

APPENDIX 3

COMMENTS ON TEXT AND FACTS IN SARAH WOOLLER'S REPORT

Re: 3 The current system

1. In para 3.1 we remain unclear as to why the fixed percentages and weightings are so derived, other than to produce a pre-determined outcome. If this is the case, then we would argue that the formula is something of a cloak to achieve your desire to realign the share of the NPG cake between Parks; now that this is achieved, and bearing in mind the low credibility of the data supporting the model, we would refer to our response to Sarah's questionnaire (Q7) that further allocations after this redistribution has been achieved should be based on need assessed through a more rigorous public service agreement assessment.
2. In para 3.1.2 we agree that the weights are not particularly scientific and this has been our consistent criticism.
3. Para 3.1.3.1 (b) the Peak District has only partial ESA cover so must be in this list, and Dartmoor is of course a whole park ESA so should be excluded.
4. In para 3.1.4 we have always supported an approach to allocation of grant which distributes to each Park a fair allocation related to individual needs, but we have consistently opposed the suggestion that the funding for the Peak District "was more generous than could really be justified". Our position has been that our funding is fully justified by our specific needs and pressures. You may recall that the only attempt to actively engage with the issue of real need (the original ERM study) supported our funding needs and in fact recommended additional allocations to this Authority. We are also surprised by this sentence as it appears to fly in the face of the commitment given by the Chief Executive of the Countryside Agency (Richard Wakeford) in his letter of 17th September 1999 that the funding formula was conceived to establish need, and was not based on an agenda to reduce the proportion of grant available to the Peak District. We very much regret that this mis-statement about our position has already been reported to the Minister.

Re: 3.2 Policy position on Marketing

5. We are not sure that paragraph 3.2 includes all the relevant statutes covering trading and charging by local authorities but we do share the view that these issues are not very clear and are open to considerable interpretation. We welcome again the proposals for definitive guidance from Defra in recommendation 48 of the Defra Review and presume this paragraph is part of your initial research. We feel that Defra's guidance on the activities it believes NPAs can and cannot undertake can usefully be based on a review of each Park's current trading and charging activities, each Park's aspirations, and needs to address any inconsistencies in approach between the Parks. This would be very opportune in view of the proposals in the Local Government Bill. We do not feel that this paragraph really gets to grips with the sponsorship issue mentioned in the Defra Review.

Re: 3.3 Capital Spend

6. We very much welcome these comments here and our Chief Finance Officer will take advantage of the opportunity to discuss inclusion of NPAs in the new capital funding regime proposed for Local Authorities. The effective exclusion of National Parks from the local authority capital borrowing regime (by issue of nil credit approvals) has been a long term source of frustration for all Parks. This National Park has operated within the Local Authority legal and financial framework since inception and we do not believe that we will have a problem complying with and operating within prudential guidelines to meet ODPM criteria.
7. The revised capital funding regime will allow us to address properly our longer term asset management aims in a way which offers better value for money; under the previous regime National Parks have been unable to make some sensible investment decisions because of the non-availability of capital.

Re: Bellwin Scheme

8. We understand the position stated here and if Defra look kindly on any emergency situations faced by National Parks in a following year settlement such short term borrowing for emergency reasons will cover the crisis. Presumably such borrowing, if of a revenue nature, would require some guarantees over the availability of these future settlements.

Re: 4.1 Current System

9. The report says that "Detailed costs about these issues were promised but were not produced: the list of concerns is the same one presented to Ministers in 2000." We presume that you are referring to our response to question 3 of Sarah's questionnaire where we stated "we can provide detailed costings of these special needs cases". We do not know if Sarah requested this information subsequently but our record on responding to you on these issues suggests that we would not have been silent on such an important issue! The list of concerns presented to the Minister in July 2000 was the easiest way to inform Sarah of our problems with the funding model in relation to our specific needs, and our feeling that they had still not been adequately addressed by the model. The lack of transparency of the model and the allocations resulting from it still leave us in some doubt as to which of our specific needs are accounted for and which are not. We were grateful for recent allocations above inflation (2003/4 excepted as the extra funding above inflation related to Access) but this was a function more of our repeated pleas for proper consideration of our needs and Defra's response to those pleas, than a product of the formula which is what it should be.
10. We also take issue with the point that each National Park Officer supports those measures and indicators which favour their own Park. The Peak District has consistently made the case for objective and transparent indicators properly based on need, which the model has not provided by virtue of its arbitrary weightings, allocations and proxies.

Re: 4.2 allocations vs actual budgets

11. We applaud the attempt to understand where the model does not produce results which fit well with the way Parks actually allocate National Park Grant. We already know that the model's indicators only account for 72% of the Peak District's (2002/03) allocation, with the rest derived from qualitative assessment by Defra.

Re: 4.3.1.2

12. The Finance Grant Memorandum allows activity to be allocated to 10 functional headings with reasonable certainty, if a broad brush approach is taken. Reducing the number of headings helps comparability but some headings are required for statutory indicators (e.g. planning unit costs). There is also a diversionary requirement to report expenditure in local authority formats for ODPM which operate under quite different functional headings and allocation criteria.
13. We think Defra would acknowledge that they have been unable to find resource to drive forward and improve the Finance Grant Memorandum to resolve these issues, to give greater confidence that the data is comparable. The audit process needs to play a part in this especially as Audit Commission annual audit programmes cover these areas in considerable detail already.

Re: 5.1.5

14. We consider that the Local Public Service Agreement approach given in this paragraph is the only practical way forward to build on the existing Best Value Performance Plan and requirements of the Spending Review cycle.

Re: Annex 5

15. We are alarmed that the statement in Step 1 suggests that future allocations for Access should be based on a narrow statutory assessment only. We recommend that these allocations are based on the business plans and programmes already discussed in some depth with Defra officials, as a positive response to delivering and managing additional access to open country under the Countryside and Rights of Way Act 2000. The 2003/04 settlement helpfully recognised the importance of this and the need for this to continue to be a priority.
16. The proposal for allocation of the Sustainable Development Fund on the basis of deprivation ratings is not mentioned in the report and we feel some further discussion on this is necessary please.