

APPENDIX 2

FUNDING STUDY – SUBMISSIONS MADE TO SARAH WOOLLER

(a) E-mail from Christopher Harrison to Sarah Wooller – 12 December 2003

Sarah

1. We greatly appreciate your understanding and research into the Funding Study and look forward to the proposals in the Funding Study.
2. One aspect on which we seek clarification from DEFRA, is the form of our future bidding. The Grant Memorandum prescribes the form of Best Value Performance Plan, which we have followed reasonably closely over the first 3 years of Best Value for National Parks. The Grant Memorandum clearly requires a conformity in presentation for comparison in performance and bids across the English National Parks.
3. However, the Best Value Auditors for 2001/02 have strongly recommended that this Authority should separate its Best Value Performance Plan from the bid to DEFRA. Our Performance Manager has discussed this briefly with Susan Carter and learnt of her perception that the Funding Study would address this issue.
4. I only raise this specifically because our Auditor has again raised this in the Audit report, in her expectation that our future Best Value Performance Plan being a similar, more focused business plan. We obviously welcome the small changes that enabled us to reduce from 10 to 7 functions in the Performance Plan for 2002. However, we were left to bid within the 10 functions. The simplification of the Best Value Reviews themselves into 3 topics will dramatically assist Performance Plans in a more focused manner. However, the connection between Plan and bid will hopefully be compatible.
5. The National Park Authorities have worked hard and successfully in the construction of National Performance Indicators through the Data Working Group ably chaired by Nigel Stone, Exmoor National Park Officer. There is always room for development of these, whilst we seek to ensure commitment and contribution to this work.
6. The final resolution of the format and the bid would then need to be introduced into a New Grant Memorandum. The other recommendation is the DEFRA Review of National parks for Peer Review, may also need to be incorporated into our operations. Obviously the new format would need to apply equally to all the National Park Authorities if we are to be compared both in our Best Value Performance Plan as well as to our bids.
7. Perhaps you will let me know if this issue can be pursued as I offer the issue being raised by our Auditors. We have to start our Performance Plan 2003 preparation in January 2003.

(b) **Response to 18 questions in Appendices A & B to letter from Sarah Wooller of 25 October 2002**

1. Are your broadly content with the current system?

No. The PDNPA has been unhappy with the formula since its inception and has made numerous representations up to Ministerial level about the unfair allocation of resources it produces.

2. Do the current elements need overhauling, refining or just explaining more simply?

The current elements need overhauling, if the Government wishes to continue with a formula to allocate the totality of NPA funding. The PDNPA would prefer to see the formula approach discarded and a system based on allocating grant increases on Best Value principles, and performance reward.

3. Has the current allocation system left your Park with particular major hardships not reflected by the system?

The current allocation system has left the Peak District in severe difficulties through failure to fully account for specific core responsibilities. These were summarised in representations made to the Countryside Agency and then to the Minister for the Environment, Michael Meacher, in July 2000, covering the following issues:

1. Minerals Control
2. Democratic Geographical Location
3. Peak District National Park Structure Plan
4. Authority acquired land for conservation protection
5. Agri-environment programmes outside ESA designation
6. Land owned for recreational use
7. Traffic and Transport Management
8. Existing Access to Open Country by agreement
9. Losehill Hall, National Park's Residential Study Centre

We can provide detailed costings of these special needs cases.

4. What are your concerns? How strong are they?

We are concerned that the formula approach will never adequately reflect the individual characteristics particular to each national park in allocating such a small sum over relatively few authorities.

In addition Best Value Performance Plans are an important comparative tool which NPAs spend a considerable amount of time on producing and which are then ignored for the purposes of allocating funding to authorities with a track record of delivery.

5. What do you like about the funding mechanism - what should be retained?

The funding mechanism should retain the ability to react with some degree of flexibility to special circumstances.

6. *Is it worth complicating the monitoring and reporting system in order to better reflect needs and performance in relative funding?*

When the funding mechanism can produce such wide variances in levels of year on year grant increase then the accuracy and appropriateness of the data is paramount.

It is not necessary to complicate the monitoring and reporting if the same simple rules are applied to reflect needs and performance.

7. *Could we just keep the current proportions and distribute further increases on a pro rata basis?*

Yes, keep the current proportions but objectively assess via BVPPs what each NPA is proposing to do with any extra funding and the relative benefits/merits of each proposal.

Any new appraisal should review those needs thoroughly.

8. *Which of the elements (a) - (f) should be included in NPG allocation and why?*

All these elements should be included, as long as special needs and pressures are fully taken into account and funded before discretionary grant levels are allocated.

9. *Should any further existing Park indicators be included within the model?*

Indicators should be included where they reflect aspects of special needs whether positive or negative to Parks' funding. For example, the percentage of a Park's farmed land outside ESA designation.

10. *Does the gain from re-weighting and refining the current model outweigh the substantial work involved?*

If the Government wishes to continue with a formula allocation model then the gain from refining the formula does outweigh the work involved.

11. *Is the current method for allocating 20% of NPG on special needs and pressures well understood?*

The current method is understood, but lacking in transparency in communicating to NPAs why all their acknowledged special needs may not be included in the 20%.

The difficulty is in the failure to accept that special needs and pressures can be in excess of 20%.

12. *Would a framework of criteria for funding special needs help?*

Yes, depending on how it works. This seems to be the biggest variable.

13. *What would be an appropriate level of core funding?*

This question is ambiguous. If by core funding do you mean the same as the BV Accounting Code of Practice or statutory functions or some other definition? In view of the great variation in funding needs between so small a group of National Parks with a great variety of landscapes and populations, the level of core funding should be very low, restricted to funding of the basic requirement to run a National Park Authority.

14. *Is there support for developing a Public Service Agreement scheme for NPAs?*

Yes, this is an important development for Local Authorities generally and should be extended to NPAs. It provides a clear vehicle for funding to be reflected by results.

15. *Are current National Park indicators sufficiently robust - ie relevant, without perverse incentives, and validated - to support such a scheme?*

The quality of national park indicators is constantly improving and there are already sufficient available to be able to adequately pilot such a scheme with input from external audit to validate results. The PDNPA would be willing to act as a pilot.

16. *Are there alternatives to using targets based on National Park indicators?*

This is partly covered in the last question in that there should be flexibility in any performance scheme for local as well as national indicators independently validated by external audit.

17. *Is there support for including a performance-related element based on ensuring Best Value planning is fit for purpose?*

Performance-related Best Value Reviews, on the same functions comparing results across the National Parks, should be the main output from Best Value on which the Government could reward grant allocation.

18. *Is there support for including performance indicators within the model used for allocating NPG?*

There would be support if an objective overview was to be taken as to the indicators which were valuable, not just by using the lowest common denominator by consensus amongst the National Park Authorities as at present.