

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 21 November 2016.

Present:

Malcolm Bowes, Ena Dent, David Jeffels, Christopher Massey, Caroline Patmore, Ted Sanderson, Jeremy Walker.

Apologies:

Jim Bailey, Michael Dick, Andrew Scott

Officers in Attendance:

Andy Wilson (Chief Executive), Richard Gunton (Director of Park Services), Irene Brannon (Director of Corporate Services), Chris France (Director of Planning), Ian Nicholls (Assistant Director of Corporate Services), Michael Graham (Assistant Director of Park Services), Jo Swiers (Performance Consultant), Tom Stephenson (External Funding Officer), Richard Smith (Authority Solicitor), Karen Iveson (NYCC, s151 Officer), Sandra Strickland (NYCC, Accountant), Vanessa Burgess (Committees Officer)

48/16 Minutes

Resolved:

That the public minutes of the meeting held on Monday 5 September 2016, having been printed and circulated, be taken as read and be confirmed and signed by the Chair as a correct record.

49/16 Members Interests

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

50/16 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

17	1,2,3,4
18	1,2,3,4
19	1,2,3,4
20	1,2,3,4
21	1,2,3,4

51/16 Annual Audit Letter

Considered:

The report of the Director of Corporate Services.

Karen Iveson, reported a good result and expressed her thanks to Irene Brannon and the Finance Team for all their hard work. Andy Wilson thanked KPMG. Members also expressed their thanks to all concerned.

Resolved: Members accepted the content of the report and Appendix .

Ena Dent arrived at 10.10am

52/16 Changes to the Arrangements for the Appointment of External Auditors

Considered:

The report of the S151 Officer.

Andy Wilson informed members that the Authority had hoped there might be an option to appoint a small/local company, but in reality 'a sector-led body' seems the best option, though cost needs to be a consideration.

Karen Iveson explained to members how 'a sector-led body' would operate, saying that PSAA would appoint following a procurement exercise. Karen informed members that due to the Authority having "Stewardship of Public Funds" it was right that the Authority didn't appoint its own Auditor.

Members commented on the following:

- Procurement should offer a competitive price
- Possibility of shared Auditors across a number of NP's, help to keep costs down
- Option to review if Authority/Auditor relationship doesn't work well

Action: Karen Iveson agreed to flag these points with PSAA on behalf of the Authority.

As the LGA would be carrying out the negotiations, Andy Wilson said it was important for the Authority to try and make sure that costs to larger Authorities weren't applied to our smaller organisation. Irene Brannon informed members that colleagues in other NP's had been contacted as the Authority thought a joint approach would be useful.

Christopher Massey declared a non-prejudicial interest in LGA

Resolved: Members noted the appointment of KPMG LLP as the Authority's Auditors for the financial year 2017/18.

Subject to confirmation of the proposals by the Local Government Association, it is recommended that this Committee recommend to full-Authority in December that North York Moors National Park Authority opt-in to 'a sector-led body' for the appointment of external auditors where the current transitional arrangements expire.

Members resolved that Officers should endeavour to ensure that the PSAA Ltd procurement process is clear about the requirements for the audit of National Park Authorities. In particular Members would like to make the following points:

- that the costs should demonstrate value for money and cost savings,
- ideally there is merit in appointing the same auditor to a number of National Park Authorities
- and clarification of processes to be followed if the Authority is not satisfied with auditor performance during the five year term.

53/16 Finance Update

Considered:

The report of the Accountant NYCC.

Sandra Strickland updated members stating that due to additional items of spend being made to offset underspend, the Authority was now predicting a small overspend. Meetings had taken place with budget holders and a number of projects had now been re-profiled. A brief discussion followed on predicted outturn, though Members were informed that they would be given a more detailed update on outturn at February FRASC. Irene Brannon reminded committee members that the figures being discussed only represented the first 6 months of the current financial year, and Members would be given a more detailed assessment later in the year.

Members commented/asked the following:

- Greater spend on bridleway project was good news, but would there be more spend generally on RoW?
- Spend on toilets/ability to join grant scheme – concern.
- Is the Authority under increasing pressure to come in on budget?
- Village caretakers (PC's) – funding reductions
- Underspend on Natural Environment Grants – challenging, ongoing problem
- 40 k New equipment costs – concern

Officers explained that there had been an underspend on toilets last year; the Authority was able to maintain standards with less budget. There would be no extra money in general for RoW, all current funding will be spent, and the extra money was for 1 specific bridleway project.

Irene Brannon advised members that budget holders had been informed that funds would be reallocated if they weren't spent. Also, with regard to Village Caretakers, more money had been made available initially, but there had been very little uptake from PC's. Greater communication needed to take place.

With regard to the Natural Environment underspend, the Chief Executive explained to members that Grant publicity can take place at different points in the year, the profile would be changed for next year to bring spending forward.

Action: Officers to provide members with more detailed information on Natural Environment underspend at February FRASC.

Irene Brannon informed members that the £40k equipment costs were to cover two items; the replacement of a pickup truck and the purchase of a digger. Irene went on to advise members that, concerning spend on toilets, more capital money would be available later in the year for refurbishments. Grants will also continue to be given to PC's to maintain toilets and money would be included in the next Business Plan to carry this on in the future. Irene informed members that there were now signs that the Authority's rate of spend was increasing.

Action: Officers to check on scheme re: toilets and PC's and advise Parish member Mr Ted Sanderson.

Resolved: Members noted the content of the report and requested that Officers update members in relation to Natural Environment underspend and expenditure on toilets at February FRASC.

54/16 **Business Plan Financial Resources**

Considered:

The report of the Director of Corporate Services

Irene Brannon updated members:

- Further work been carried out since Oct NPA meeting
- Pension fund, more detail to be provided to members in the New Year.
- Ryevitalise Project – draft figures included
- Reserves currently at £1.9 million

Some discussion followed on the mid-term financial strategy assumptions. Andy Wilson advised members that the figures shown were to help the Authority better plan, have a better grasp of how the organisation may change/what the financial demands might be.

Members commented on the following:

- York Potash – S106 monies being 'passported' to other organisations
- Inflation contingency – as part of main budget
- Grants and surveys – robustness, value for money

The Chief Executive informed members that the areas of spend in relation to S106 money included; Tourism – via SLA's, some direct funding to Police services, some staffing costs to undertake work. Updated information regarding S106 can be found on the Authority's website.

Regarding Inflation contingency, Irene Brannon informed members that money had been put aside to aid smooth transfers in and transfers out.

Resolved: Members commented on the content of the report as detailed above, and Approved the reserves detailed in paragraph 4, pending final resolution in the full MTFS.

55/16 **Mid-Year Treasury Management Review**

Considered:

The report of the S151 Officer

Karen Iveson informed members that returns were currently averaging at 0.64%, which was poor and frustrating. However, NYCC continued to look for opportunities for investment.

Members asked the following:

- Esk hydro power scheme had been a good investment for the NP, had any more work been done to try and find other businesses with related Park purposes in which Authority money might be invested?
- Could the Authority possibly lend money to the NYMNP Trust?

Karen informed members that other businesses hadn't been considered yet, but this was a possibility going forward. So too was the option for the Authority to lend money to itself to invest in projects. Work was also being undertaken at NYCC regarding opportunities via an investment pool.

Resolved: the Finance, Risk, Audit and Standards Committee:
Noted the position on the Authority's 2016/17 Treasury Management activities up to 30 September 2016.
Approved the revised Prudential Indicators for the period 2016/17 to 2018/19, as set out in **Appendix B** including the revised Prudential Indicator 4 – Authorised Limit for External Debt for 2016/17 of £428.3k.

56/16 **External Funding**

Considered:

The report of the External Funding Officer and the Director of Conservation

Tom Stephenson updated members, highlighting changes to the report format. He asked members to note one correction to a figure in the table at the bottom of page 51 of the agenda, 124k should read 36k. The Chief Executive and Members thanked Tom for all his time and effort spent improving the report format and asked Tom to pass on thanks to the whole team in relation to the Ryevitalise project.

Resolved: Members approved the contents of the report, noting the correction. They noted the changes to the report format and agreed to the current work being done to secure external funding.

57/16 Risk Management Strategy Update

Considered:

The report of the Assistant Director of Corporate Services

Ian Nicholls updated members:

- Need for sufficient staff to properly resource S106 work
- Volunteer Strategy – implications for the Authority and strategic risk
- A full review of strategic risk would be done in Jan 2017 and reported back to FRASC in February.

Resolved: Members considered the Risk Register in the light of the contents of paragraph 3.2 – 3.4 and
Noted the revised timescale for developing the Business Recovery Plan.

58/16 Monitoring of Performance Indicators

Considered:

The report of the Performance Consultant

Jo Swiers updated members.

Resolved: Members noted the contents of the report.

59/16 Performance Framework

Considered:

The report of the Performance Consultant

Jo Swiers gave members some background information to the work which she and other colleagues had been doing in relation to Performance.

Members commented on three main areas; the importance of scrutiny, development in the NP and the importance of linking PI's to the management plan. Members thought a 1 page update, making use of the traffic light system would be helpful for future presentations.

Resolved: Members approved the draft performance framework model as a basis for setting out the Authority's approach to organisational performance management.

60/16 Further Analysis of Results from the NYMNP 2016 Residents' Survey

Considered:

The report of the Performance Consultant

Jo Swiers highlighted 2 areas from the Survey:

- Communication about Authority work – improved
- Fairness of decisions on Planning – more people were dissatisfied, but overall satisfaction with the Planning Service had improved.

Resolved: Members noted the results of the survey.

61/16 **Provision of Legal Advice on York Potash Project – Nabarro LLP**

Considered:

The report of the Solicitor

The Chief Executive informed members that it was in the Authority's interest to continue with Nabarro, especially as they were in Band 1 chambers.

Members agreed, but asked that the situation be reviewed every 12 months.

Resolved: Members authorised Officers to carry out the actions stated at paragraphs 4.1, 4.2 and 4.3 of the report and asked that the situation be reviewed every 12 months.

..... (Chair)
6 February 2017

**Public Summary of Items considered "in private"
at the meeting of the Finance, Risk, Audit and Standards Committee
on 21 November 2016**

Private Minutes

Members agreed that the private minutes of the meeting held on Monday 5 September 2016, having been printed and circulated, be taken as read and be confirmed and signed by the Chair as a correct record.

Health and Safety

Members were updated on the Authority's Permit to Work and spot checking systems and the actions taken to ensure that the Volunteer Service continues to operate safely.

Staffing for the delivery of the York Potash Section 106 Agreement

Members gave their views on the proposed new post to support York Potash Section 106 Agreement work

Sutton Bank National Park Centre

Members discussed the proposals in relation to the expansion of facilities at Sutton Bank National Park Centre

Complaints and Compliments Update

Members were updated on the details of the complaints and compliments received by the Authority in Quarter 2 of 2016/17.