

## APPENDIX 3

### **Principles for reviewing the organisation to achieve a balanced budget over the period to 20013/14**

The Authority continues to plan carefully to spend its available funds wisely and in accordance with our stated priorities and the programmes we must implement.

We are currently within a 3 year budget planning period ( 09/10, 10/11, 11/12) based in part on the 3 year settlement provided by Defra for the period 08/09, 09/10, 10/11, all of which (to date) has been honoured. We are now beginning to roll forward budget planning for a new period which is 11/12, 12/13 and 13/14. We have not yet received any confirmation of what the settlements will be in the new period, although the predicted squeeze on public spending is expected to affect the National Park Grant (and indeed the grants of other bodies we have historically relied on to work in partnerships).

In planning for future change, we need to work to a set of agreed principles and these will form the basis of future more detailed work that will be the basis of a longer term organisational review. The following principles are proposed:

1. We will deliver a balanced budget for the remainder of the three year spending review period to 10/11 in line with priorities and views agreed already by members
2. The scale of reductions in the baseline for the period 11/12 onwards could be such that localised, short-term or minor 'housekeeping' savings will be insufficient to achieve meaningful change and it will also not be possible to achieve these reductions without reducing the permanent establishment of staff and/or withdrawing from some services or the direct delivery of them
3. We will minimise the impact of loss of staff capacity on the delivery of priorities (ranked 1 in our corporate objectives) and will seek savings initially in areas that are not the Authority's priorities for investment of resources
4. We will look to alternative lower cost or more effective ways of delivering some support and professional advice functions by working with strategic partners (public, private or voluntary) in the shared delivery of these services
5. We will review income targets and opportunities and do this especially in the context of business plans for the parts of our organisation that rely on trading to sustain their activities

6. Any unallocated funds in a given year for spend on programmes will be agreed (on an officer recommendation to members) for a) facilitating medium-term savings (invest to save on the basis of a business case) and/or b) priorities that directly contribute to corporate objectives ranked as level 1 and/or c) planned carry forward of funds to help achieve a balanced budget in future years
7. We will seek wherever possible to achieve reductions and efficiencies in the staffing structure by way of voluntary means and natural wastage, such as agreeing to reduced hours, voluntary redundancy, voluntary early or planned for retirement or resignations and in doing so we may need to spend money in the costs of achieving these based on a business case showing enduring and direct baseline savings. There may be a need for some compulsory redundancies
8. Wherever possible and consistent with our priorities, we will seek savings by reducing the number of managers in the organisation, so shifting the balance of resources more to the frontline of those services that we agree to continue providing, so empowering staff. There is a continuing and further need to invest in remaining managers, such as improving management competence, professional development and direct support to managers to enable change
9. We will consider strategic withdrawal from the direct provision of some services whilst seeking effective ways of delivering outcomes in alternative ways
10. We will achieve all of the above applying our existing employment policies and ensuring appropriate levels of consultation with staff, their representatives and bodies outside the Authority who may be affected by change
11. We will look hard at improving the effectiveness of our governance arrangements.

**Management Team**  
**19 November 2009**