

North York Moors National Park Authority Finance, Risk, Audit and Standards Committee

Public Minutes of the meeting held at The Old Vicarage, Helmsley on Monday 7 September 2015.

Present:

Jim Bailey, Andy Breckon (Independent Member), Malcolm Bowes, Ena Dent, Michael Dick, David Jeffels, Christopher Massey, Caroline Patmore, Ted Sanderson, Jeremy Walker.

Apologies:

Andrew Scott

Officers in Attendance:

Andy Wilson (Chief Executive), Irene Brannon (Director of Corporate Services), Ian Nicholls (Assistant Director of Corporate Services), Chris France (Director of Planning), Mark Hill (Head of Development Management), Richard Smith (Authority Solicitor), Tom Stephenson (External Funding Officer), Vanessa Burgess (Committees Officer), Ian Morton (Veritau), Rob Walker (KPMG), Rashpal Khangura (KPMG), Suzanne Truman (NYCC Accountant)

Copies of All Documents Considered Are In The Minute Book

David Jeffels informed members that after 7 years, he was standing down as Chair, of FRASC. He thanked everyone for their support during his time as Chair, especially Irene Brannon for her invaluable help. David Jeffels proposed Jeremy Walker to succeed him as Chair and this was seconded by Ted Sanderson and agreed by all other FRASC members.

31/15 Election of Chair

Resolved:

That Jeremy Walker be elected Chair of FRASC, to take office until the first meeting of FRASC following the Annual General Meeting of the Authority.

Jeremy Walker thanked David Jeffels and all FRASC members for their show of support and kind words.

Jeremy Walker In The Chair

Jeremy Walker proposed Caroline Patmore as Deputy Chair of FRASC. This was seconded by Ted Sanderson.

32/15 Election of Deputy Chair

Resolved:

That Caroline Patmore be elected Deputy Chair of FRASC, to take office until the first meeting of FRASC following the Annual General Meeting of the Authority.

33/15 Minutes

Resolved:

That the public minutes of the meeting held on 1 June 2015, having been printed and circulated, be taken as read and be confirmed and signed by the Chair as a correct record.

34/15 Members Interests

Members were reminded of their responsibility to declare any personal and prejudicial interests relating to any agenda item prior to its consideration.

35/15 Exclusion of the Public

Resolved:

That the public be excluded from the meeting during consideration of each of the items of business shown in column 1 of the following table on the grounds that each involves the likely disclosure of exempt information as defined in the paragraph of Part 1 Schedule 12A to the Local Government Act 1972 specified in column 2:-

Item No on the Agenda

Paragraph No

18

1,2,3,4

19

1,2,3,4

20

1,2,3,4

36/15 Internal Audit Annual Report 2014/15

Considered:

The report of the Director of Corporate Services.

Irene Brannon informed members that the Authority had received substantial assurance on arrangements from Veritau.

Ian Morton (Veritau) informed members that, at Irene Brannon's request, one piece of working on Benchmarking had been delayed until later this year.

Members commented on the following:

- Highlighted a discrepancy between Appendix A and B of the report concerning the Assurance levels under H&S.
- Culture in relation to H&S
- Use of terminology in reports "maybe"
- Feedback given to Auditors by members – excellent, although weaknesses with IT disaster recovery.

Ian Morton and Irene Brannon, apologised for the discrepancy and advised that the assurance level should read "Substantial Assurance". Irene advised members that some actions in relation to H&S had already been implemented/taken forward. It wasn't simply a desk exercise the Auditors had seen H&S in operation. She added that a recent change to the Volunteer Strategy was also helping to ensure that any H&S issues were being picked up.

Ian Morton (Veritau) informed members that the Auditors had spoken to Authority staff. The Auditors main concern was documentary evidence, this element needed tightening up.

Irene Brannon informed members that Directors had received some H&S training via NYCC and this training was also being cascaded to staff. Members too would be receiving H&S training as part of their October training day.

Ian Morton (Veritau) told members that the IT disaster recovery plan was not as good as they had expected. Ian had met with the ICT Manager to talk through areas where improvements could be made.

Irene Brannon informed members that the Authority recognised that the IT plan and the Business Plan needed to be more integrated. Budget had been allocated to “test” the IT systems.

The Chief Executive advised members that although the Authority had a “can do” culture, H&S was taken very seriously which included spot checks in the field.

Action: Irene Brannon to send members a brief summary on the contents of the full report. Progress on outstanding H&S issues to be discussed at next FRASC meeting in November.

<p>Resolved: Members noted the content of the report, stating it was pretty strong. Outstanding H&S issues to be discussed at next FRASC.</p>
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37/15 **Internal Audit Plan 2015/16**

Considered:

The report of the Director of Corporate Services.

Ian Morton (Veritau) informed members that the Audit Plan for the coming year would be a 30 day plan and would include a follow up audit of the ICT disaster recovery plan. Two main items for the coming year would be Procurement and the Grants process.

Irene Brannon informed members that re: Benchmarking, the Authority has decided not to undertake a repeat of previous years. Quality comparative data was needed, but it was proving difficult to find other NP's who were undertaking adequate benchmarking, to use as comparative data. Can't follow this para.

Jeremy Walker asked if there was any collaborative working between National Parks.

Irene Brannon informed him that currently there wasn't and so the Authority had to pay from its own budget.

Ian Morton informed members that if the benchmarking doesn't happen, then performance management work may need to take place. He went on to say that the majority of the Audit work would be carried out at the end of October.

Irene Brannon agreed that a proposal would be brought back to the next FRASC meeting in November.[on what?- on benchmarking but not had chance to progress]

Resolved: Members noted the contents of the report and approved the plan.

38/15 **Draft Statement of Final Accounts 2014/15**

Considered:

The report of the Senior Accountant.

Suzanne Truman, Senior Accountant NYCC, talked members through a presentation of the draft final accounts. She advised members that there had been no major changes to the accounting policies, only the split between general reserves (£0.4 m) and earmarked reserves (£1m). Pensions liability had increased by £2.4m.

Irene Brannon, Director of Corporate Services, thanked Suzanne and colleagues in the finance team for all their hard work.

Members remarked on the following:

- The large shift from General Reserves into Emergency Reserves, presentation misleading, difficult to know what exactly is in the bank.
- Increase in pensions liability, how vulnerable does this make the Authority?
- Authority budget underspend

Suzanne Truman explained the query regarding the reserves as being non-usable and usable reserves, but offered to make the breakdown more transparent in future, by showing the split between general and specific.

Irene Brannon informed members that as Members had agreed in May £100k had been moved into the emergency reserves to provide funds for possible legal challenges in relation to the Potash application.

Suzanne Truman informed members that pension liability had increased from 73% in 2013 to 78% in June 2015, but that it was simply a “snap shot in time”. The Auditors went on to assure members that this same picture was being replicated across the whole of the Country.

The Chief Executive spoke to members about the situation re: underspend, saying that it was partly due to generated income and Government Grants arriving late in the year and partly due to some poor performance and the Chief Executive had spoken to Directors about this.

Resolved: Members commented on the Draft Statement of Final Accounts for the financial year ended 31 March 2015 which would be subject to approval at September Authority incorporating any amendments which may be agreed with the auditors in the interim.

39/15 **Finance Update**

Considered:

The report of the Finance Officer.

Director of Corporate Services, Irene Brannon presented the Finance Update to members. She asked members to note that, as previously agreed with members; the

appendices to the report were now presented in a different format, so making the information more accessible to members.

Members asked about the following:

- The Tour de Yorkshire's impact on retail sales and car parking within the National Park.
- RoW budget
- Virements – York Potash and Supplies and Services

Irene Brannon informed members that although no formal research had been carried out by the NP regarding impact of TdY etc., there had been an increase in popularity of cycling at Sutton Bank Visitors Centre, which could be linked to the Tour de France and TdY. With regard to RoW budgets, the Authority was monitoring the new ways of working closely.

Regarding the virements, Irene Brannon advised members that the virements were due in part to the York Potash application, the Authority needed to factor in a final payment for AMEC work. However, some of these costs, for staff work/time would be recovered from York Potash. The large virement for supplies and services was made up of a number of things such as MMS, plus extra spend in carry forward.

Action: Irene Brannon to provide more detailed information on virements in future appendix tables.

Resolved: Members noted the content of the report, and approved the virements.

David Jeffels left the meeting at 11.05am

40/15 **Financial Planning Update**

Considered:

The report of the Director of Corporate Services.

Before a presentation to members by Irene Brannon, the Chief Executive, Andy Wilson advised members on the current situation regarding the NP Grant from Defra. He told members that it was proving difficult to obtain settlement information before Christmas and it may not happen until January or February 2016 which would make Business Planning by June next year doubtful. There might be the possibility of a 3 or 4 year settlement from Defra, but as yet nothing had been confirmed. Unprotected Departments had been asked to look at cuts of 25 and 45%.

Irene Brannon presented members with two options, regarding the production of the next Business Plan

Members commented on the following:

- Challenges/uncertainty ahead, not a good time to opt for a four year Business Plan
- Pending compensation from York Potash
- Concerns about using Reserves

Officers spoke about the possible scenario of a sharply decreasing core income, which would have implications around tasks the Authority continues to do and tasks

that are no longer undertaken. The process could only be managed with the help of members' input/future discussions.

Action: Jim Bailey to circ related NPE paper to members – public position about challenges facing National Parks.

Resolved: Members noted the contents of the report and commented on the principles and proposed approach to Business Planning. The members preferred option to present to Authority was option B – postpone the Business Plan again and produce a further one year interim Business Plan focusing on the 16/17 budget only, followed by a full Business Plan by June 2017 covering a three to four year settlement.

41/15 **External Funding**

Considered:

The report of the External Funding Officer.

Tom Stephenson, External Funding Officer, updated members on the work currently being undertaken to secure external funding to help support the Authority's work.

Tom updated members as follows:

- VIP – Landscape Enhancement Initiative – Policy document due soon, hopefully funding will open by year end.
- Moors Centre – Outdoor classroom, delayed until next year, dependant on future cuts.
- Health and Wellbeing – NYCC declined to take part, Redcar and Cleveland yet to decide. Project may not go ahead.
- Lifecycle – “short coming” in 2015/16 submission. Need to revisit the criteria for the application.
- MMS 3 – Now in delivery
- NYM Rural Coastal Communities Team – now being established.
- Local Growth Plan – Working to November for next stage of application.

Tom talked members through the proposed future approach when developing and prioritising projects.

Michael Dick left the meeting at 11.55am

Members commented on two things:

- Constraints facing LEADER
- Demands on Staffing/Resources in relation to Grant work

Resolved: Members approved the contents of the report, the current work being done to secure external funding and the future approach outlined to developing and prioritising projects.

42/15 **Update on Standards and Members Code of Conduct**

Considered:

The report of the Monitoring Officer.

Richard Smith, Authority Solicitor, referred Members to the current Code of Conduct and asked if they wished to keep as currently drafted, or request that the Monitoring Officer and the Authority's Independent Person, look to relax the current Code in line with the minimum provisions required by the Localism Act 2011.

Resolved: Members noted the Authority's Standards regime and provided views on the retention of the Authority's existing Code of Conduct; and Members noted the importance of maintaining high ethical standards and complying with the Authority's Code of Conduct. Members opted to retain the current code of conduct and agreed that some refresher training on the code would be useful.

Action: Richard Smith, Authority Solicitor, to carry out Code of Conduct refresher training with members.

43/15 **Risk Management Strategy Update**

Considered:

The report of the Director of Corporate Services

Irene Brannon updated members.

One member asked if there was a possibility of the Minerals Planning (York Potash) reverting to a High Risk category again.

Irene Brannon advised members that the risk category for Potash was dependent on any Judicial Review challenge.

Resolved: Members noted the contents of the report and the appendices.

44/15 **Member Training in 2014/15 and Programme for 2015/16**

Considered:

The report of the Committees Officer

A brief discussion took place over the members' appraisal process. Whilst it was considered an element of good governance, members agreed that the process should take place once every two years rather than yearly, although members, particularly newer members, were encouraged to chat through issues/concerns as and when they arise.

Resolved: That

- a. Members gave their views on the proposed training programme;
- b. Subject to the appraisal meetings being amended to once every two years, members agreed the proposed training programme for 2015/16.
- c. Members noted the review of training in 2014/15.

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| d. Members act upon appraisal meeting requirements in 2016-17 period.
e. Members provide officers with any feedback from their one to one discussions. |
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45/15 **York Potash S106 Agreement – Verbal**

Andy Wilson, Chief Executive informed members that the agreement was not yet finalised and said that the Authority needed professional support with the legal aspects of the agreement and conditions. The Authority had engaged the services of Savills and Nabarro to assist with the specialist elements of the work.

Chris France, Director of Planning updated members on the following:

- Rapid progress made over the summer
- Savills/Nabarro working well
- More conditions than on original draft – issues such as noise, surface drainage etc. New conditions “whatever the mitigation must be delivered”[?]
- S106 – legal due to get final to York Potash by end of the week?
- Environmental risk not significant (water pressure)
- Better designed buildings, metal sheeting replaced by timber
- Good progress, on track

.....(Chair)
23 November 2015

**Public Summary of Items considered "in private"
at the meeting of the Finance, Risk, Audit and Standards Committee
on 7 September 2015**

Private Minutes

Members agreed that the private minutes of the meeting held on 1 June 2015, having been printed and circulated, be taken as read and be confirmed and signed by the Chair as a correct record.

Complaints and Compliments Update

Members considered the report of the Committees Officer which set out the details of the complaints and compliments received since the last report. Members noted the report.

Staffing update

The Assistant Director of Corporate Services, updated members on possible future staffing matters.