

EXMOOR NATIONAL PARK AUTHORITY

15 February 2011

RESPONSE TO THE GOVERNMENT SPENDING REVIEW AND THE NATIONAL PARK GRANT FUNDING SETTLEMENT

Report of the Chief Executive

Purpose of Report: To advise members of the National Park Grant settlement for the forthcoming period to 2014/15 and the proposed response of the Authority
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National Park Management Plan Targets: The significant reductions in central government funding will reduce the capacity of the National Park Authority and other public bodies to deliver against the objectives set out in the current National Park Management Plan. This will be taken into account in the review of the Management Plan for the period 2012-17.

Legal and Equality Implications: Section 65(4) Environment Act 1995 – provides powers to the National Park Authority to “do anything which in the opinion of the Authority, is calculated to facilitate, or is conducive or incidental to-

(a) the accomplishment of the purposes mentioned in s. 65 (1) [National Park purposes]

(b) the carrying out of any functions conferred on it by virtue of any other enactment.”

The Authority will need to ensure that it meets its statutory responsibilities at the same time as reducing its overall programmes and service delivery. Any changes or reductions in service provision will need to ensure that no person is disadvantaged by virtue of protected characteristics.

Financial and Risk Implications: National Park Grant forms the main source of funding for the Authority and reductions will have a significant impact on the capacity of the Authority and the services that are delivered. Reductions in the budgets of other public sector organisations are also likely to impact on work that is jointly funded. Taken together, the reduced expenditure by public sector bodies is already leading to reduced services for local communities in the National Park.

More positively, the fact that the impacts are being felt across the public sector is encouraging an increased focus on joint delivery, shared services, delegation and partnership working. In addition, there will be opportunities to work in new ways and to collaborate more with voluntary and community organisations.

RECOMMENDATIONS: The Authority is recommended to:

1. SUPPORT the organisational changes and timetable being proposed in response to the announcement by Defra of reducing National Park Grant levels for the period to 2014-15.
 2. APPROVE the proposed approach to the management of National Park project budgets from 2011-12 onwards including incorporation of the Sustainable Development Fund programme as set out in section 4.
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1. INTRODUCTION

- 1.1 On 20 December 2010 Defra advised the Authority that its National Park Grant would reduce by 5.4% in cash terms in 2011/12 with an indicative 21.5% reduction in cash terms over the four years to 2014/15. This is on top of the 5% reduction in National Park Grant in 2010/11 and is equivalent to a real terms reduction of around 33.5% over the full five years after allowing for inflation.
- 1.2 The confirmed National Park Grant for 2011/12 and indicative figures for 2012/13 to 2014/15 figures are set out in table 1.

Table 1 – National Park Grant (NPG) settlement for Exmoor National Park Authority from 2011-12 to 2014/15

Year	National Park Grant (on a cash basis) including Sustainable Development Fund (SDF)	Reduction on 2010/11 original	% reduction in cash terms from 2010/11 original
Original NPG in 2010/11	£4,177,453	N/A	
Revised for 2010/11	£3,978,580	£198,873 (excluded SDF)	4.76%
Confirmed 2011/12	£3,764,715	£412,738	9.88%
Indicative 2012/13	£3,550,853	£626,600	15.00%
Indicative 2013/14	£3,336,989	£840,464	20.12%
Indicative 2014/15	£3,123,125	£1,054,328	25.24%

- 1.3 The figures in Table 2 incorporate the Sustainable Development Fund which has been supported by Defra to a value of £200,000 per annum since 2002. Over this time the Fund has been ring-fenced; however for 2011/12 onwards, Defra has removed the ring-fence at the request of National Park Authorities. In the letter confirming the National Park Grant offer for 2011/12, Defra stated that it is “for each Authority to determine how much of its budget to commit to the Fund, but we would fully expect each National Park Authority to run an SDF grant scheme of some sort”.
- 1.4 Projections based on the figures provided by Defra indicate a ‘funding gap’ of up to £700,000 in 2014/15, after allowing for a reduced allocation of project funding and Sustainable Development Fund combined from over £900,000 in 2010/11 to £400,000 in 2014/15. To balance the budget the organisation will need to reduce from just fewer than 80 full time equivalent (FTE) core staff posts at the start of 2010/11 to around 60 FTE. This represents a significant challenge for the organisation and will inevitably reduce the capacity to deliver the full range of services and projects that are currently provided.

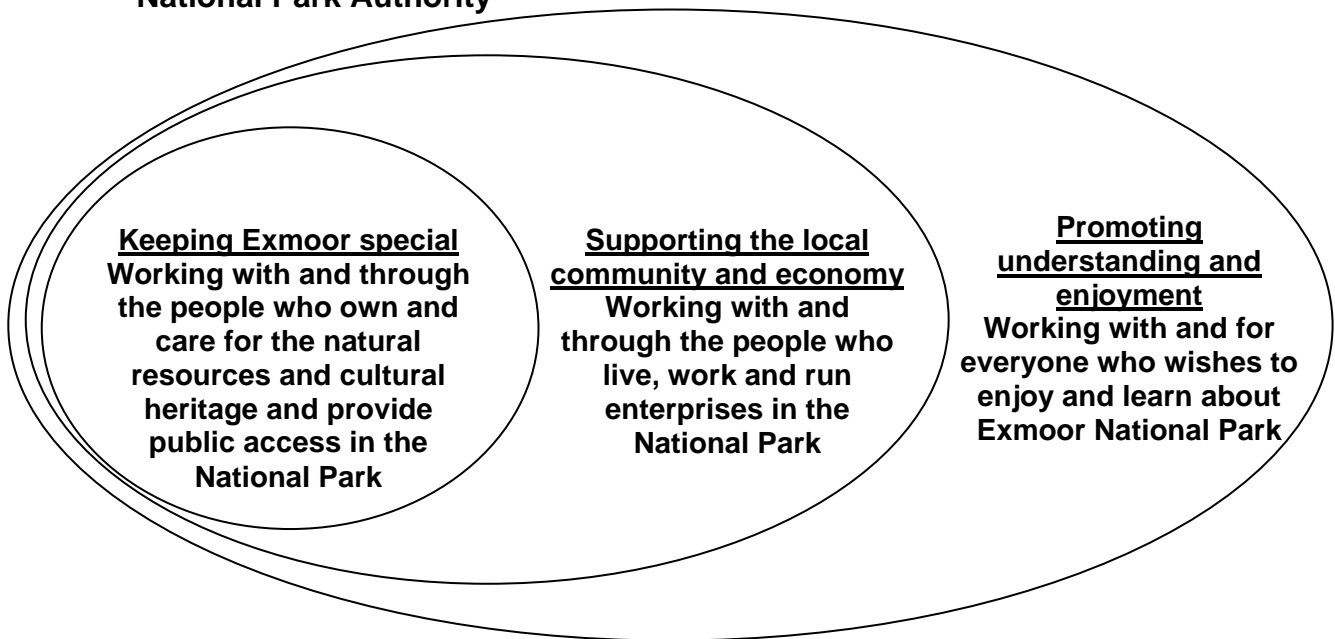
- 1.4 Following the announcement from Defra, the Authority's Spending Review Advisory Panel completed its report setting out the proposed response of the Authority to the new financial circumstances. The report was circulated to staff and members on 21 December 2010 and was made more widely available via the Exmoor National Park website in January 2011.
- 1.5 Staff were invited to respond to the report by 24 January and 19 written responses were received. These have been considered in detail by Leadership Team and staff have been sent a response together with a summary of the proposed changes to the approach set out in the original consultation report.
- 1.6 The majority of the responses received from staff have been supportive of the overall approach and timetable set out in the consultation document and this report now seeks member support for the proposed way forward.

2. A REFOCUSED ORGANISATION - WORKING WITH AND THROUGH COMMUNITIES

- 2.1 It is proposed that the response to the reduction in National Park Grant comprises four main programmes:
 1. Implementation of initial changes in management and organisational structure to refocus the organisation along the lines set out below.
 2. Completion of a review of the Exmoor National Park Management Plan looking forward to the next five years from 2012-2017.
 3. Exploration of options for other ways of achieving Authority objectives and priorities including through delegation, partnership working, joint delivery, shared services and closer working with businesses, voluntary and community organisations.
 4. Implementation of a revised organisation structure to be adopted in April 2012 based on new service priorities and in line with the revised National Park Management Plan and the new financial environment.
- 2.2 The Authority undertook an in-depth review of its staff complement in 2007 and implemented a significant staff change programme at that time. The rationale for that review was the adoption of a new National Park Management Plan which had the active support and engagement of 42 lead organisations and 13 formal partnership initiatives. The review sought to ensure that the Authority was able to focus its staff and financial resources to deliver an ambitious Plan programme without substantially increasing the overall core staff complement which was kept at just below 80 full time equivalent core staff posts.
- 2.3 At the same time, Authority resources were allocated to major projects, partnership programmes and a range of grants in support of the Management Plan objectives and targets. For example, the original budget in 2010/11 included more than £700,000 for projects and programme expenditure. This has enabled the Authority to ensure that its property assets are brought up to a good standard, including refurbishment of the public toilets provided by the Authority, tenanted properties, Exmoor House and the Pinkery Education Centre.

- 2.4 In addition, substantial capital projects such as Lynmouth Pavilion have been made possible and new grant programmes provided, such as that for conservation area enhancement (including over £40,000 in Dulverton and a similar sum for Dunster Action Plan). Partnership programmes have also been enabled, including £158,000 to support the Heritage Lottery funded Exmoor Moorland Landscape Partnership scheme, and the appointment by the Authority of a 3 year post to support implementation of the Department for Energy and Climate Change funded Low Carbon Communities Challenge, worth around £400,000.
- 2.5 The changes implemented in 2007/8 have been highly successful. A skilled, knowledgeable and well-motivated staff team is in place and good progress has been made against the majority of objectives and targets set out in the Management Plan.
- 2.6 Clearly, the large reduction in government funding to the Authority over the next four years means that the current staff complement and programme of activities cannot be sustained and will need to be reduced and refocused. The 5 year review of the National Park Management Plan in 2011 provides an important opportunity to reflect on the changed circumstances.
- 2.7 It is proposed to move the focus of the Authority's work away from project and programme delivery to the provision of support services and new ways of working with and through partners and the communities that the National Park serves. Partnership working has always been a strength of the Authority as exemplified by the partner involvement in delivering the ambitious programme set out in the current Management Plan, and the new focus is intended to build on this experience.
- 2.8 It is therefore envisaged that the Authority will put an increased emphasis on the efficient delivery of services and working with and through key communities comprising the people we serve and who care for the National Park. The primary communities are considered to be:
- Owners and managers of land and heritage assets in the National Park
 - Wider resident community and people who live and work in the National Park
 - People who make use of the opportunities for learning and enjoyment that the National Park provides be they local residents in or close to the National Park and visitors from further afield – the 'users' of the National Park.
- 2.9 Figure 1 sets out the key audiences and the revised grouping of National Park services and functions is summarised at Appendix 1.

Figure 1 – The key communities providing the focus for future work of the National Park Authority



2.10 The rationale for the proposed revised organisational structure is to:

1. Focus staff effort on service provision and develop effective engagement of land managers, local community and National Park users.
2. Deliver corporate support functions and statutory services as efficiently as possible, including outsourcing, shared services and joint delivery where this is most cost effective and can deliver the appropriate standard.

2.11 In a phased transition to the new structure, the proposal is to reduce the Leadership Team from 5 to 4 including the Chief Executive and heads of the 'externally facing' sections. The Leadership Team will receive advice and support from the Head of Customer Services & Personnel and Head of Finance & Resources. Other managerial posts will reduce in number as the staff structure moves to a flatter one with a reduced overall staff complement and increased number of people reporting directly to members of the Leadership Team.

2.12 In addition, given the importance of managing the transition to a smaller, refocused organisation by 2014/15 as effectively as possible, it is proposed to establish a small 'transition project team' for the next two financial years. As well as assisting in organisational change, this project team will support the review process for the National Park Management Plan and the National Park Authority Performance Assessment scheduled for October 2012.

2.13 The proposed leadership team from 1 March 2011 is set out in table 2.

Table 2 – Proposed composition of Leadership Team from 1 March 2011

	Current post
Chief Executive	Chief Executive
Head of Support Services to Land Managers	Head of Conservation & Land Management
Head of Support Services to the Community	Head of Planning & Community
Head of Support Services to National Park Users	Head of Information & Access

- 2.14 Following establishment of the new leadership team on 1 March 2011, it is proposed to bring together staff in the new sections from 1 April 2011. In allocating posts to the new sections an assessment has been made of the 'primary' audience for that post, e.g. land manager or National Park user etc. It is understood that many posts, such as Rangers and Sustainable Economy Officer, provide services to a range of external audiences. Whatever section a post falls within for day-to-day line management purposes, it will be critical that all staff are flexible in approach and work to support the Authority's overall aims and priorities.
- 2.15 If the revised approach is approved by the Authority on 15th February 2011, there will be a revision of all staff job descriptions to reflect new line management arrangements. The process for establishing the two 'in-house' support sections and the three externally focused sections will be based on differing timetables with the aim of establishing the revised in-house support services at the earliest opportunity.
- 2.16 The revised organisational structures and job descriptions for the in-house support sections (i.e. 'Customer Services & Personnel' and 'Finance & Resources') will be published for consultation in April 2011 with the aim of adopting the new structures during July 2011.
- 2.17 It is proposed that the organisational structures and revised line management arrangements for the new 'Support Services to Land Managers'; 'Support Services to the Community', and 'Support Services to National Park Users' sections will come into effect from 1 April 2011. The focus in the new sections will be developing and implementing the business plan for 2011/12 and enabling staff to engage in the review processes that will be taking place.
- 2.18 Over the course of the year, the Authority will be facilitating a review of the National Park Management Plan, reviewing its own priorities: supporting and developing new partnerships, and examining new ways for achieving National Park purposes. The ultimate composition of the three externally focused sections will depend on the outcome of these review processes and will be set out for consultation on 1 February 2012* for implementation from 1 May 2012* (*dates subject to revision).

3. TIMETABLE FOR ORGANISATIONAL CHANGE PROCESS

3.1 The following timetable is proposed to implement the organisational changes required to adapt to the new financial environment created by the reductions in National Park Grant:

1 March 2011:

- establish revised Leadership Team
- commence review of all staff work programmes to reflect changes in line management and to provide the basis for the forthcoming twelve months from 1 April 2011
- commence review of organisational structures for administration and in-house support functions – i.e. ‘Customer Services & Personnel’ and ‘Finance, Property & ICT Services’

1 April 2011:

- implement moves to new sections and new line management arrangements (see table 5 above)
- finalise service plans and business plan for 2011/12
- consult on proposed new organisational structures for administration and in-house support functions – i.e. ‘Customer Services & Personnel’ and ‘Finance, Property & ICT Services’
- undertake a detailed review of other ways of achieving Authority objectives and priorities including joint working, partnership development and delegation, etc with completed assessments by 30 November 2011
- commence a review of the Exmoor National Park Management Plan looking forward to the next five years from 2012-2017 with target completion date of 31 December 2011

1 July 2011:

New organisational structures for administration and in-house support functions to come into operation

1 February 2012:

Consult on proposed organisational changes based on new service priorities and in line with the revised National Park Management Plan and the new financial environment for the 3 outward-facing sections, i.e. ‘Support Services to Land Managers’; ‘Support Services to the Community’, and ‘Support Services to National Park Users’

1 May 2012:

Implement organisational changes based on the responses to the consultations.

4. FUTURE MANAGEMENT OF 'DISCRETIONARY' FUNDING

- 4.1 In paragraphs 2.3 and 2.4 reference was made to the use of resources for a range of projects and partnerships aimed at furthering the delivery of National Park purposes. The funding for these initiatives is generally referred to in the Authority's Medium Term Financial Plan as 'discretionary funding' given the flexibility that surrounds the use of the funds. Increasingly, the Authority has sought to use this funding to support communities and local organisations to undertake projects that deliver National Park purposes and are locally supported.
- 4.2 In addition, since 2002, local organisations and businesses have been able to bid into a separately managed 'Sustainable Development Fund' provided by Defra and ring-fenced within the National Park Grant settlement. Decisions on applications for support from the Sustainable Development Fund have been based on recommendations from a Sustainable Development Fund Independent Grant Advisory Panel, comprising two Authority members and up to nine independent members.
- 4.3 To enable Authorities to use reducing funds more flexibly, as part of its grant fund settlement for 2011/12 Defra agreed to remove the ring-fence from the Sustainable Development Fund. In doing so, Defra states that it is "for each Authority to determine how much of its budget to commit to the Fund, but we would fully expect each National Park Authority to run an SDF grant scheme of some sort".
- 4.4 Consistent with a new focus of the Authority on its key communities, greater emphasis on 'localism' and working in new ways, it is proposed that future management of the combined Sustainable Development Fund and a proportion of the Authority's discretionary funds should be managed as a 'single pot', which would be open to a wide range of bids in a similar way to the current Sustainable Development Fund.
- 4.5 Authority projects would also need to 'bid' into the fund alongside proposals from communities and external groups. The focus for the funding should remain one of achieving National Park purposes with a weighting to projects that also provide community and economic benefits.
- 4.6 If Members support this approach, it is proposed that it be introduced at the start of the 2011/12 financial year. Currently, of the nine independent member places on the SDF Independent Grant Advisory Panel, there are three vacancies, and two of the six in-post independent members are due to retire this year (having served the maximum of two 3-year terms). It would be possible to make a transition to the new arrangements by revising the membership of the panel to include more Authority members rather than seeking five new independent members. Alternatively, members may wish to move to a sub-committee of the Resources & Performance Committee or some other arrangement for managing the 'single pot'.

Nigel Stone
Chief Executive
February 2011

Background papers on which this report, or an important part of it are based, constitute the list of background papers required by Section 100 D (1) of the Local Government Act 1972 to be open to members of the public comprise:-

Exmoor National Park Authority spending review 2010/11 to 2014/15 – Spending Review Advisory Panel report and proposals. Exmoor National Park Authority. December 2010

Outline of the proposed organisational structure from 1 April 2011

Section	Focus	Functions / services
Support Services to Land Managers	<u>Keeping Exmoor special</u> Working with and through the people who own and care for the natural resources and cultural heritage and provide public access in the National Park	<ul style="list-style-type: none"> • Farming. Forestry and field sports liaison • Land management – moorland, woodland, coast and farmland • Landscape and wildlife conservation • Conservation of the historic environment • Public access management • Website for land managers
Support Services to the Community	<u>Supporting the local community and economy</u> Working with and through the people live, work and run enterprises in the National Park	<ul style="list-style-type: none"> • Sustainable / low carbon economy linked to Exmoor's special qualities • Community planning • Development Management • Website for the resident community including planning services • Tourism business liaison
Support Services to National Park Users	<u>Promoting understanding and enjoyment</u> Working with and for everyone who wishes to enjoy and learn about Exmoor National Park	<ul style="list-style-type: none"> • Visitor liaison • Volunteer support • Information provision • Schools and colleges • Communications • Events and festivals • CareMoor • Website for National Park users
Customer Services and Personnel	<u>Customer services</u> Providing excellent customer service and high levels of customer satisfaction for people making contact with the Authority	<ul style="list-style-type: none"> • Customer service • Centralised administration support • Personnel • Member services • Freedom of Information • Corporate website • Complaints • Health & Safety policy • Equalities • Staff development and training
Finance and Resources	<u>Achieving high standards in financial management and ICT support and the best use of Authority land and property assets</u> Providing a high quality service to tenants and users of Authority assets and securing optimal financial return	<ul style="list-style-type: none"> • Financial management and annual accounts • Internal audit • ICT services • Asset management including all land and property • Facilities management • Offices and staff accommodation