

Report 2: Chief Executive's Review of Performance 2021/22

1. Purpose of Report

This report provides a report on the achievement of the Forward Work Programme in the year to 31 March 2022 and reports on the budget outturn for the same period.

2. Recommendations

The Authority is recommended to:

- a. Note the achievement of the Forward Work Programme to 31 March 2022 as set out at Appendix 1 to Report 2;
- b. Note the budget outturn for the year as set out at Appendix 2 to Report 2;
- c. Note the performance in the delivery of the Authority's Organisational Development Strategy; and
- d. Note the Authority's performance in relation to Health and Safety during the past year.

3. Implications

- a. Financial: The overall 2021/22 financial outturn delivers a budget surplus of £116,900, after allowing for the medium-term budget surplus planning assumption, budget carry forwards and transfers to Earmarked Reserves. There is a proposal to retain this in General Reserves in Report 5 on this Agenda.
- b. Equalities: Through delivery of our OD strategy and overall work programme the Authority pursues an active approach to equality, diversity and inclusion, including in our employment practices, our governance, our partnership working and the engagement of more diverse audiences with the National Park.
- c. Business Plan: This report on the Authority's performance for the past year relates to all aspects of the Business Plan.

4. Project Updates and Performance Highlights from the Forward Work Programme 2021/22

- a. Our overall delivery of objectives, as set out in the Business Plan 2017-21, has been shaped by our experience during the pandemic. We have achieved a performance on par with the level pre-pandemic with 75% 'Good',
- b. Table A. Business Plan Annual Performance Assessment

Assessment	2017-18	2018-19	2019-20	2020-21	2021-22
 Good	71%	68%	79%	52%	75%
 Acceptable	29%	32%	21%	34%	25%
 Poor	0%	0%	0%	14%	0%

- c. Further details of the Authority's annual performance can be found in Appendix 1 to this report.

- d. The Sill project phase completed at the end of 2021/22. The expectation for visitor figures at the start of the year was 20% below pre-pandemic levels and has been proven to be a fair estimate, with 106,500 visitors during the year. External philanthropic income helped us to ensure stability to the delivery of our activities and education programmes. 3,350 participants were planned to take part in our activities in 2021/22 and more than 6,880 were achieved.
- e. Our externally funded projects continue to be a key delivery mechanism. Examples this year include:
 - i. The Culture Recovery Funded programme, to support new and returning visitors to the National Park. The Authority was successful in a grant application to the NLHF administered Culture Recovery Fund for 2021/22. The project ran from May until September and enabled the organisation to hire additional seasonal staff, support additional volunteers and develop new and improved signage and digital media to improve our welcome for visitors.
 - ii. The Cheviot Peat Project concluded during the year and the report is available to members on request.
 - iii. The Traditional Farm Buildings Pilot Scheme is now entering its final year of delivery after a 5-year programme.
 - iv. Revitalising Redesdale is also in its final year of delivery with physical works expected to conclude in September and project closure in March 2023.
 - v. Our Hadrian's Wall: Recovering Nature project has concluded its first year. A project board and project vision are now in place for the wider programme.
 - vi. Smaller projects are being supported through funding delivered from the UK National Parks Partnership Ltd, this includes support for pollinators, dark skies, travel for schools and the development of walking guides. More information can be found at [National Parks Partnerships // National Parks](#).
- f. The Management Plan review has progressed at pace during the year and a final draft is in development.
- g. Our work with Defra to progress some of the objectives sought in the Glover Review, has led to the Farming In Protected Landscapes programme which was launched in July 2021. The programme successfully achieved its first-year delivery targets. Further details can be found at: [Farming in Protected Landscapes](#).
- h. The Authority's Development Management Service continues to provide excellent service with 100% of applications being determined within statutory or agreed timescales. Our pre-application service continues to be widely used leading to an approval rating of submitted applications of 97%.

- i. The Authority has worked actively at a national and regional level to provide input, support, evidence, and influence to a number of policy and programme developments including the Glover Review, Northumberland Local Nature Recovery Pilot, The Great Northumberland Forest, The Borderlands Growth Deal, and the North of Tyne Rural Investment Plan, as well as a host of partnership studies and initiatives. This work is crucial in securing a supportive policy and funding environment for the work of the Authority. This does, however, stretch our already tight capacity and I would like to thank staff for leading this work or supporting colleagues in doing so. I would also like to thank National Parks England for the significant work they have led with Government.

5. Budget Outturn

- a. A detailed Budget Outturn report has been considered by the Finance and Audit Group and the results are summarised in table format in Appendix 2 to this report.
- b. The actual outturn was a surplus of £355,000 compared to a planned Budget deficit of £428,100, resulting in a favourable variance to budget of £783,100.
- c. Of the £783,100 budget surplus, a net £403,700 is proposed as budget carry forward and £62,900 is proposed as transfers to earmarked reserves. The detail is included in Report 5 on this Agenda.
- d. After total adjustments of £466,600 for budget carry forwards and transfers to earmarked reserves a surplus of £316,500 arose. An outturn surplus of £199,600 had been included as a planning assumption in the Medium-Term Budget Plan 2022/23 – 2024/25. The actual outturn results in an additional surplus of £116,900. It is proposed this is returned to General Reserves to mitigate financial risks within the budget plan. This is discussed further in Report 5 on this Agenda.
- e. The Finance and Audit Group have considered the main variances within each budget area and there are no variances which need to be brought to the attention of the Full Authority, or that Members have not previously been informed of in the quarterly financial updates throughout the year.
- f. The income generation budget target for the year was £152,000. This was exceeded by £64,300 (42%). The best performing area was car parks, exceeding the net income target by £50,200, and Staff Services which overachieved by £24,400.

6. Trading

- b. Overall Trading performance exceeded budget expectations in all areas. Car parking benefitted from increased visitors to the open countryside and whilst The Sill and Walltown had less visitors than the target, the spend per head was significantly higher resulting in the overall gross profit exceeding targets. Trading results are summarised in table format in Appendix 2 to this report.
- c. The Authority generated £918,900 income from its trading operations. Net of direct staff and direct and recharged operating costs, an overall cash surplus of

£432,400 was achieved. When the value of other 'supporting' staff time of £73,400 is allowed for, the overall operating surplus reduces to £359,000.

- d. Gross Car Park income (excl. The Sill) at £237,500 increased 55% in comparison to the previous year and increased 22% in comparison to 2018/19 (the last full year of trading not impacted by the Covid 19 pandemic). It was pleasing to see a significant percentage increase in income at Walltown and Cawfields, two sites which have seen capital investment in the facilities in recent years.
- e. Hexham Enterprise Hub income at £56,000 exceeded budget due to their being 100% occupancy for the full financial year.
- f. The Sill results include four trading sub areas. The cash surplus or deficit of each being:
 - i. £38,300 surplus on retail. Visitor spend achieved £1.99 spend per visitor compared to £2.02 in the prior year.
 - ii. £45,000 surplus on rental income (36% increase on prior year). The lifting of restrictions meaning room hire could be offered once more from July.
 - iii. £29,100 surplus generated from car park charges. The average ticket price achieved was £1.98 (£1.92 the previous year) and 20,700 cars paid to park.
 - iv. £76,200 surplus on the café. (£18,400 prior year). The prior year began trading mid-July and was closed much of the winter period.
- g. Financial performance benefitted in year from a number of schemes to support businesses with the impact of the Covid 19 pandemic: this included reduced VAT rates for hospitality; £55,000 in Covid support grants and; a reduction in business rates for hospitality.

7. Treasury Management Performance

- a. In line with the agreed Investment Strategy for 2021/22 funds were held in on demand accounts. The 32-day notice account currently has a poorer rate than the majority of the on-demand accounts.
- b. At the 31 March 2021 £1,557,887 of funds were on deposit across the four banks as follows:

Barclays (60.5%)

- £100,171 in a tracker on demand deposit account earning 0.75%
- £842,330 in an on-demand deposit business sweep account earning 0.05%

Santander (19.5%)

- £303,037 in an on-demand deposit account earning 0.43 % if no withdrawals in month.

HSBC (19.4%)

- £301,986 in an on-demand deposit account earning 0.09 %.

Lloyds (0.6%)

- £10,363 in a 32-day notice account earning 0.05%.
- c. There were a number of changes to the Bank of England Base Rate throughout the year. The year started at 0.1%, rising to 0.25% in December. 0.5% in February and 0.75% in March. Interest rates offered by the banks have been negligible over the past year.
- d. Bank interest earned in 2021/22 was £1,000 against a revised budget target of £2,500.

8. Human Resources

Fit for the future

- a. The actions within our 2019 – 2022 Organisational Development (OD) strategy are now 84% complete or underway, including many new objectives, which were added in light of learning from the Covid 19 pandemic. A revised 2023-2026 Organisational Development framework is in place and is currently being shaped by Leadership Team in order to refine it into the next OD strategy.
- b. An Equality, Diversity and Inclusivity action plan has been created. All staff are trained in Unconscious Bias, recruitment methods have been changed to allow for a more diverse pool of applicants and the flexible working policies are well used.
- c. Staff were regularly surveyed during 2021 regarding ways of working and wellbeing. 100% responded and all staff who are able to work from home expressed a desire for a blended working model. A trial blended working framework has been in place since then. In September 2022, a review will take place to evaluate how this model is working.

Volunteers and Apprenticeships

- a. In 2021/22 volunteers contributed 2,497 volunteer days, approximately equivalent to adding 10 FTE staff to our organisation's capacity.
- b. Three existing members of staff are enrolled on apprenticeships to support their Continuous Professional Development. Two "Kickstart" placements completed, and a third placement is currently in post. This scheme supports young people into employment.

Wellbeing

- a. Wellbeing and mental health support is a key focus of our new staff intranet. Two members of staff published their experiences accessing these services. Since 2017, 20% of staff have taken up our counselling support offer.
- b. Bespoke training has taken place for staff who may encounter members of the public exhibiting signs of mental illness or at risk to themselves. Excellent feedback was received.

- c. Shortly, we will launch a new Wellbeing at Work policy, which incorporates and updates previous policies. The Authority continues to have excellent levels of staff engagement with sickness at 2.02 days per member of staff. This falls to 1.34 excluding COVID. This remains well below the public sector average at 7 days. There were no instances of long-term sickness (any period exceeding 3 weeks).

Leadership and management

- a. A development programme for aspiring managers has been created.
- b. Three new managers have attended a 3-day residential course and further training has taken place as part of the managers' toolkit, such as managing through change.
- c. We have launched management support workshops, which will be held quarterly.

Employee engagement

- a. Four events have been arranged to connect staff and encourage teamwork. These include the annual all staff/member/volunteer day out in the Park as well as a woodland wellbeing day and a family/friends celebration event.
- b. Maintaining staff engagement remains a priority. In 2021, the HSE stress and engagement survey was repeated. Results showed the highest ever scores for Manager Support and Peer Support.

9. Health & Safety Annual Review, including Business Continuity Planning

- a. Our internal Health and Safety working group has met biannually as planned to review current policy and discuss operational matters. A full review of the Fire Risk Assessments for all of our sites has been carried out and action points addressed.
- b. Currently a full review of all Health and Safety policies is taking place and is due for publication by late July.
- c. Formal training has taken place for fire wardens, the use of firefighting equipment and risk assessment management.
- d. There were no RIDDOR reportable incidents. There was 1 near miss and 13 reported incidents for the Authority during 2021/22.
- e. The Business Continuity Plan was stood down in March and the Authority revised its' position on the Covid pandemic to one of 'Covid Awareness' as part of its recovery plan. Whilst some Covid safe adjustments remain in place, the use of face coverings was relaxed in line with Government guidance in May.
- f. A full review of the Authority's policy for Business Continuity is due in 2022.

10. Complaints Summary

- a. Two Stage 1 complaints were logged and addressed to the complainant's satisfaction.
- b. Nine informal complaints were received and responded to, the majority relating to trail/fox hunting.

11. Conclusion

- a. Members are asked to note the strong delivery performance for the Authority over what has been another challenging year. The positive financial outturn delivers much needed support to what is a challenging and uncertain medium-term budget plan and is welcomed.
- b. I would like to thank, members, staff and volunteers for the integrated and supportive way we have worked to deliver so much for the National Park and its communities. I would also like to thank the many partners we have worked with and without whose support and funding so much could not be achieved.

Contact Officer: For further information contact Tony Gates, Chief Executive (National Park Officer) on 01434 611514 or e-mail: tony.gates@nnpa.org.uk

Background papers: None