

AGENDA ITEM No. 4

PEAK DISTRICT NATIONAL PARK AUTHORITY

URGENT BUSINESS ITEMS SUB-COMMITTEE

30 MAY 2003

REPORT OF THE ACTING NATIONAL PARK OFFICER

PART A

1. NATIONAL PARK AUTHORITIES REVIEW – GRANT ALLOCATION (A.197/JNT)

Purpose of Report

- 1.1 To consider and suggest a response to a report to the Department for Environment, Food and Rural Affairs (Defra), the Office of the Deputy Prime Minister (ODPM) and Department for Transport about future National Park Authorities Grant Allocations by Sarah Wooller and in-house Government policy consultant.

Policy and Background

- 1.2 Previous representations have been made by this Authority to the Countryside Agency and Defra about the funding formula and allocations. This has involved Member-led meetings with key people, including Michael Meacher as Minister for the Environment. They are referred to in this report and the appendices.
- 1.3 Relevant submissions to and extracts from the Defra Review of English National Park Authorities and our response to Alun Michael last October following consideration by the Authority (Appendix 1 refers).
- 1.4 Our submissions to Sarah Wooller as the in-house Government consultant employed to do the Funding report (Appendix 2 refers).
- 1.5 Continuing work with Government in the Best Value regime, and the latest Circular on that (03/2003), has been highlighted, referred to and summarised in the report to Performance Review Committee today about our proposed Best Value Plan 2003/04. The Grant Allocation report has been looked at in conjunction with draft Best Value advice from the Office of the Deputy Prime Minister sent to Defra and recently to National Park Officers after discussion at a meeting in Warwick attended by Richard Campen and Andy Cooper.
- 1.6 Over the coming year, the Government will consider with the Audit Commission and other stakeholders the lessons learnt from the Comprehensive Performance Assessment (CPA) process, and whether there are implications for developing a CPA-style assessment framework for authorities, such as National Park Authorities and the Broads Authority, which are currently not covered by CPA.

Review Report and Proposals

- 1.7 Sarah Wooller's report was submitted to Defra in February 2003. Susan Carter (Defra) referred to it in broad terms at the Annual Finance meeting with National Parks attended by the National Park Officer and Financial Services Manager on 5 February 2003.

- 1.8 The Minister (Alun Michael) has now seen the final version and agreed it should be sent to National Parks for comment by 6 June. It was received by e-mail on 9 May. The Minister has asked that it be made clear that the report should not necessarily be regarded as an agreed strategy.
- 1.9 The opportunity to comment is welcome and after consideration by the Management Team with major input from the Head of Finance and consultation with the Chief Finance Officer, a summary of key points of suggested response is set out below. Additional comments on the report and its recommendations are in Appendix 3 and on its recommendations in Appendix 4.

Summary of Proposed Response

- 1.10 An overview is presented in this section, and more detailed explanations in relation to the report's recommendations are in Appendices 3 and 4. We recognise that the subject of National Park grant allocations has been the subject of a number of consultancy reports. We note from Annex 1 that the 21.5 days consultancy time allowed to Sarah Wooller must have been a very tight schedule and we congratulate her on being able to produce this report to that timescale, with some very interesting and perceptive points and recommendations being made. Overall, the proposals represent an improvement on the present formula, but there are reservations:
- (a) The Peak District National Park Authority has always welcomed Defra's attempts to seek fairness and transparency in the distribution of National Park Grant (NPG), so that each National Park receives an NPG allocation which meets their own specific needs and pressures. Our objections to the current funding formula have only stemmed from our conviction that the model is neither transparent, fair, nor based on a proper assessment of need.
 - (b) It therefore comes as no surprise to us that Sarah Wooller's report endorses many of our consistently held reservations about the model. We feel that some of the suggestions for improving the indicators are very helpful. However we remain sceptical about their impact as the model's arbitrary percentages and weightings remain in place.
 - (c) We are not convinced by the assertion that abandoning the model will leave the basis for allocations "very shaky" as the model achieves its allocations in a spurious way. A qualitative assessment which is reasonably transparent would appear to be just as sustainable if linked to auditing and assessment of needs and bids in Best Value Performance Plans. A link between effective use of resources and the process of allocation should be made both in the report on the review of grant allocation and ODPM's advice on Best Value.
 - (d) We believe that the case for a "top-up" grant for the Broads/North York Moors National Parks has not been made on a credible basis, and if the funding was found from top-slicing would consider this inappropriate and unjust.
 - (e) We agree that the model needs to find a better way of understanding each Park's needs for Promoting Understanding and acting as one stop shops, but question whether this can be achieved merely by altering the weights of existing proxy indicators. We welcome the attempts to introduce a better understanding of the linkages with national conservation schemes.
 - (f) We agree that a five yearly assessment is a practical approach to comparing indicators and there is still a need for 3 year planning figures.

- (g) We also agree that we must improve inter-Park comparability if any data is to be of value in determination of allocation and/or performance; the Peak District has always been a strong supporter of objective good quality data, and has been consistently critical if it has felt that data has been misinterpreted or wrongly used. We recognise that this is an issue for all Parks, Defra, and our respective auditors.
- (h) We are very pleased to see the position on capital funding following our response to Defra's review of English National Park Authorities. We look forward to ODPM's guidance to National Parks on the borrowing framework which will operate.
- (i) Section 6.4 of the report reflects on the fact that the funding should relate to the number of people who live nearby, because the boundaries tend to exclude most of the nearby population. This would duplicate the visitor numbers indicator; but as we have previously indicated we believe this is based on flawed data in the "All Parks Visitor Survey". This is not robust and underestimates the Peak's visitor number and takes no account of spend patterns. There may be scope to consider issue of surrounding population numbers as an alternative, however the point is not pursued into a recommendation.

Financial Considerations

- 1.11 The funding required for the Authority is related to Government, Countryside Agency, Regional and local needs in our Best Value Performance Plan. Our funding bid for 2004/05 is for £1.134 million which is 15.9% above the 2004/05 National Park Grant and Levy planning figure of £7,135,000. The Authority has always sought a fair and transparent system for funding our needs in the Peak and priorities demonstrated in the Best Value Performance Plan.
- 1.12 Appendix 5, prepared by Philip Naylor, shows the current funding formula and the proposed formula and the possible effect on this Authority. On the face of it, the Peak's allocation under the new formula if related to 2002/03, would have been £4,745 million compared with £4,603 million under the current formula. At present 28% of our funds have to come from the discretionary element which is also subject to all the top slicing and qualitative needs analysis for the other National Parks.

Human Rights Act and Equal Opportunities

- 1.13 None apparent.

Consultations

- 1.14 The Management Team have considered Sarah Wooller's report in consultation with the Chief Finance Officer. The Chair of Policy Committee has been forwarded a copy because of his involvement in previous meetings with Defra and the Countryside Agency and has made helpful comments and suggestions.
- 1.15 The Acting National Park Officer, suggested to other National Park Officers in the English Parks that a joint response be considered with the Association of National Park Authorities. This is being considered recognising that each Park will wish to prepare its own response with Members. Any update on this and the views of other Parks will be given at the meeting.

Conclusion and Advice

1.16 The timescale for consideration and response to this document has been very tight in relation to Executive Review, Best Value Performance Plan and other work pressures. It is, therefore, proposed that after consideration, the response to Defra should be delegated to the Acting National Park Officer in consultation with the Chair and Deputy Chair of the Authority, and the Chairs of the Policy and Resources Committees.

1.17 RECOMMENDATION:

- 1. That the opportunity to comment on the National Park Authorities Grant Allocation report be welcomed.**
- 2. That comments be forwarded to the Department for Environment, Food and Rural Affairs by the Acting National Park Officer and Chief Finance Officer based on this report and the appendices and in consultation with the Chair and Deputy Chair of the Authority and the Chairs of the Policy and Resources Committees.**
- 3. That our response be shared with other National Park Authorities and the Association of National Parks Authorities, with a view to highlighting areas of common ground and the scope for a joint response.**

List of Background Papers (not previously published)

9 May 2003 – National Park Authorities Grant Allocation Report – Sarah Wooller, received on e-mail from Angela Finch, Defra.

9 May 2003 – Draft letter from the Office of the Deputy Prime Minister to Chief Officers of the National Park Authorities forwarded by Jeff Coast, Defra.