

Committee: FINANCE AND RESOURCES

Date: 7 December 2021

Report: FINANCIAL PROGRESS REPORT -
FOR THE PERIOD APRIL- SEPTEMBER 2021

Purpose of the Report

1. To provide Members with information on the financial performance of the National Park Authority for the six months from 1 April to 30 September 2021.

Recommendations

2. Members are recommended to note the contents of the report.

Strategic Planning Framework

3. The information and recommendations contained in this report are consistent with the Authority's statutory purposes and its approved strategic planning framework:

Action Plan 2021/22 Objective 35 'Plan and manage the Authority's work so as to make the most effective use of its resources, including generating sufficient income to maintain expenditure at the same level as 2014/15 in real terms across the extended National Park area, equating to income sufficient to support expenditure of £8.1m.

Introduction

4. The covering report gives an overview of performance, and highlights for Members any significant issues (i.e. variances from the profile of over £10k) that may not be resolved by 31st March 2022. Additional detail is included in the appendices:
 - **Appendix 1** provides a detailed picture of performance against budget, analysed by Programme, Corporate Employment and Central costs, and a narrative explaining variances over £10k.
 - **Appendix 2** provides information on virements and other budget movements for the period 31 July 2021 to 30 September 2021). This lists additional income, additional costs and other minor adjustments to the budget.

- **Appendix 3** is a record of delegated decisions on contracts made in the period from 1 July 2021 to 30 September 2021; these details are included by way of governance best practice.
- **Appendix 4** summarises the results of the recent review into how best to report financial management information. The format in which this Financial Progress Report has been written is based on these conclusions.

Performance Summary

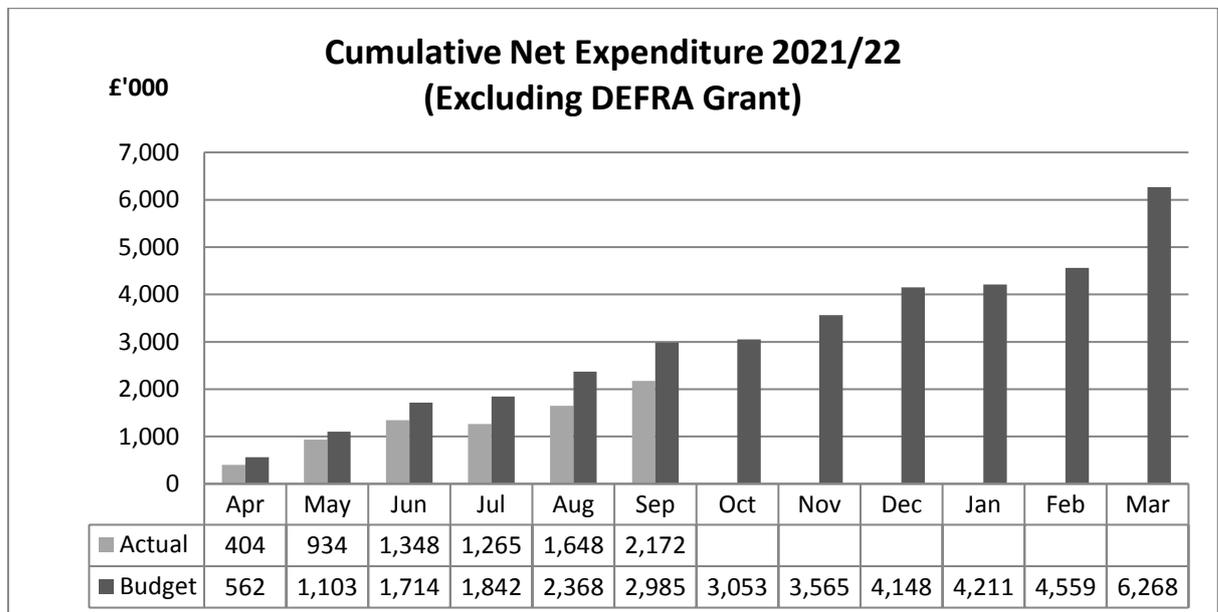
5. Overall, the budget shows an underspend compared to profile of £813k. This is made up of:
 - £257k of additional income. All income streams are ahead of the original budget estimates, although it is useful to recall that these estimates were set at values well below what would be expected in a 'normal' year, for reasons of prudence. By the end of the year – assuming the continuation of current trends - this is likely to mean a temporary addition to reserves of over £200k. This will reduce the original planned use of reserves of £807k in 2021/22.
 - £556k of underspent expenditure, which is the result of four factors:
 - i. engagement work with the public is still being delayed due to the Covid restrictions;
 - ii. we have had a number of temporary staff vacancies, resulting in some direct savings to staff costs, but – more significantly – to delays to some planned activity; staff recruitment activity this year is already more than four times the size of that in the whole of the previous year;
 - iii. significant new workload pressures e.g. the launch of Farming in Protected Landscapes funding and increase in planning applications has had an impact on the capacity to spend in some areas of the organisation (particularly in 'specialist' areas, where the officers concerned are consultees to planning applications);
 - iv. savings on overheads, as we have not yet fully returned to office working. For example, many meetings are still being held by video conference so travel costs remain very low.
6. Specific significant issues to be aware of are:
 - **Car park income:** The original income target was a cautious one in view of the uncertainty surrounding Covid and visitor numbers. In the event not only has the income exceeded this budget target but it has been considerably higher than a normal year. If this trend continues for the remaining 6 months of this year, there will be a positive variance of approximately £200k at year end.
 - **Land Management:** Defra have now agreed in principle to re-profile the Farming in Protected Landscapes (FiPL) funding due to the late

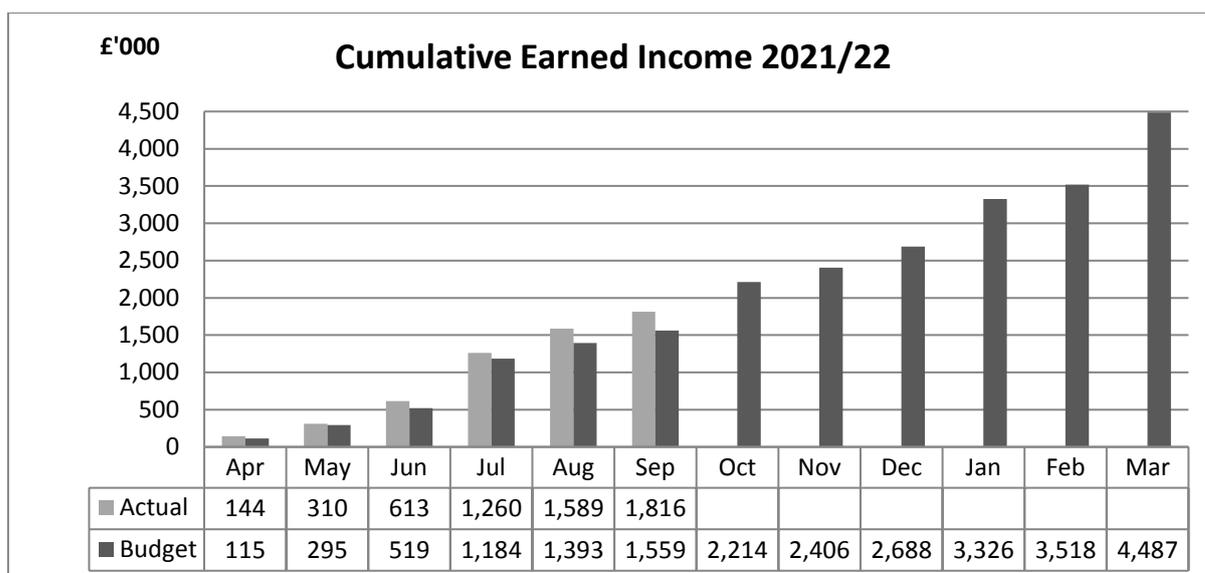
start of the project. This is extremely good news. The Authority is awaiting confirmation that part of this year's allocation can be moved to the following two years. It is now expected that the full administration budget and £300k of the Capital budget for year 1 of the scheme will be spent in 2021/22 (33% of the original allocation). The remainder will be split between 2022/23 & 2023/24.

- Landscape Features:** Westmorland Dales projects are significantly behind profile (£148k underspent). The project expenditure should be rolled on to future years if it is not spent this year. However, if Covid continues to be a factor in the years to come, this could affect the ability to complete all the component projects before the scheme finishes which would mean not drawing down the full grant made available by the Heritage Lottery Fund and losing part of that funding stream; this will be kept under review.
- Sustainable Development Fund (SDF):** There are fewer grant applications this year, partly as a result of so many other funding streams coming on line. The fund has therefore been reduced to £100k, with £95k being returned to reserves.
- Historic Environment:** The HER enhancement project is not going ahead this year, so £20k will be returned to reserves.

Supporting information

The following gives more detailed information on income and expenditure.





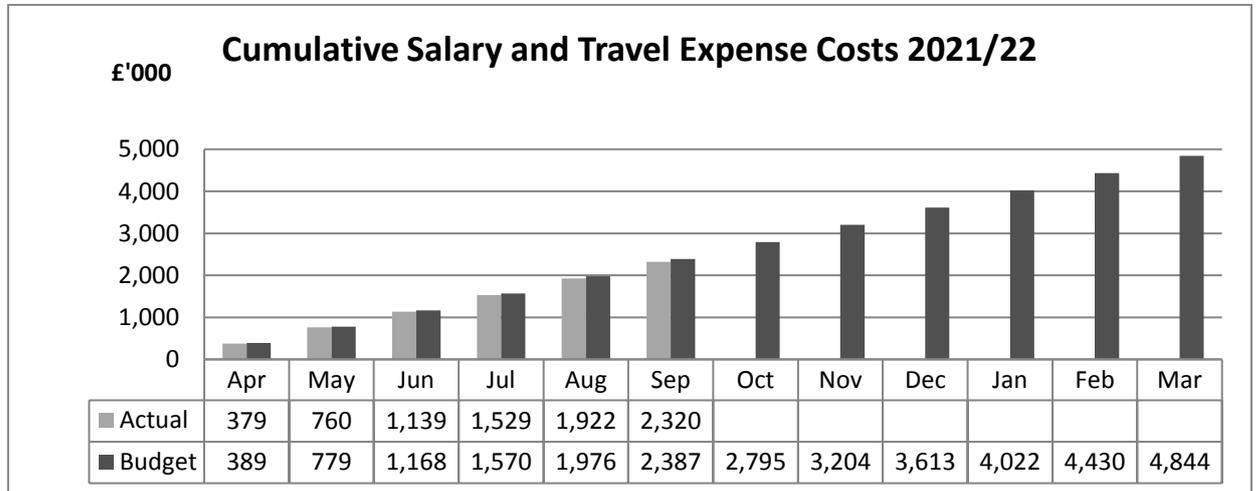
7. The following table lists the net variances (so each value includes income and expenditure) in each of the programmes and central budgets. Explanations of variances in excess of £10k are included in Appendix 1.

Programme	Annual Budget	YTD Budget	YTD Actual	YTD Variance	Favourable/ Adverse
Development Management	528	269	242	27	F
Land Management & Biodiversity	720	(43)	(136)	93	F
Rights of Way	893	654	520	134	F
Access For All	234	136	105	31	F
Dales Countryside Museum	162	77	37	40	F
Historical Environment	194	79	85	(6)	A
Development Planning	181	88	82	7	F
Landscape Features	77	205	57	148	F
Volunteers & Apprentices	317	165	157	8	F
Tourism	164	99	64	35	F
National Park Centres	306	97	84	12	F
Car Parks & Toilets	(215)	(215)	(400)	185	F
Sustainable Development	371	63	38	24	F
Visitor Management	131	83	82	1	F
Central Costs	2205	1229	1156	73	F
Total Variance on Programmes	6268	2985	2172	813	F

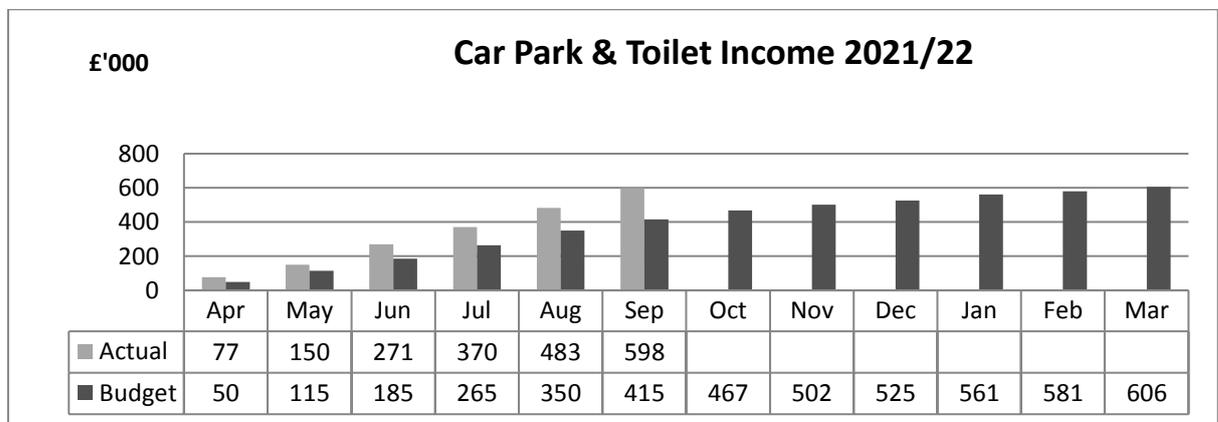
8. **Authority Employee Costs** £67k underspend

Staff expenses are £17k underspent due to the extensive use of video conferencing which has significantly reduced travel costs. The remainder is due to a small number of vacant posts, the later filling of posts, and increased income from administration recharges to external projects.

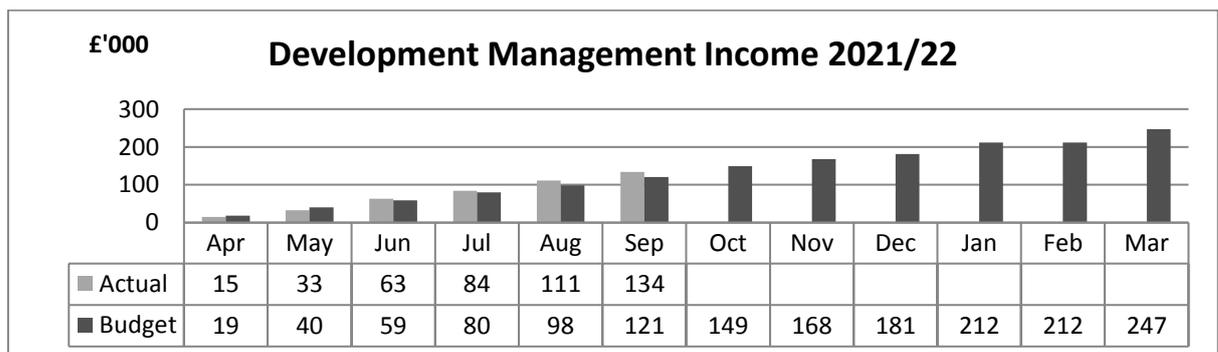
The budget does not include any allowance for a national pay inflation award in 2021/22. It is likely that an increase will be awarded to in the region of 1.75% to 2%, which will be retrospectively applied from 1st April 2021. This will cost approximately £85k for the year, though this extra cost will be partially offset by the underspend in this area.



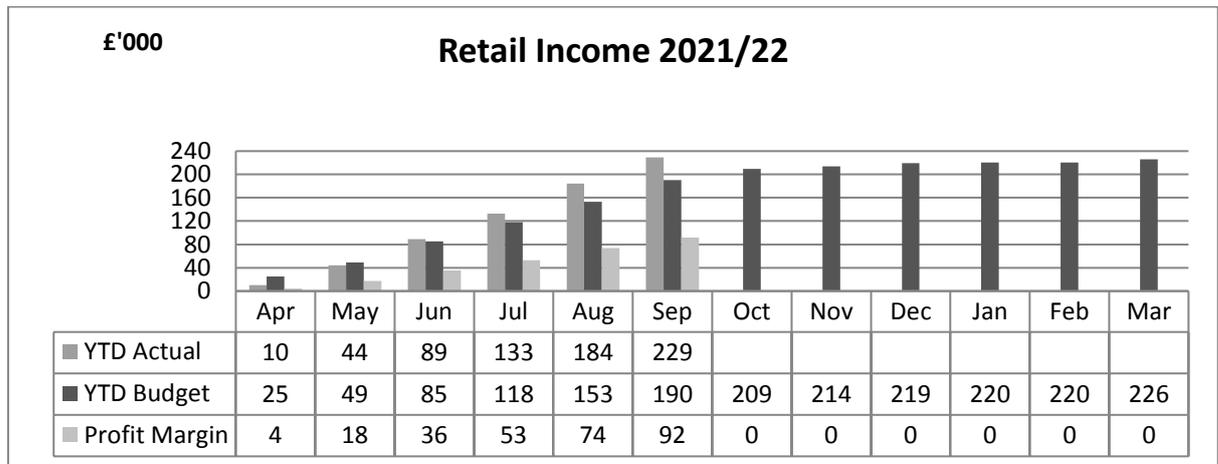
9. **Car Park Income:** income is not only above the budget by £183k, but is also exceeding our previous years 'normal' income at September by approximately £175k.



10. **Development Management Income:** £13k above target, but in line with a 'normal' year.



11. **Retail Income (Gross):** £39k above target (additional net profit £16k), but in line with a 'normal' year.



Michelle Clyde
Head of Finance
 21/10/2021

Appendix 1

Detailed Analysis of 2021/22 Budget Performance

1 APRIL 2021 To 31 SEPTEMBER 2021 Quarter 2 - Month 6	REVISED ANNUAL BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE VARIANCE
Programme Bids	£'000	£'000	£'000	£'000
Priority Programmes				
Staff Costs	706.0	353.0	339.4	13.7
Programme Costs	69.5	37.0	36.0	1.1
Income	(247.3)	(121.0)	(133.7)	12.7
Development Management Total	528.2	269.1	241.6	27.5
Staff Costs	680.7	336.9	314.7	22.2
Programme Costs	1,764.1	169.4	111.7	57.7
Income	(1,725.1)	(549.0)	(562.5)	13.5
Land Management-Biodiversity Total	719.8	(42.6)	(136.1)	93.4
Staff Costs	433.5	219.7	211.3	8.4
Programme Costs	906.9	458.2	359.5	98.7
Income	(447.3)	(24.0)	(51.2)	27.2
Rights of Way Total	893.1	653.9	519.6	134.4
Staff Costs	191.1	95.6	94.1	1.5
Programme Costs	121.7	61.1	22.8	38.3
Income	(78.7)	(20.6)	(12.0)	(8.6)
Access For All Total	234.2	136.1	104.9	31.2
Total Priority Gross Costs	4,873.6	1,730.9	1,489.3	241.6
Total Priority Income	(2,498.3)	(714.5)	(759.4)	44.9
Total Priority Net Cost	2,375.2	1,016.4	729.9	286.5
Adequate Programmes				
Staff Costs	85.3	42.7	42.3	0.4
Programme Costs	158.6	94.6	51.9	42.7
Income	(81.8)	(60.5)	(57.1)	(3.3)
Dales Countryside Museum Total	162.1	76.7	37.0	39.7
Staff Costs	136.5	68.3	63.3	5.0
Programme Costs	107.8	19.8	30.4	(10.7)
Income	(50.0)	(9.2)	(8.4)	(0.8)
Historical Environment Total	194.3	78.8	85.3	(6.5)
Staff Costs	124.9	62.4	62.1	0.4
Programme Costs	78.0	27.5	4.6	22.9
Income	(21.6)	(1.6)	14.8	(16.5)
Development Planning Total	181.2	88.3	81.5	6.7

1 APRIL 2021 To 31 SEPTEMBER 2021 Quarter 2 - Month 6	REVISED ANNUAL BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE VARIANCE
Programme Bids	£'000	£'000	£'000	£'000
Priority Programmes				
Staff Costs	0.0	0.0	0.0	0.0
Programme Costs	923.4	302.5	166.7	135.8
Income	(846.3)	(97.8)	(109.7)	11.9
Landscape Features Total	77.1	204.7	57.0	147.7
Staff Costs	217.8	108.9	94.2	14.7
Programme Costs	129.9	63.3	64.4	(1.1)
Income	(30.6)	(7.7)	(1.6)	(6.0)
Volunteers & Apprentices Total	317.1	164.6	157.0	7.6
Staff Costs	104.2	52.1	51.3	0.8
Programme Costs	59.9	47.0	12.4	34.6
Income	0.0	0.0	(0.1)	0.1
Tourism Total	164.1	99.1	63.7	35.4
Total Adequate Gross Costs	2,126.3	888.9	643.6	245.3
Total Adequate Income	(1,030.4)	(176.8)	(162.1)	(14.6)
Total Adequate Net Cost	1,095.9	712.2	481.5	230.7
Limited Programmes				
Staff Costs	299.2	149.6	154.9	(5.4)
Programme Costs	270.6	170.3	194.2	(23.8)
Income	(263.8)	(223.4)	(265.0)	41.6
National Park Centres Total	305.9	96.5	84.1	12.4
Staff Costs	68.8	34.4	33.9	0.5
Programme Costs	321.8	165.4	164.0	1.3
Income	(605.8)	(415.0)	(598.1)	183.1
Car Parks-Toilets Total	(215.3)	(215.3)	(400.2)	185.0
Staff Costs	36.7	18.3	18.0	0.3
Programme Costs	334.7	44.3	20.1	24.1
Income	0.0	0.0	0.0	0.0
Sustainable Development Total	371.4	62.6	38.1	24.5
Staff Costs	113.6	56.8	61.0	(4.2)
Programme Costs	47.0	26.2	21.3	4.8
Income	(30.0)	0.0	0.0	0.0
Visitor Management Total	130.6	82.9	82.3	0.6
Total Limited Gross Costs	1,492.2	665.2	667.5	(2.3)
Total Limited Income	(899.6)	(638.4)	(863.1)	224.7
Total Limited Net Cost	592.6	26.8	(195.6)	222.5

1 APRIL 2021 To 31 SEPTEMBER 2021 Quarter 2 - Month 6	REVISED ANNUAL BUDGET	YEAR TO DATE BUDGET	YEAR TO DATE ACTUAL	YEAR TO DATE VARIANCE
Programme Bids	£'000	£'000	£'000	£'000
Priority Programmes				
Programme Summary				
Total Programme Gross Costs	8,492.1	3,285.1	2,800.4	484.6
Total Programme Income	(4,428.4)	(1,529.6)	(1,784.6)	255.0
Total Programme Net Cost	4,063.7	1,755.4	1,015.8	739.6
Corporate Employment and Central Costs				
Conservation and Communities Staff Costs	119.1	59.6	57.3	2.3
Conservation and Communities Staff Income	0.0	0.0	0.0	0.0
Park Management Staff Costs	353.5	176.8	169.8	6.9
Corporate Staff Costs	938.6	469.3	444.6	24.7
Corporate Staff Income	0.0	0.0	0.0	0.0
Vacancy Factor 2%	(61.0)	(30.5)	0.0	(30.5)
Other Employee Related Costs	18.5	6.9	12.5	(5.6)
Other Employee Related Income	0.0	0.0	0.0	0.0
TOTAL CORPORATE EMPLOYMENT COSTS	1,368.7	682.0	684.2	(2.2)
Support Services	186.0	118.6	107.7	10.9
Support Services Income	(25.3)	(13.3)	(9.9)	(3.4)
CEO Support	4.8	2.3	0.1	2.1
CEO Support Income	0.0	0.0	0.0	0.0
Legal Services	30.8	23.3	18.1	5.2
Legal Services Income	(20.0)	(10.0)	(15.4)	5.4
Office Accommodation	95.0	45.7	45.1	0.6
Office Accommodation Income	(12.5)	(6.3)	(5.6)	(0.6)
Health and Safety	8.0	5.1	1.6	3.5
Member	126.6	62.3	50.7	11.6
IT Licences, Consumables and Support	231.2	187.8	190.2	(2.4)
Communications and Web Services	91.7	59.7	44.8	14.9
Communication Income	(0.4)	(0.2)	(0.4)	0.2
Land Holdings and Maintenance	60.0	42.3	31.2	11.1
Land Holdings and Maintenance Income	0.0	0.0	0.0	0.0
Training	60.1	30.1	13.7	16.3
Training Income	0.0	0.0	0.0	0.0
TOTAL CENTRAL COSTS	835.9	547.4	471.9	75.5
SUMMARY				
National Park Grant	(5,229.8)	(2,614.9)	(2,614.9)	(0.0)
Other Income	(4,486.6)	(1,559.4)	(1,816.0)	256.5
Total Income	(9,716.4)	(4,174.3)	(4,430.9)	256.5
Gross Expenditure	10,754.9	4,544.3	3,987.9	556.4
Net expenditure (excluding National Park Grant)	6,268.3	2,984.9	2,171.9	813.0
In-Year Deficit/(Surplus)	1,038.5	370.0	(443.0)	813.0

1. In order to investigate the underlying figures in the table, income and expenditure is analysed separately below and variances of £10k or over are highlighted. Most of the variances are simply timing differences, but anything which will not be resolved by the year end is highlighted in the main report; total salaries are analysed separately in the main report.

Expenditure

2. The sizable variances to be aware of in expenditure at 30 September 2021 are:
 - a. **Development Management:** £13k staff costs underspend.
 - b. **Land Management:** £80k total underspend: £22k staff costs, £18k Farmed Land, £30k FiPL, £30k Biodiversity (£5k to be returned to reserves), and an overspend in Tees Swale of £17k.
 - c. **Right of Way:** £107k underspent in various cost centres, National Trails £23k (overdue unclaimed grants from us to partners being chased up), £20k Ranger Costs (Router Pantograph on order), Cumbria £30k under, Upper Wensleydale £10k, Southern Dales £15k.
 - d. **Access for All:** £40k engagement work delayed now due to take place in December/January.
 - e. **Dales Countryside Museum:** £43k underspend, £18k rates and utilities and £25k Maintenance (£8k may need to be carried forward to 2022/23 for refurbishments due to exhibition timings).
 - f. **Development Planning:** £23k underspend arising because of delay to the Clapham Neighbourhood Plan referendum.
 - g. **Landscape Features** £136k underspend, split between the various Westmorland Dales sub-projects, including £40k for the barn restoration sub-project to be delivered by the Authority. A number of the component projects have been delayed due to Covid restrictions, but we have also seen several staff vacancy gaps in the Historic Environment team.
 - h. **Volunteers and apprentices:** £13k underspend, mainly staffing.
 - i. **Tourism:** £35k underspend, £20k for Dark Skies, the rest relates to STEAM research & Tourism Development Plan.
 - j. **National Park Centres:** £29k overspend, £5k on salaries due to illness cover, and an increase in the cost of purchasing goods for sale due to additional sales volumes (so is offset by an increase in income).
 - k. **Sustainable Development:** £24k underspend.
 - l. **Central Costs:** £82k underspend, Training £16k (timing), Members £12k (may be used for new equipment), Maintenance £11k (mainly Grassington Alarm and electrics upgrade delayed to December), £11k general office costs, £15k web projects delayed.

Income

3. The significant variances to be aware of in income at 30 September 2021 are:
 - a. **Development Management:** £13k additional income, reflecting a larger than expected volume of routine applications.

- b. **Land Management:** £13k additional income, caused by timing of grants related to projects: Tees-Swale project £30k received in advance, offset by a shortfall of £15k from the White Rose Forest (due in July but received in October)
- c. **Rights of Way:** programme received income in advance of £27k, for Three Peaks and Pennine Trails.
- d. **Development Planning:** £17k behind target, income due for the housing designs pattern project, expected shortly.
- e. **Landscape Features:** £12k additional income Westmorland Dales.
- f. **Retail:** £42k additional gross income (off-set by £24k of additional costs of goods sold).
- g. **Car Park & Toilets:** £183k additional income.

Virements

Virements are additions, transfers or reductions to the original budget authorised by Members in March 2021, during the period 1st July 2021 to 30 September 2021. Additional income and savings are denoted as bracketed figures (£) in line with accounting practice.

Net Additional Income- £0.0k (income matched by expenditure)

- Land Management: Farming in Protected Landscapes, £1,353k costs & (£1,353k) income, net zero (this will be reduced down when agreement is reached on re-distribution of budget to future years)
- Land Management: Payment by Results attendance - £5k costs & (£5k) income, net zero.

Adjustments - net saving of (£68k)

Additional Cost

- Communications: Three Peaks Website consultant fees, £5k.
- Rights of Way: temporary Rangers, £10k.
- Biodiversity: Admin post increased to full time - £10k/(£10k) net zero, funded by the internal transfer from the biodiversity programme budget to the salaries budget.
- Extractor Fan at Reeth Ranger's office, £1k.

Savings

- Sustainable Development Fund: provision from 2020/21 project no longer needed, (£5k).
- Members: savings on training from delivering in house (rather than through external consultants) (£10k).
- Tourism: Tour de Yorkshire event cancelled, start fee saved, (£50.0k).
- Savings on office overhead costs to September due to home working, (£19k).

Earmarked Reserves Movements

The Authority holds a number of Earmarked Reserves for specific pieces of work; as that work is performed during the year, a transfer of reserves is made into the budget to cover the expenditure. This Earmarked Reserves are pre-authorised by Members, so this is a technical adjustment rather than an additional budget requirement.

- Corporate IT: 'Blended Working' equipment and software, spent £74k.
- Rights of Way: Erosion Reserve, spent £45k (Bolton Abbey works).
- Biodiversity: Clif Bar Reserve, spent £3k (Wensleydale Pond Project).
- Corporate: Estates: we deferred the replacement of the ground source heat pump at Yoredale, on practical grounds (the current number of boreholes is insufficient for new systems, and so would require a large sum of money and

excavation of the car park; instead the current system will be replaced when it eventually becomes dilapidated, with an air source heat pump; net effect is (£17k) returned to reserves.

- Rights of Way: Ingleborough Access Project, balance returned to reserves for use in 2022/23, the project came in under budget, (£34k).

Delegations, 1 July 2021 to 30 September 2021

Description	Approved	Date
<p>Repair of Unsurfaced Road, Marsett. NYCC provide funds to maintain Unsurfaced Unclassified Roads. Due to a national shortage of concrete, Craven Concrete were contacted to provide concrete track panels (which we had successfully used on a bridleway ford in Arkengarthdale) for a 15,250; NYCC approved the award of the contract to this specialist supplier.</p>	Richard Burnett Section 151 Officer	6/8/21
<p>Bow House Contract (publication of ‘Dales’ and ‘Visitor’) The contract produces publications which are paid for by advertising revenue, with any excess being returned to the Authority as income. Contract re-let to Bow House for a further 3 years as they have built up long-term relationships with advertisers. Exception granted on the grounds of ‘significant and demonstrable benefit...in value for money’. The total value of the contract to Bow House is £51k per annum, which – for the Authority – is offset by advertising revenues</p>	Richard Burnett Section 151 Officer	19/8/21
<p>Provider for AVC Salary Sacrifice Scheme The cost of providing this salary sacrifice service is over £10k over the 3 years of the contract so would normally go out to quote. Our current contract is with AVC Wise, which offers this service and which is a spin-off company from Prudential. We have sought to find an equivalent supplier with links to the LGPS, without success. The AVC scheme brings in a substantial net saving to the Authority in National Insurance Savings, significantly above the cost of the contract. Contract re-let to AVC Wise.</p>	Richard Burnett Section 151 Officer	13/9/21

Summary of the 2021 review on how best to report financial management information

Financial Reporting - fit for purpose

1. Background

We have recently undertaken a review of the Authority's financial reporting to ensure it is fit for purpose. We've look at the financial reporting at a number of other bodies and sought views from Members, and Senior Managers and Budget Managers.

The key fact to consider when looking at different levels of reporting is that the data and information is the same - regardless of how it is then presented. We need to create and develop a system of reporting financial information that is straightforward and manageable within the staff time available to compile it.

2. Audiences

There are three audiences for financial reporting each of which require different levels of detail:

Budget Managers – require a high level of detail but a lesser level of explanation, as they should be aware why variances have occurred within the programmes they are responsible for due to regular budget management, and they should be able to explain differences and issues. This group are not part of the considerations in this paper.

Senior Managers (SMT & Section Heads) – require enough detail to be able to understand and manage their sections. More importantly, they also need a good overview of what's happening in the organisation as a whole.

Members – require information presented in a way which is understandable, identifies any significant matters, and focuses on issues relating to their responsibilities for the proper administration of the Authority's finances.

All three groups highlighted above rely on the same source data to underpin their reports. However, the way in which that data is presented, and the conclusions arising from it, are distinct.

There is some evidence to show that Budget Managers and Heads of Sections are not always aware of the position regarding their budgets; partly due to lack of time, and probably a lack of understanding by some managers. This has improved over recent months, but there is still room for further improvement.

In providing the narrative that comes from an analysis of the data, there is a clear role for finance staff but the overall summary within reports to Members would benefit from greater SMT input, particularly around the national politics regarding National Park finances, should that be an important context for the information being presented.

3. Reporting to Members

For background the attached **Appendix** details the feedback received from Members and SMT on the current reporting format. It also summarises the approach of other National Park Authorities.

Only 5 Members replied to the request for feedback, and it was mixed feedback with two members liking the current report, two thinking it was too long with too much information, and one suggesting some changes.

There was no common consensus but there were a few common themes.

- a. The level at which we analyse variances is currently £10k and has been since 2009. Should we retain this level given 12 years of inflation and the increase in the overall budget? Note: any judgement would not stop us from continuing to investigate at a budget manager level, but what level would be appropriate to have in the report to Members? £10k was still felt to be the appropriate level to report to Members but that we should change the reporting practice so that we only highlight those items in the main body of the report that were unlikely to be resolved before the end of the financial year.
- b. It appears that the critical issue for the Members report is an overall summary of the financial/political position of the Authority and this should be provided at the start of any paper. This ensures all Members (regardless of their expertise or interest) have a clear sense of the financial situation of the Authority and – in particular - whether there is likely to be a developing problem.
- c. Following on from the above point, it should be noted that a summary of the overall position **is** provided to SMT within the monthly finance reports. However, with the best will in the world, this will be strongly finance led so the ‘politics of what appears in the paper to Members (the bigger picture) has to be guided/directed by SMT’.
- d. The use of charts should be included in papers as all Members who responded said they found them useful.
- e. The analysis of variances could be put into an Appendix alongside the main ‘Budget Performance’ table. The explanation of the variances works best alongside the data – certainly for Members - but if this is excluded the covering report is in danger of simply becoming the Overall Summary, this may be acceptable as Members who want more detail will also read any appendices with the main report.
- f. There is an issue of duplication in the covering report. Of course this should be avoided where possible but that can sometimes be difficult because of the way in which we separately report various elements of the budget. The conclusion is that we still need to report on income and expenditure separately; reporting on net figures alone can mask serious issues at a Directorate or corporate level, but will attempt not to repeat the same explanations through the paper.
- g. We need to show care on how we report on ‘timing’ issues (e.g. when spending happens later in the year than was originally expected). There is a danger of managers relying on this explanation during the year and then, at year end identifying that they have failed to spend the budget they had been allocated.

4. The way forward: trial new format

The way in which we provide data and analysis will continue to develop to reflect the needs of the Authority and its Members and Officers. Following this review, the F&R report for the period April - September 2021 is be presented to

Members in December in a format that reflects the considerations within this review. We can trial this new format and develop it as necessary.

M Clyde
Head of Finance
November 2021

Member Comments

1. What do you think about the size of the paper?
 - a. Just right
 - b. Just right
 - c. Too long
 - d. I think in general that YDNPA papers are very well written - very clear and the right length although I may flag a bit if there are several pages with rows and columns of dense figures.
 - e. I think it is too long. I think in the next year as finances are tight we will need to really watch the performance and so emphasis on some things such as areas of concern that you refer to at Q6 would be a good approach

2. Do you find the appendices useful?
 - a. Yes, I read them and understand them all (sometimes flummoxed on Pensions)
 - b. Yes, I read them and understand them all (I am OK with "reading financials", and am learning the details of specific YDNPA projects, acronyms, funding sources, etc).
 - c. No, I concentrate on the written part of the paper.
 - d. I tend to concentrate on the written part of the paper, but do dip in to them for further detail sometimes

3. Do you find the charts useful?
 - a. Yes
 - b. Yes, as they help communicate clearly key features of the data to which they refer
 - c. Yes
 - d. Yes it gives a good interpretation of what is happening.

4. Would you like to see any other information in chart form?
 - a. No - I think they are extremely comprehensive and most importantly useful
 - b. No - None that I can identify at the moment
 - c. No
 - d. Yes if you think that some of the detail could be better presented that way. It is sometimes easier to see information in this format.

5. Are you happy with the level of detail given to explain variances of over £10k from budget?
 - a. About right and understandable (perhaps level of variance could be lifted to £25k).
 - b. About right and understandable in terms of threshold and explanation detail.
 - c. About right and understandable
 - d. About right and understandable

6. Format of the report:
 - a. I like the level of detail provided currently (We have to be careful that we don't just identify deficits against budgets sometimes surplus can indicate poor budgeting)
 - b. I like the level of detail provided currently, (but I could see added value of a short paragraph with bullet points summarising key areas seen by the Finance team that they wish to ensure Members' attention is drawn to.)

- c. I would prefer a summarised report pulling out potential areas of concern without the individual programme detail
- d. Sometimes I feel that bad news can easily be buried in masses of figures. Perhaps we could do with a 'Top Ten' of the most important figures in any report, both good and bad ie what we should be proud of and what we should be concerned about. Or maybe there could be a rotation from one meeting to the next to focus on one area of expenditure / income more thoroughly to encourage more debate.
- e. I would prefer a summarised report pulling out potential areas of concern without the individual programme detail

7. **There are often no questions from Members at the meetings, we would like to understand the reasons:**

- a. The report is so comprehensive I already have the answers (This is an area that I personally sometimes feel uncomfortable after all the work that has been involved in putting the report together however I genuinely feel that it is very rare that anything has not been explained):
- b. I can only answer this for myself: the report is comprehensive and thorough; the data is clearly presented; the text gives coherent explanation and advice; on the few occasions when I have had questions (and noting that I am a relatively new member), I have raised these informally in advance and have received helpful explanation from Richard and/or David; by reading good paperwork provided in good time ahead of the meeting and by initially raising personal queries in advance, consideration in formal meetings can then be focussed only on particular points of concern, contention or commendation.
- c. The report is so long I don't read it all. I am not a "numbers person" myself and am content to rely upon and trust the information given by officers either in the report or verbally at the meeting
- d. In general I would say that silence gives consent. I think we have all been impressed by how well things have been managed throughout the Pandemic and this is a credit to your team. Perhaps the Finance Team gives off such an air of competence that we feel we would be nit picking to try to pull apart what you have so carefully and efficiently put together.
- e. Being honest I think there is so much detail some members might feel daft asking some questions you may have already covered/they may not have had time to absorb. I think a lot of work goes in to these and whilst they are important documents, it is about a balance of giving us enough information to make a decision, where needed, but not too much work that it gets in the way of your job. All members are different so I hope you get some form of consensus.

Other Member Comments

- a. As I've indicated I personally like the current report configuration. However, I remember times in the past when it's been suggested that members might like a different format which has resulted in lengthy discussions regarding individual members preferences which I personally would not like to go back too. In this format members can never accuse officers of not having the detail provided.
- b. I hope this feedback is helpful to you, and gives encouragement to the work that is provided in ensuring Members are being properly and diligently provided for.

SMT Comments

I guess my starting point would be ‘what is the point of the reports’? It’s not explicit in the reports themselves, which just say “To provide Members with information on the financial performance of the National Park Authority for the period.....”. I’m not the expert (obviously!) but the reasons for reporting could be:

- To satisfy Members that the Authority’s finances are being properly managed;
- To put information in the public domain (to satisfy ‘open government’ type requirements);
- To comply with delegation scheme requirements;
- To draw Members’ attention to specific financial issues that are material
- To draw Members’ attention to specific delivery issues that are material.

It’s a bit difficult to make sensible comment without knowing which of the above apply but you’ll know my view is that the reports tend to feel too long/detailed (i.e. very good for ‘open government’ but less good in terms of steering Members towards the issues that they really need to be aware of). A few things occur to me:

- You’ll already know that I think that the £10k threshold for requiring an explanation of variance is too low (on an annual budget now heading north of £10 million). I’d suggest that £25k or 20% would be a more reasonable threshold. In practice, I’d go further than that and say that variances over that figure only need to be explained where they are ‘real’ variances (e.g. where there are real problems in spending the money or expected income has disappeared). So, we’d be saying to Members that all the variances are fine unless they’re specifically covered in the report. That wouldn’t stop Members being able to ask about them – but it saves work writing it all out every time;
- I think I’d be tempted to stop reporting ‘expenditure’, ‘programmes’ and ‘income’ as 3 separate sections (it feels like it creates quite a lot of duplication). Maybe start with an overall summary (gross spend; income; net spend; the programme variances table; corporate staff costs; corporate costs), and then ‘Key issues to note’, which would explain anything that we think is significant. The latter would give some focus to the discussion at SMT meetings – because the point would be to agree which things we think are significant enough to raise with Members.
- Keep the charts but put them into an annex.

These comments are based on the last set of papers we gave Members in terms of a quarterly update. I think there are three issues;

- Written covering report and duplication.
- Appendices.
- Materiality of what we report.

For me the written report is by far the most important document. It needs a well written overview to paint a big picture for Members as to what’s going on; bringing to their attention relevant issues in terms of budget performance. I’m not underestimating how difficult it can be to bring such a paper together in a clear and concise format that avoids repetition and only picks out issues that are material - on a budget that must now be quickly approaching the £10m mark! The key is a well written Performance Summary which provides this big picture assessment.

In more detail: if something is a timing issue essentially we're saying 'don't worry about it' so we needn't go into great detail. If something relates to genuine under income or over spending, we should highlight it and say what we're doing about it. A quick point re materiality; With Members I think we only need to deal with the big stuff. That's not to say we don't take any action where a Manager might be failing in their attempt to bring in £30k over the year – but that is an issue for the manager's reporting arrangements and may not be worthy of Members attention. Lastly on this bit, we need to find a way of cutting out the duplication in the report; so we either say something as part of a wider summary or we leave it until we get to the detail of a particular programme.

Appendices: We might be causing ourselves difficulties here in what we're committed to by our standing orders or delegation arrangements. If that's part of the problem, we should examine them. I'd be surprised if many Members looked at the appendices in any detail and I'd like to see if we can cut down on what we provide whilst still providing the information at the level they require in order for them to carry out their scrutiny role, and to give them confidence in the figures. Examples from others might give us a pointer to the level of detail we require. I'd cut down the App1 significantly – taking out the detail of the individual programmes or possibly just going with the net figures. App 2 – I'd scrap entirely (or shorten it) but this is where we might need to look at our delegation/approval framework.

Other National Park Authorities

There is a vast difference of styles and presentations in the other parks financial reports. What's clear is they are all long, and mostly quite detailed like ours. Most provide commentary on variances over £10k and use similar language (Over/underspend or variance).

Some provide financial comparatives with previous years, some work on net % spent or committed to date.

Some provide a summary at the start then a more detailed analysis by programme/section.

They are laid out quite differently, we do not use common headings, one park is still using the SERCOP groupings which we report annually under, but most have their own groupings depending on what they do. One park reports by activity and by type of expense (salaries, travel costs, etc)

Some parks provide some commentary on the objectives progression as well as the financial performance.

Some parks report on capital projects separately.

Some parks report on the reserves positions.

Some parks used charts others just words and tables.

One report had an annex of key terms which explained things like variance/underspend etc.

I didn't find any of them particularly easier to read than ours as they were all quite long and detailed and without knowing the subject matter it was harder. The summary was probably the most useful bit.