

**AGENDA ITEM No. 13**

PEAK DISTRICT NATIONAL PARK AUTHORITY

NATIONAL PARK AUTHORITY MEETING

7 DECEMBER 2007

CORPORATE RESOURCES

PART A

**1. UPDATE ON 2008/09 BUDGET PLANNING AND ESTABLISHMENT ISSUES (A/137/RMM)**

**Proposal**

- 1 This report updates Members on the key issues identified in planning for the 2008/09 budget as reported to the Authority in October and seeks support for some establishment changes in accordance with the proposals for a balanced budget at a 2% or 0% settlement.

**RECOMMENDATION:**

**2 That:**

1. The update on key issues in planning for the 2008/09 budget identified at paragraphs 5, 6 and 7 of the report be noted.
2. A final budget report based on the proposals considered by the Authority in October 2007 and as reflected in Annexes 1 and 2 of this report, depending on a 2% or 0% settlement, be submitted to the February Authority meeting.
4. The following posts be made permanent from 1 April 2008 so that confirmation to existing postholders can be given:
  - a) Planning Assistant Scale F/H
  - b) Communications Officer, 18.5 hours pw, Scale F
5. That the grade of the post of Planning Technician be reviewed with:
  - a) Phase one changes being backdated to 17 September 2007 to reflect delegated responsibilities from this date
  - b) Phase two being implemented during 2008 with any changes in grade, if appropriate, effective from a date in 2008 as agreed with the Head of HR and Performance and Director of Strategy and Development.

**Background**

- 3 In October 2007 the Authority agreed (Minute ref: 93/07):

- a) That the proposals for achieving a balanced budget in 2008/09 at a 2% or 0%

settlement as detailed in .....the report be discussed, alongside the issues identified in ...the report, and supported in principle.

- b) That a further budget report on progress on realising proposals, depending on the actual settlement and work with the Chair and Vice Chair of Services Committee, be made to the December Authority meeting.

- 4 We still await details of the settlement and continue to plan for both a 0% settlement for 2008/09 (i.e. funding to remain at 2007/08 levels) and an inflation settlement (assumed as a 2% increase on 2007/08 levels). Indications are that Defra (Department for Environment, Food and Rural Affairs) Directors will have the indicative outlines for budgets and will share these with us by the end of November. It is still unclear what the actual settlement will be but there are no indications of anything worse than 0%. Final allocations will not be known until mid January after final agreement by Ministers on 14 January 2008. A verbal update will be given at the Authority meeting.

### **Key Issues**

- 5 Annexes 1 and 2 represent the updated proposals for balancing the budget at 2% or 0% following the Members' steer and the report to the Authority in October.

- 6 The Management Team has discussed the specific issues and risks identified in October with the Chair and Vice Chair of Services Committee and can update as follows:

- a) *Issue: The need to respond to Members' request for reassurance/evidence that we are redirecting existing resources to priority areas (and to NPA outcomes which then contribute to achieving NPMP outcomes)*

Update: i) One of the main objectives of the organisational development review has been to refocus staff resources in line with National Park Management Plan and National Park Authority outcomes and priorities ii) We have produced for Strategic Advisory Group a report from the Performance Management database showing how Service actions contribute to achieving Key Corporate Actions iii) When corporate indicators have been finally agreed performance data on measures of success for key corporate actions will be gathered and can then be provided to Members

- b) *Issue: The need to explore whether there is more potential for income generation*

Update: The Resource Management Team has agreed that it would be useful to benchmark practice further with National Parks and local authorities with a workshop in April/May next year for staff to look at potential new ideas for increasing income/trading

- c) *Issue: The need to ensure that at the right time an appropriate communications strategy is in place to explain any cuts or changes to services*

Update: The new Head of Communications has started and will be able to assist with this as in previous years

- d) *Issue: Keeping under review the impact on resources of the new powers to issue Traffic Regulation Orders*

Update: There will be a list of potential cases for prioritisation reported to Services Committee in March

- e) *Issue: The need to continue to press Defra on the need for an inflation*

*settlement and the significant impact that a 0% settlement will have on the Authority's capability to deliver services. The message needs to be clear that, despite our ability to manage the finances we have effectively, there is now a significant risk to the National Park by being under resourced.*

Update: The Chief Executive has continued to work with ENPAA (English National Park Authorities Association) in pressing for a settlement which is equal to that of local authorities

- g) *Issue: The need for a more reflective consideration of the Authority's performance on priorities in 2008/09; a 0% settlement perpetuated for more than one year will require a radical rethink on services delivered.*

Update: It is intended to start the strategic planning process much earlier next year as part of engaging Members in a three year budget planning process and a review of our Performance Improvement Plan (this will be reported to Audit and Performance Committee in January)

7 Since October we have also updated our budget planning to reflect:

- a) The pay award for 2007/08 has been settled at an average of 2.48%. This is in accordance with our planning figure for 2007/08 and therefore does not have an implication for 2008/09. Our planning assumption for 2008/09 remains at 2.5% which is in line with many of our constituent councils where the band seems to be a planning figure of between 2.5-2.7%.
- b) The actuary's preliminary assessment (for budget purposes) of our employer's superannuation contributions indicates an increase of 0.6% of pensionable pay. We have been advised that our scheme is assessed as "well funded" at 87%. Although the recommended increase is 0.1% more than planned for in 2008/09 (and assuming the final actuary's recommendation is in line with the preliminary advice) this will be a flat rate for the next 3 years with no further increases in 2009/10 and 2010/11. The increased superannuation cost of £5,097 in 2008/09 (on top of the increase already in the budget of £30,000) can be found from the detailed budget work on the establishment.
- c) The Director of Strategy and Development's assessment against Planning Delivery Grant and Planning Fees has been confirmed leaving the figures of £50,000 and £33,000 respectively as best estimates.

8 Subject to Members continuing to agree to the work carried out so far sufficient progress has been made towards achieving a balanced budget at both a 2% and 0% settlement for us to proceed with:

- a) Extending the following fixed term contract posts already on the establishment for a further year so that, where appropriate, staff occupying these posts can be advised:
- i) Policy Planner, 18.5 hours pw, Scale I
  - ii) Planning Trainee, Scale E/F
  - iii) Planning Trainee, Scale E/F
  - iv) Minerals Planning Trainee, Scale E/H
  - v) Planning Liaison Officer, Scale F
  - vi) Policy Officer post (vacancy), Scale H
  - vii) Business Process post (IT Officer - IEG projects), 18.5 hours pw, Scale I-

funded from corporate overhead budget

- viii) IT Student Placement support post, Scale C - funded from corporate overhead budget

Extending these posts is a delegated decision to Resource Management Team and will be considered by RMT on 4 December subject to Members agreeing the recommendations of this report as part of the budget planning process.

- b) Making the following permanent changes to the establishment so that staff occupying these posts can be advised:
  - i) Planning Assistant, Scale F/H permanent from 1 April 2008
  - ii) Communications Officer, 18.5 hours pw, Scale F permanent from 1 April 2008
  - iii) Review of grade of Planning Technician post to take into account delegated responsibilities relating to the Planning system and the implications of the withdrawal from this support work of the post of IT Officer – IEG projects. This needs to be implemented in two phases: the first with effect from 17 September 2007 to take account of duties that have already been delegated and a further phase to consider implications of complete withdrawal of the IT Officer post during 2008 (it is unclear at present whether this will have a further impact on the grade or not)
- c) Allocating the short term resource identified for environmental management of £20,000 for 2 years but this will be reported to Services Committee in January 2008 as referred to in the report to this meeting on the Environmental Management Policy

## **APPENDIX**

### **Background**

- 1 Please see the report to the Authority in October for further background material at [www.http://resources.peakdistrict.gov.uk/cte/authority/reports/2007/071005Item10-1.pdf](http://resources.peakdistrict.gov.uk/cte/authority/reports/2007/071005Item10-1.pdf)
- 2 The posts proposed for resource allocation as detailed in paragraph 8 contribute to the achievement of the following corporate outcomes and key corporate actions:
  - A: The landscapes of the National Park are valued for their beauty, character and natural resources and managed to adapt to the effects of climate change by:**
    1. Ensuring landscapes are characterised, conserved and enhanced in accordance with their enduring and dynamic qualities (level 1 priority)
  - B: The adverse impact of mineral working on the special qualities of the National Park and its communities is minimised by:**
    1. Influencing Government policy and legislation (level 1 priority)
    2. Ensuring those quarries that remain are worked to the highest modern environmental standards (level 2 priority)
    3. Managing the reduction of large-scale quarrying in the National Park whilst taking local needs into account (level 2 priority)
  - I: The Peak District is a living, modern, and innovative area with vibrant and cohesive communities by:**
    1. Using planning and influencing powers to help create more sustainable communities and a better environment (level 2 priority)
    3. Reviewing the Local Development Framework (LDF) affordable housing policy and encouraging an appropriate level of affordable housing (level 2 priority)
  - K: We provide quality, customer focused, sustainable services and ensure continuous improvements in the way that these are delivered by:**
    1. Ensuring value for money, sustainability and high standards of corporate governance in the way that we deliver services (level 3 priority)
    2. Communicating effectively with the resident and visitor population (level 2 priority)

### **Resources**

- 3 Details of the costs and funding of the establishment proposals in this report are given in Annexes 1 and 2 and have been part of the discussions on budget planning with Members at the workshop in September and at the Authority in October. A final budget report will be made by the Chief Finance Officer/Chief Executive to the February Authority meeting.

### **Risk Management**

- 4 The main risks remaining include:
- a) The settlement has not been confirmed but we are expecting to have an indication of this by the end of November
  - b) A three year planning horizon of 0% would require a radical rethink with Members on the services delivered
  - c) A lot of volatility in interest rates may require our investment assumptions to be revised and this will be monitored
  - d) Integrating any contingent liabilities arising from implementation of our minerals' planning policies within existing and future resources
- 5 A mixture of one off and fixed term allocations as well as permanent allocations and a remaining contingency if we receive a 2% settlement as identified in Annexes 1 and 2 help to mitigate risks.

### **Human Rights, Equal Opportunities, Health & Safety**

- 6 These have been considered and there are no issues to highlight. The Authority's normal recruitment procedures and managing change policy will apply to the filling of posts.

### **Consultees**

- 7 The Chair and Vice Chair of Services Committee, Management Team, Head of Finance/Chief Finance Officer, Head of HR and Performance and UNISON has been consulted on this report and comments included as appropriate.

### **Enclosures**

- 8 Annex 1: Updated proposals for budget planning: planning scenario 2% settlement  
Annex 2: Updated proposals for budget planning: planning scenario 0% settlement

### **List of Background Papers** (not previously published)

- 9 None

### **Report Author**

- 10 Ruth Marchington

### **Publication date**

- 11 29 November 2007