

Committee: FINANCE AND RESOURCES

Date: 9 May 2007

Report OPPORTUNITIES FUND: SPENDING PROPOSALS

Purpose of report

1. To seek Members views on the allocation of current reserves to additional project spending in 2007/08.

Background

2. Assuming that members have agreed to retain a contingency reserve of £250k (dealt with in the previous agenda item), this leaves a total sum of **£389k** as unallocated reserves to be transferred to the Opportunities Fund.

3. The following paper lists proposals sponsored by the Senior Management Team which could be funded from the Opportunities Fund, and also considers the arguments for creating a 'general reserve' in the light of likely future funding settlements.

4. As in previous allocation exercises, it needs to be reiterated that the 'Opportunities Fund' represents all of the Authority's unallocated monies (excluding the contingency reserve), so while there may be a presumption that this money should be biased towards new opportunities (and, specifically, match-funded grants), it is also the only mechanism to support additional spending that may relate to the Authority's own operations or infrastructure (particularly, capital bids). It will also, from time to time, be the only source from which additional funds for approved budgets can be obtained, in instances where the original assumptions behind those budgets (such as the rate of inflation on insurance products, to quote a past example) prove erroneous.

5. At present, there are no known 'mis-budgetings' that need to be taken account of. However, Members may have a view as to whether an amount of unallocated reserve should be retained, regardless of the detailed spending proposals. There are currently three possible reasons for retaining such unallocated reserves:

- (i) The anticipated level of increase in the annual DEFRA for next year (and possibly the two years thereafter) is likely to be 0%. This means that we will have to manage inflation through spending cuts; current inflation figures are around 4% (for the Retail Price Index) and just below 5% (for salaries; a figure comprising the annual pay award, plus incremental salary progression). The current 2008/09 draft budget includes an assumption that, were the DEFRA grant increase to be zero, a deficit of £93k would result; this deficit increases to an annual total of £263k in 2009/10. Obviously, these are only draft budgets,

and spending will be adjusted to take account of what money is available, but these figures do emphasise the impact of inflation on our plans over the next to three years.

There is a strong argument that the Authority should plan to trim its activity to match available income, particularly since 'cushioning' the impact of a £nil settlement for one year would lead to a proportionately greater problem in the following year.

- (ii) The current assumption for the annual inflationary pay award (a figure agreed at national level for local government) is 2.5%. This has yet to be settled: the Employers' Organisation has offered 2%, and the representative unions have asked for 5% (or £1000, if that is greater). With the Government's preferred measure of inflation running at around 3%, and the Retail Price Index nearer to 4%, it could be anticipated that an award above 2.5% is a real possibility. However, because of the Authority's commitment to maintaining the ratio of Staff costs: DEFRA grant at 70%, any increase in pay award above 2.5% will require equivalent cost savings elsewhere in the staffing budget.
- (iii) The 'Turntable' project. This is a project to redevelop the Dales Countryside Museum facility, a proposal which at the moment is subject to feasibility work by business consultants, paid for by external grant income. If this evolves into a major capital project, with redevelopment of the site, it could be useful to earmark a reserve for that work. However, as the outcome of the feasibility work (and business case planning) is still some way off, and because a facility for the Authority to undertake borrowing (under the Prudential Code) now exists, it would arguably be more appropriate to borrow for this project, matching the repayments to planned income streams, so that the project is self-justifying.

6. There are, of course, counter-arguments to those presented above. However, assuming that Members approve the spending proposals in the following paper, this will still leave a balance of **£200.5k** which could be used to meet these contingencies. However, the main value of this residual amount is as potential contributions for future external funding opportunities. As members will be aware, the approach to seeking grant funding, and in particular the way in which assistance is sought from the grant experts at YDMT, is being refreshed. It is anticipated that future external funding opportunities should arise: they will certainly be sought. These opportunities should make better use of the remaining balance than, say, increases to spending in current areas of activity, so there is real value in having a sum of this size available at the start of the year, ready to secure such opportunities.

Spending Proposals

7. Full descriptions of the proposals contained in the following table can be found in **Appendix A**, all of which have been discussed by the Senior Management Team. It is **recommended** that Members consider these proposals for approval, and allocate money accordingly within 2007/08.

8. Although the allocation of 'programme priorities' to these proposals gives a strong 'steer' as to how important each proposal is likely to be, members will want to balance the

impact of individual proposals with each programme's priority: an expensive higher priority programme with limited significance may be less attractive than a lower priority one which accesses significant grant funding and so achieves more.

9. By way of background information, The current prioritisation of all of the Authority's programmes is contained in **Appendix B**; members will recall that these five classes have also been regrouped into three categories (very broadly: Key priority to develop and improve (=A) / maintain or steadily develop service (= B,C) / limited progress or develop only with external funding (= D,E)).

10. All of the following proposals can be delivered within the framework of existing workload and performance targets.

Item #	Description	£,000	Priority
1	Blanket Bog project	5	A
2	Hay Time	10	A
3	'Green Communities'	2.5	A
4	Colvend Workshop Improvements	25	A/D
5	'Go Dales!'	100	B
6	Ilkley to Bolton Abbey off road multi user recreational route	1	B
7	Listed Buildings at Risk	4	C
8	Conservation Area Enhancement	10	C
9	Grassington National Park Centre Interpretation	20	D
10	Trademarking of YDNPA logo	2	E
11	Grassington Car Park	9	E
	TOTAL	188.5	

11. As well as considering the above proposals, Members also have the option to create a larger 'unallocated' reserve, perhaps against the specific future contingency of the anticipated 'nil inflation' settlements from DEFRA over the next three financial years (a point also covered in paragraph 5 (i) and 5 (ii)).

12. Other NPAs are carrying significant 'earmarked' reserves, something for which this Authority has no equivalent (although it does hold a much smaller contingency reserve, as an audit requirement). These reserves were established, in the main, to fund future spending that does not, in accounting terms, qualify as either a creditor or a financial commitment (i.e. the decision to spend could be reversed); they also include some unallocated money. DEFRA has not found it necessary to take these reserves into account in subsequent grant awards, an approach that would seem appropriate given that the 'earmarked' reserves recognise that certain projects reach beyond the current financial year (note: this Authority deals with such extended funding within the three year budgeting process). So there is no particular problem in holding a reserve, or certainly at least as long as it has an identifiable purpose.

13. At least one other Authority had proposed to use (and may still be proposing) its reserves to 'smooth out' the effects of a 'nil inflation' DEFRA settlement over the next three financial years, and this is something that this Authority could seek to do. However, the Authority has always sought to plan to spend its current year grant allocation in full, and has argued on this basis in all discussions with DEFRA about grant allocations.

Furthermore, regardless of the amount of smoothing that could be achieved over three years by using up reserves in meeting a shortfall, the under funding problem still has to be faced: it is unlikely that a settlement in 4 years time, hopefully at the end of any 'nil' inflation regime, would recover four years' worth of inflation (i.e. an increase of perhaps 16% or more). Finally, to really have any effect on helping with 'smoothing out' the effects of 'nil inflation' grants, a very large proportion of the current unallocated reserves would be needed: many if not all of the spending opportunities presented here would be lost, and future opportunities to access grants would be ruled out.

14. There is a strong argument for the Authority to "cut it's cloth" financially, so that spending matches income, sooner rather than later, and to deal promptly with the consequences of this. Nonetheless, it is **recommended** that Members decide whether they wish to create an unallocated 'ear marked' reserve for helping with 'cost smoothing' over the coming three years. **This is, however, not an officer recommendation.**

RECOMMENDATIONS

15. Members views are sought on whether an unallocated reserve should be earmarked to assist with smoothing the transition to a 'flat settlement' financial environment; if the decision is to create such a reserve, how much should this contain?

16. That, depending on the above recommendation, members decide which of the detailed spending proposals contained in this report should receive funding in 2007/08.

Richard Burnett
Head of Finance & Resources

27 April 2007
Background documents: None

Spending Proposals (Bids)

1. Blanket Bog (£5k) - A

The funding would be used to develop and scope a multi-objective scheme on the restoration of Blanket Bog (NPMP objective NC4c). The project would introduce beneficial management of the peat resource in a climate change context, as well as helping to achieve LBAP targets, landscape and cultural heritage enhancements, improved access and resource protection. The focus would be on land that (in the current financial climate) has no prospect of getting into the new Environmental Stewardship Higher Level Scheme (which is concentrating solely on land that is nationally or internationally designated for biodiversity). The intention is that this would be co-ordinated with the adjacent areas of the North Pennines, Nidderdale & Bowland AONBs and the South Pennines, and build on similar projects in the Northumberland and Peak District NPs. The scoping study needs to identify and bid for funding from sources such as Tubney Trust, HLF, Life 3 or Interreg.

2. Hay Time (£10k) - A

The funding may be needed for capital works, which were programmed to come from ESA & HLS this year but may not do so due to Natural England/Defra funding difficulties. This would increase the YDNPA contribution to the project in 07/08 to £20,000 (against matched funding from Natural England, Tubney Trust etc of around £120,000).

3. 'Green Communities' (£2.5k) – A

The project would involve measuring the ecological and carbon footprint of selected communities in the four protected landscape areas in North Yorkshire. It would not only raise local awareness of environmental issues of resource depletion and greenhouse gas emissions but more importantly would demonstrate how the actions and life-styles of individual households and their communities are contributing to these global problems. The work would be carried out by the Stockholm Environmental Institute. The community selected in the Dales would be one in which residents had already expressed interest in such a project (likely to be Malhamdale and/or Upper Wensleydale). This is an action carried forward from last year's BVPP and will contribute directly to the achievement of objectives CC8 and CC9 in the new NPMP.

4. Colvend Workshop improvements (£25k) – A to D

The Authority currently manages 3 workshop facilities, with that at Colvend supporting the Ranger Service in Wharfedale as well as hosting the Maintenance Officer who conducts works at all of our properties, offices, centres and toilets around the park .

The Colvend site provides an enclosed workshop area which supports 3 full time members of staff and an Apprentice (as required) and also supports the Dales Volunteers in the South East. Storage in a range of buildings (including wooden sheds & stone out buildings) and external storage of materials is also provided.

The facility has developed from an initial resource for supporting the general maintenance of the PRoW network across the park with signs, gates and footbridges to a very well equipped joiner/carpentry workshop facility. Much of the internal workshop area now holds equipment and materials used by the Maintenance Officer, whose work now enables the

Authority to carry out a wealth of improvement/enhancement projects in-house to a very high standard but has consequently meant that space for Rangers and associated staff to work in a covered environment or to store the tools and equipment required for their work has been lost.

Over the last two years significant improvements have been made to office facilities at Yoredale, Grassington (Cottage Development), Brunt Acres (Waiting Room Office) and Stone Dykes Barn. The latter two projects were achieved as a result of previous opportunity fund bids. It is very likely that the Authority will require a workshop presence for the foreseeable future at Grassington and the current proposal would enable operations to be brought to a comparable level to that of other Ranger operational basis.

The proposal is to create an extension to the current workshop of approximately 45m² for use by the Ranger Service and to provide an open area for the Maintenance Officer to utilise when putting together larger works. This would also address some Health and Safety issues of staff working in areas when specialised equipment (saw bench etc) is in use and remove the need for some of the existing timber structures (sheds) and better use of the other out buildings.

5. 'Go Dales!' (£100k) – B

The 'Go Dales!' project is about providing young people (8-25) including young parents, with an early, enjoyable and 'relevant' experience of the National Park, through introducing them to activities that they will enjoy and want to do. A high quality experience should lead to greater awareness of how visits to the National Park and taking part in outdoor activities can enrich participants' lives.

The project will target young people from within the Park and surrounding urban areas, to help them access the special qualities of the Park through outdoor activities. This will be achieved through linking with existing initiatives and youth and community groups in the Park and surrounding urban areas, and in particular by motivating young people to participate by helping them access:

- Adventure activities e.g. caving, climbing, mountain biking and horse riding.
- Leisure activities e.g. geocaching, walking, fishing, photography.
- Discovering and learning new skills through conservation work, rangering and farm visits.
- Sports exchanges between youth teams from the Dales and urban areas.
- Residential for young people e.g. families with young children.
- Day visits and courses for parents of young children, particularly teenage parents.

Background: Recent research has identified the barriers that surround encouraging youngsters to enjoy outdoor activities. Children's lives are no longer characterised by traditional outdoor activities which older generations associate with youth. The rise of household IT has opened up a world of indoors, sedentary entertainment. In addition, the difficulties of getting information, logistics and the unreliability of facilities, the lack of significant appeal of the outdoors, perceptions of cost and the overall image of outdoor recreation are barriers that this project aims to work through to find out what 'works' in encouraging youngsters take part in recreation within the Park.

Activities will be 'relevant' and the on-going monitoring and evaluation will help us understand how to breakdown many of the barriers. For example, the activity of geo-

caching uses the internet, but in essence introduces the idea of going for a walk as a sense of discovery and fun. On a separate point, securing the future of the National Park depends on the next generation taking as much pleasure in it as the current generation.

National Park Management Plan objectives and strategic fit. AR8 (Develop opportunities, including a Park-wide programme of events, walks and other activities that encourage healthy lifestyles and assist in the Government's target of increasing levels of physical activity amongst residents and visitors by 1% per year), UE6. (Carry out research to identify why few young people visit National Parks other than as part of educational groups, and by 2008 develop appropriate programmes to encourage an interest in National Parks within this age group).

Who will be involved? The project will build on current work with community groups, and draw on the contacts, skills and expertise of the Volunteers Co-ordinator, Outreach Officer and Ranger Service (all of whom have been involved in project development). Volunteers will lead many of the activities, and pass on these skills to youth/community leaders so ensuring the project continues beyond the initial three years. Local outdoor activity providers will also be used where volunteers don't have the necessary skills and qualifications e.g. for rock climbing or caving, and it is anticipated that this element of the project will be taken forward in the future by the Craven Adventure Centre.

Resource Requirements The total cost of the project, over three years, is estimated at £200,000. This includes funding a project officer/youth worker for three years, and running the activities and events, together with on-going evaluation. External funding has been secured 'in principle' from Active Craven (50k) and Active Richmondshire (25k) as part of their community investment funding from North Yorkshire Sport. This funding is subject to the rest of the funding being in place and ratification by North Yorkshire Sport. Further funding is being sought from Sport Keighley as a key catchment area to the Park, and South Lakeland and Sport Bradford will also be approached. The objective is to secure at least £100k from external sources (to pay the cost of the project officer), with the Authority match funding another £100k for 'doing' activities e.g. hire of equipment and professional instructors, volunteers expenses training community leaders and volunteers, hiring rooms for meetings with groups, flyers, web pages, focus groups, research and evaluation.

6. Ilkley to Bolton Abbey off road multi user recreational route (The Wharfedale Trail) (£1k) – B

As part of the work of the TARGET (YDNPA Interreg partner) project a pre-feasibility study was undertaken to examine the potential of developing a multi user off road recreational route between Ilkley and Bolton Abbey Village, which would cater for walkers, cyclists, horse riders and disabled users. The eventual work could include a new build and part would take advantage of the disused railway line between Addingham and Bolton Abbey Station where it would then be routed under the A59 using a cattle underpass and then on to Bolton Abbey Village. A local group, the Wharfedale Trail Forum, has been set up to progress the provision of this route.

The Wharfedale Trail Forum wishes to undertake a public consultation exercise on the proposals, the total cost of which will be £8200. Bradford Council has committed 75% of the costs of this study and the forum is looking for a contribution of 25% from other

authorities. If there is a positive endorsement of the project by the local community, Sustrans will be asked to progress the project through to completion, which they are keen to do but need the endorsement of the local community first. There is a real potential that a successful outcome of the consultation exercise will result in significant investment from other bodies such as Bradford Metropolitan District Council to providing this route in to the National Park, a route which has particular significance in 'Outreach' terms. It is proposed the Authority makes a contribution of £1000 towards the outstanding £2050 needed to match Bradford Met's contribution.

National Park Management Plan objectives and strategic fit. AR7 (Increase the accessibility of the Park to users of all abilities so that by 2010 at least 10 km (0.5%) of rights of way are fully accessible by wheelchair users and 105 km (5%) by those with limited mobility, and improve opportunities for those with sensory disabilities) .EE8 (Develop the scope, quality and co-ordination of recreational infrastructure to increase and promote the area's appeal to a wider range of people and groups and to increase the economic value to local tourism businesses).

7. Listed Buildings at Risk (£4k) – C

The Authority has been approached by the Heritage Trust for the North West (HTNW), who was approached by Sedbergh Book Town Trust Ltd regarding the plight of 39 Main Street, Sedbergh. This is a Grade II listed building, which has been empty for the past decade and is now considered to be 'At Risk' (and will shortly be added to the EH register). The funding would be used to match fund (50:50 with the HTNW) an 'Options Appraisal' for the building. The Options Appraisal would investigate possible new uses for the building and strategies for bringing it back into use. There is significant local concern regarding this building, which is located centrally on the main street. The existing BAR budget (£10,000) is already committed to projects developed over the last 12 months.

8. Conservation Area Enhancement (£10k) – C

The Authority is under a statutory requirement to produce management plans for all conservation areas. Amongst other things, these should identify potential enhancements to the village. However, these plans are of only limited value if there is no funding to deliver any of the enhancements. The Authority has struggled to engage local communities with looking after conservation areas, in part because those communities have seen little subsequent benefit from their designation. The 2007/08 BV Action Plan includes work with one community to identify and implement a programme of enhancement works to a Conservation Area, although no money was allocated to such works. The funding would be used to develop and match fund enhancements identified.

9. Grassington National Park Centre Interpretation (£20k) – D

The next NPC to be refurbished – winter 07/08 – is Grassington. The recent refurbishment of Malham NPC highlighted the importance of improving the fabric of the building in order to transform the centre into a pleasant and welcoming place for visitors. This transformation has been very successful, but it did mean that a large part of the budget had to be spent on building works – skylights, a new front desk array and so on - and the result of this was that there was only a limited amount left to spend on new interpretation.

Initial plans for Grassington indicate that similar building works are likely to be necessary to maximise the usefulness of the building. These works include the installation of light tunnels in the roof, alteration of the layout, putting in a new front desk, alterations to the

office and storage areas, re-glazing of the main window to tie in with bus shelter, and so on; the existing budget will also have to cover architectural/project management fees and also refurbish the shop fittings.

On present estimates, the refurbishment work is likely to leave the project with just under a third of the amount that past experience has shown is needed to replace interpretation in a National Park Centre. This bid will allow a full interpretation upgrade, to complement the refurbishment of the centre's fabric, and will enable the interpretation upgrade to be achieved at the same time as refurbishment.

10. Trade marking of YDNPA logo (£2k) – E

This supports Management Plan objectives UE4 (Strengthen and develop the Yorkshire Dales National Park 'brand' to incorporate sustainability, inclusion and conservation values, alongside outdoor recreation, excitement and enjoyment) and EE3 (Develop a 'quality of place' brand, linked to the Park's 'special qualities', to use as a common thread that underpins regeneration and renaissance activity across the area).

The proposal would at least permit the Authority to register protection of its trademark, which is seen as an essential 'minimum' under the 'Branding' heading.

11. Grassington Car Park (£9k) – E

The car park at Grassington is a facility for visitors and a staff car park. Development to the car park over the years has led to a change in parking patterns of staff during the week. Prior to the development of the coach and service bus area the majority of the staff utilised that area for parking. After development a relatively small area of grass block paving opposite the bowling green was extended to take account of the displacement of staff parking from the central area.

The grass block paving has now been in place for a number of years but due to the frequency of use has not been as successful as elsewhere. There have been a number of attempts to increase grass coverage by removal of parking for significant periods, re-seeding and fertilising; these have been successful until parking has returned, but with the area being popular at weekends the grass get little rest respite and is more often than not in the shade of vehicles.

The lack of grass and the nature of the supporting reinforcement blocks (plastic) have led to a number of slips and falls being reported by staff and visitors. These have occurred both in wet and frosty conditions as the absence of grass provides no texture or grip to the surface of the plastic.

The proposal is to resurface the area affected (approximately 170 square meters). Further alternatives to tar macadam will be investigated but the price of this work has been based, subject to comment from Development Control, on tar macadam which in this particular case and circumstances may be the correct solution.

PRIORITIES FOR 2007/08 (Authority, 28 November 2006)

A	Biodiversity Green Lanes Limestone Country Project Sustainable Development Fund	Development Control Farm Conservation Rights of Way Web-based Services
B	Archaeology Recreational Activities Outreach Trees and Woodlands	Enforcement Volunteers Sustainable Tourism Support Yorkshire Dales Millennium Trust
C	Education Definitive Map Countryside Skills and Training Toilets	Building Conservation State of the Park Communications Planning Policy
D	'Access for all' Cultural Heritage Landscape Policy and Advice Historic Environment Record	Park Information Points Geodiversity National Park Centres Open Access
E	Car Parks Pennine Bridleway Retail National Park Management Plan	Branding Public Transport Traffic Management Events