meeting cycle, then members would be contacted, and if appropriate, the Chief Executive's delegated powers could be used.
- 36.4 There was a discussion about the policy and due to the many changes members deferred the recommendations on the report and agreed to go through the policy again as a separate item on the Agenda at the additional RAPC meeting in April 2021.

**Resolved, that** consideration of the Ethical Sponsorship Policy be deferred to the Resources, Audit and Performance Committee meeting in April 2021.

### **37. Risk Register**

- 37.1 David Stone introduced the paper and advised that the risk log was an evolving document responding to risk areas as these emerged. He also said that the register was a standard agenda item at each meeting of the Executive Board and was reported every six months to the Resources, Audit and Performance Committee.
- 37.2 Members noted that the health and safety risk associated with Pedall (risk item 9) and the risk associated with a possible Covid 19 outbreak on the staff's return to work (risk item 10) had now diminished and asked for the risk rating of these items to be reviewed.
- 37.3 Members also drew attention to the potential for reputational risk arising from the work of the Authority and in respect of the Authority not meeting its Net Zero with Nature programme and requested that these risks be added to the register.
- 37.4 Following further brief discussion, the report on the risk register was noted.

### **38. Application to Natural Environment Investment Readiness Fund**

- 38.1 Members considered a late report on the above matter circulated after the agenda papers. This report asked members to consider a proposal for the Authority to work with the Palladium Group and National Parks Partnership to submit an application to the Natural Environment Investment Readiness Fund with a view to exploring sustainable financing of nature based regeneration work in and around National Parks in the form of the Net Zero with Nature investment programme. If supported by the Committee, a recommendation would be taken to the Authority meeting on 25 March 2021 in time to make application to the Fund prior to the deadline date for submission of applications (26 March 2021).
- 38.2 Members were of the view that the matter needed further detailed consideration before the Authority meeting and agreed to set up an informal member group to meet

and consider the proposal together with officers and report to the Authority meeting on 25 March for a decision.

**Resolved, that** an informal member group be set up to meet and consider the proposed submission to the Natural Environment Investment Readiness Fund in more detail and to report to the Authority meeting on 25 March.

*Voting: Unanimous*

**39. Any other items that the Chairman decides are urgent**

39.1 There were no other urgent items on this occasion.

**40. Date of next meeting**

40.1 Members noted that an extra meeting of the Committee would be held on 12 April 2021.

The meeting closed at 13:25 hours

**Signed** .....**Date**.....  
**(Chairman)**