

APPENDIX 4

COMMENTS ON RECOMMENDATIONS IN SARAH WOOLLER'S REPORT

- R1 *"I recommend that the funding baskets are re-balanced to reflect spend – to corporate (25%): conservation (30%) and recreation and promotion (45%). This re-balancing emphasises the need for better promotion of understanding."*

We understand and do not disagree with the view that National Parks broadly allocate funds in these percentages in their actual budgets. Without seeing the effect of this re-balancing on the Peak's allocation it is difficult to form a judgement as to whether this is appropriate. We would need to be reassured that special pressures on the Peak within corporate (eg Minerals, geographical location, Structure Plan responsibilities) and conservation (eg non-ESA agri-environment requirements, land ownership for conservation reasons) were not prejudiced by this and are guaranteed within the discretionary 20% allocation. This is emphasised in our response to item 3 of Sarah Wooller's questionnaire.

- R2 *"There is therefore no reason to assume that the core funding is ungenerous and, given that there was no suggestion that the smaller Parks are over-funded I recommend that core funding is set at £1,000,000 and increased in proportion with the overall NPG budget. However, this core funding should be top-sliced so that it is explicit."*

We agree that there should be an allocation for the "cost of being" but this should not be confused with allocations for the "cost of doing" which should be based on need and we believe this therefore is wrong. We presume that top slicing means that this is the first allocation from the 80% of NPG reserved for formula allocation, as the Peak is clearly dependent (unjustly we believe) on a substantial proportion of the 20% reserved for qualitative/special needs.

- R3 *"My only reservation about this recommendation is that the North East is particularly well supplied with large National Parks. A very generous core fund would be one way of providing some regional redistribution."*

We do not understand this point, at least in respect of its relevance to providing an allocation which meets each National Park's specific needs!

- R4 *"I recommend that the number of holdings is therefore included within the list of indicators, with a weighting of around 6-10%"*

We welcome the attempt to ensure that conservation needs of National Parks are understood better but do not feel that the number of holdings is the best indicator and is too simplistic, and the addition of a wholly arbitrary % to it does not enhance its usefulness.

- R5 *"I recommend that WCFM work alongside the ESA review team to devise a new model for direct funding of conservation over the next 2-3 years which is not in contradiction with the implied weights used in ESA. Alternatives include extending eligibility for ESA funding to the Parks, or carrying out a qualitative assessment of their funding needs"*

We support this in principle, and the prospect of new higher tier ESA schemes for all National Parks.

- R6 *"I recommend that the North York Moors and the Broads are given a one off grant in 2004/5 and 2005/6. Although the Moors are much larger, work within the Broads is very expensive so I recommend that the grants are roughly the same. Because of the backlog of work, I don't want to make a firm recommendation about a sensible amount for this cash injection. However it should not take either Park above the 12% ceiling, which is a useful indicator of how quickly funds can be effectively absorbed within an organisation".*

We disagree with this for a number of reasons of principle. Northumberland, the Yorkshire Dales, North York Moors and the Peak District all have funding requirements arising from non-ESA status. The Broads has whole area ESA status but low take up for different economic reasons which increased conservation expenditure is unlikely to resolve cost effectively. Other National Parks have been unable to allocate significant conservation expenditure to improve this performance indicator, in our case because of significant minerals and recreation pressures. The Peak District's indicator for that year was unavailable in time for publication because of delays in obtaining reliable data across four Defra regions, but is a similarly low figure (ie reported as 54% in 2001/2) hence would justify similar one off grants.

We are unsure as to how confident Defra can be that this indicator is compiled with sufficient integrity to warrant its use in this way. We consider that a poorly performing indicator coupled with a correspondingly high level of financial input is in other contexts often seen as poor performance which does not merit further reward.

- R7 *"Spending plans should set out broad plans for the whole grant, looking at a number of scenarios. The obvious question for the Parks to consider are "what will they do if NPG rises with inflation and they get the % predicted by the formula, what about a 12% rise, or no change on the previous year?"*

The FGM requires us to justify our use of baseline funding; the baseline being set at the forward planning figure. The previous Corporate Finance Plan required some scenario planning around plus or minus 5% but this seems not to have been carried forward. We welcome the suggestion that Parks should have a clearer idea of future planning figures, particularly as Defra itself benefits from three year horizons and this is a key aspect of government financial management policy. For some years now we have had to plan on an annual basis only and have had to make our own assumptions about a forward planning figure, usually based on government inflation forecasts. We call for a 3 year forward planning figure. This would be consistent with recommendation 44 of the Defra review report which called for "greater certainty and continuity of funding, if possible, for National Park Authorities".

- R8 *To maximise their usefulness the management plans should be produced to a common timetable starting with preparations for the 2006/7 allocation. The Park's spending plans should relate to the management plans and the Parks should priorities between different projects.*

We agree that harmonisation of the plans is a sensible step and the Peak District should be well placed to achieve this, provided the timetable is made clear.

- R9 *The spending plans need to be set out in a rigid framework and this framework needs to relate clearly to the core functions in the Best Value framework.*

The Peak District has bid for funds using a matrix structure in order to show how we are matching Defra priorities, functional headings and other needs, but we will comply with any further guidance on presentation provided by Defra.

- R10 Defra and the National Parks should revisit the functional headings used in the Best Value reports and then stick to those agreed.

We have adhered to the functional headings stipulated in the FGM and we welcome this recommendation, but suggest that Defra needs to do some work to iron out areas where interpretation may differ between Parks as we indicated in para 2.17 above.

- R11 There needs to be a commitment from Defra that qualitative information will be used and transparent breakdown and feedback given to the Parks about the way in which the information provided has fed into the final allocation.

It is disheartening to read that Defra do not use the BVPPs on the grounds that it is too resource intensive to do so. This is a major failure of the performance management framework set out for National Parks, and all the more remarkable given that the framework is so closely aligned to the way central government handle their own executive agencies. We believe that a LPSA type model will help to achieve the greater use R11 seeks. We still find the 20% used in the model for qualitative aspects arbitrary.

- R12 It would also help if a qualitative assessment of the comparative funding needs were made every 5 years rather than annually

This would provide greater stability if Defra are able to guarantee allocations beyond the three year Spending Review cycle. The idea of a secondment seems sensible but we would suggest that the remit of this secondment needs to be as much development of indicators as compilation of them. We are unsure if you are recommending one secondee per Park; if one secondee only this would indicate a non-NPA employee to guarantee objectivity.

- R13 I recommend that the Parks are asked to report back annually on progress against their spending plans through the Best Value plans, so that clear anomalies can be picked up and reflected in future settlements. However a closer link between performance and settlements would be difficult to justify

The FGM requires this analysis currently and it is not difficult to see the thread running through this document from our bids of previous years to our analysis of expenditure outturns in the BVPP, if the documents are evaluated properly. We do however feel that the answer still lies in adapting the Local Public Service Agreement (LPSA) into National Park assessment/agreements and making them work by establishing better dialogue with Defra. The process has already started to some extent in our annual bid meetings which need to be extended into a more formal assessment system.