

**Report 2: Chief Executive's Review of Performance 2022/23**

**1. Purpose of Report**

This report provides a report on the achievement of the Forward Work Programme in the year to 31 March 2023 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 2023 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 2022/23 financial outturn delivers a budget surplus of £277,500, after allowing budget carry forwards, transfers to Earmarked Reserves and the late confirmation of Supplementary National Park Grant of £440,000 which was included in the General Reserve in the 2023/24 – 2025/26 Medium-Term Budget Plan. There is a proposal in relation to the allocation of the excess funds in the General Reserve in Report 5 on this Agenda.
- b. Equalities: Equalities implications are considered as part of delivering all aspects of the Forward Work Programme throughout the year.
- 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 2022/23**

- a. Our objectives for the year have been assessed against the operational 'Bridging Plan' which guided the actions of the Authority between the end of the Business Plan 2017-2021 to the Business Plan 2023-2026. As this was a 1-year plan, the determination of progress has been more straightforward. Overall, 77% of our delivery has been assessed as "Good", 19% "acceptable" and 3% "Poor".

b. Table A. Business Plan Annual Performance Assessment

Assessment	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Good	71%	68%	79%	52%	75%	77%
Acceptable	29%	32%	21%	34%	25%	19%
Poor	0%	0%	0%	14%	0%	3%

- c. Further details of the Authority's annual performance can be found in Appendix 1 to this report.
- d. Our programmes to support Nature Recovery have continued to develop. We have been successful in receiving additional Facilitation Fund funding to support land manager workshops, and fully completed the capital works on the Hadrian's Wall Recovering Nature project, as part of our stewardship scheme. We submitted as planned our Landscape Recovery Pilot application but unfortunately this was not successful. We will resubmit an amended and re-focussed bid in Round 2 (September 2023). Our work with RSPB on the Curlew Life Project continued, however, curlew have not raised enough chicks to meet the required replacement rate.
- e. Our Climate Action objectives this year marks the first time we have specific targets to meet the goal of net zero. Our targeted actions this year have lowered our emissions from an average of 165t of CO<sub>2</sub>e to 132t CO<sub>2</sub>e. Nevertheless, meeting our targets is likely to get harder as the next stage is to action the building retrofit assessments which were commissioned during the year. Through the Management Plan Partnership, our partners have committed in the Management Plan to aim to deliver a Net Zero National Park by 2030 and the Northumberland Peat Partnership will accelerate the restoration our degraded peat.
- f. The historic environment is the only area where we have not made progress on a key objective for the year. The intention was to progress the Cheviot Hills Heritage Project to have initial funding and a project plan. Unfortunately, due to capacity constraints this has not been possible. However, our other objectives in this area have performed well with the conclusion of the Traditional Farm Buildings, Revitalising Redesdale heritage projects, and initiating the Hadrian's Wall landscape enhancement project.
- g. Our Welcoming Park objectives have been met this year. Visitor numbers for the year have returning to pre-pandemic levels and engagement with national park education and activity programme meeting targets. We concluded the Generation Green project at the beginning of the year and attention is turning to improving our surrounding sites while liaising with our gateway communities about improving connections across the National Park boundary.
- h. Our Thriving Communities objectives focus on partnership working, support for land managers and businesses and community funding. The Farming in Protected Landscapes programme continues to perform extremely well with 99% of allocated funding being spend on projects during the year. The coming year will see the FiPL expenditure align even more closely with new Management Plan objectives. The Farm Networking (Facilitation Fund) projects have been successful in attracting further investment and we awarded more than £16,000 through the communities fund this year.
- i. The Management Plan lunched in February after 2 years of work and consultation.

- j. Our marketing and communications plan has continued to deliver a wide range of communication methods to reach and engage with different audiences. The Management Plan was a particular highlight, engaging new audiences through digital media and utilising film to position our vision and ambition for the Park. Communications and marketing support for The Sill has helped to achieve the standout figures associated with delivery through the Lost Spells campaign which focused on potential visitors online and an 'out of home' campaign in Newcastle City Centre and on the Metro, to attract more urban based audiences. We were also able to secure widespread coverage for the budget challenges facing the Authority, with interest from broadcast and print media.
- k. Finally, our rolling objective as an organisation to be "Fit for the Future" combined a review of flexible and hybrid working, systems improvements, organisational development, communications and self-generated income. This year has been extremely busy in all of these areas and each of them have delivered a performance of "Good".

## 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 £472,900 compared to a planned Budget deficit of £598,600, resulting in a favourable variance to budget of £1,071,500.
- c. Of the £1,071,500, £440,000 relates to the late award of Supplementary National Park Grant from Defra in recognition of the increasing costs of fulfilling statutory purposes, a net £293,600 is proposed as budget carry forward and £60,400 is proposed as transfers to earmarked reserves. The detail is included in Report 5 on this Agenda.
- d. After total adjustments of £354,000 for budget carry forwards and transfers to earmarked reserves a surplus of £717,500 arose. An outturn surplus of £440,000 (the Defra supplementary grant only) had been included as a planning assumption in the Medium-Term Budget Plan 2023/25 – 2025/26. The actual outturn results in an additional surplus of £277,500. There is a proposal in Report 5 on this Agenda regarding the allocation of excess funds within the general reserve, which following the result of this outturn currently sits at £1,208,200.
- 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 £256,400. This was achieved and exceeded by £25,000 (10%). The best performing area was staff services and full cost recovery which overachieved by £38,000.

## 6. Trading

- a. Overall Trading performance exceeded budget expectations in all areas. The Sill and Walltown exceeded their respective visitor targets, and the spend per head at The Sill was significantly higher than budget assumptions, resulting in the overall gross profit exceeding targets. The net car park income target was increased in year as charges were raised as part of the requirement to significantly increase income generation because of continuing "flat-cash" settlements. The net income target was increased by £78,000 which was achieved. Trading results are summarised in table format in Appendix 2 to this report.
- b. The Authority generated £1,029,000 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 £116,700 is allowed for, the overall operating surplus reduces to £315,700.
- c. Gross car park income (excl. The Sill) at £270,700 increased 14% in comparison to the previous year reflecting the increase in charges. There was a reduction in tickets sold of 2,000 compared to the previous year.
- d. Hexham Enterprise Hub income at £63,600 exceeded budget due to almost full occupancy for the financial year.
- e. The Sill results include four trading sub areas. The cash surplus or deficit of each being:
  - £55,900 surplus on retail. Visitor spend achieved £2.12 spend per visitor compared to £1.99 in the prior year.
  - £70,000 surplus on rental income
  - £32,900 surplus generated from car park charges. The average ticket price achieved was £1.98, the same as the previous year. Note the parking charges were not increased at The Sill. 23,400 cars paid to park compared to 20,700 in the prior year.
  - £2,100 surplus on the café. (£76,200 prior year). Note the prior year benefitted from reduced VAT on hospitality, Covid grants, zero business rates and lower staff costs.

## **7. Treasury Management Performance**

- a. In line with the agreed Investment Strategy for 2022/23 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 2023 £1,662,779 of funds were on deposit across the four banks as follows:
  - Barclays (26.5%). £439,759 in an on-demand deposit business sweep account earning 1%
  - Santander (54.7%). £909,564 in an on-demand deposit account earning 2.7 % if no withdrawals in month.

- HSBC (18.2%). £302,931 in an on-demand deposit account earning 1.35 %.
  - Lloyds (0.6%). £10,525 in a 32-day notice account earning 1.85%.
- c. There were a number of changes to the Bank of England Base Rate throughout the year. The year started at 0.75%, rising at regular intervals to 4.25%.
- d. Bank interest earned in 2022/23 was £12,496 against a revised budget target of £3,000.

## **8. Human Resources**

### **Welcoming Organisation**

- a. The 2019 – 2022 Organisational Development Strategy was completed including additional objectives, which were added in light of learning from the pandemic. The 2023-2026 Organisational Development strategy has ambitious aims and is tabled for approval at Item 7 on this agenda.
- b. An Equality, Diversity and Inclusivity action plan has been created. Recruitment methods have been changed and will be further developed. The Authority is already working towards targets, for example becoming a disability confident employer and being proactive about inclusivity. The action plan will enable further improvements to take place.
- c. Wellbeing remains a key focus. A new wellbeing policy and intranet site have been launched, which highlight the fifteen different ways staff can access wellbeing support. Since the launch of our counselling support offer, over thirty percent of staff have taken up the option.
- d. Our staff wellbeing education programme has been launched. This is a programme of lunchtime health events provided by external experts and has proved very popular. Sessions have taken place on cancer prevention, self-care and menopause so far. Future sessions will include men's health, nutrition and stress resilience.

### **Smart Organisation**

- e. Staff surveys identified that 100% of staff are in favour of our blended working model. In September 2022, a review took place to evaluate whether this model meets the needs of the Authority. A decision was taken to continue the trial for a further year to enable us to consider whether further opportunities exist for enhancing efficiency, reducing travel, increasing use of technology and employing remote workers. A full review of hybrid working will take place in September 2023.
- f. The appraisal framework has helped to identify requirements for clearer career development opportunities and management development programmes and will enable the Authority to be more strategic in workforce planning as well as boost retention.

- g. The use of technology has made the recruitment process more efficient for candidates and has enabled us to gain more intelligence, which will help inform the Equality, Diversity and Inclusion action plan.

#### **Learning Organisation**

- h. Career pathways has been a very successful outcome of the Organisational Development strategy. The new appraisal scheme highlighted a need for management development training. A 3-stage management development programme is now in place for Aspirational Managers, Existing Managers and Leaders. 12 staff are signed up to the Aspirational Managers programme.
- i. Two senior managers have undertaken Senior Leader post graduate qualifications. In addition, one member of staff has undertaken a postgraduate certificate at the University of Oxford and another member of staff has completed a Masters. These achievements are celebrated on the Intranet to raise awareness of the career opportunities on offer. The next Organisational Development strategy will further develop career pathways, internally and externally.
- j. Staff feedback suggested that regular get togethers are welcomed as part of staff engagement. Staff will now have at least 4 opportunities per year to join colleagues in learning about Park projects, undertaking practical tasks and celebrating together.

#### **An Organisation Fit for the Future**

- k. A new Organisational Development Strategy has been created, which will align the Authority's workforce with its vision. It's important to note that the OD Strategy has been designed to flex to accommodate changes in priorities and strategic direction.
- l. Partnership working has brought about success for the Authority and increased funding opportunities. Collaborating with new networks, partners and audiences will become even more crucial to ensure a sustainable future.

#### **Volunteers and Apprenticeships**

- m. In 2022/23 volunteers contributed 2,510 volunteer days, approximately equivalent to adding 10 full time equivalent staff to our organisation's capacity.
- n. There has been significant work in realigning volunteering activity to the Authority's post-covid ways of working and in re-establishing programmes such as work experience and Young Ranger Placements. 14 young people attended and 1 secured employment in a permanent role. Towards the end of the year, we rebooted our Heritage at Risk volunteering programme which is considered a best practice partnership model with Historic England.
- o. A new Content Producer Apprentice was appointed, providing a new entry level role for a young person, and taking our total to four apprentices with the other three being existing staff for continuous professional development purposes. Our third and final Kickstart placement completed and moved into employment with Northumberland County Council.

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

- a. Our internal Health and Safety Working Group has met three times throughout this year. A full review of the Health and Safety policy manual was completed.
- b. The updated Fire Risk assessments of all sites has been signed off.
- c. An internal H&S audit has taken place and reported to Finance and Audit Group in June, with findings already being actioned. This is reported elsewhere at Item 3 on this agenda.
- d. Member H&S training was delivered by our H&S Advisor and it is planned that this will be refreshed on an annual basis.
- e. The following staff training and checks have taken place:
  - i. Safeguarding;
  - ii. Risk Assessment (Face to Face – by Jon Wayte). The Volunteer and Apprenticeships Development Officer has reported that volunteer training is up to date;
  - iii. Personal Safety and Lone Working (Online by Suzy Lamplugh Trust);
  - iv. Mental Health Awareness in Rural Communities;
  - v. First Aid in the Field;
  - vi. Lone Working in the Field;
  - vii. DBS Checks;
  - viii. Safe Working at Height.
- f. All new starters have completed their H&S induction and the ELMs training platform has had a thorough update across all National Parks.
- g. There were no RIDDOR reportable incidents. There were 5 near miss and 12 reported incidents for the Authority during 2022/23, 11 of this total at The Sill. All remedial actions were completed.
- h. Covid restrictions were lifted further in October 2022 with staff advised to follow government guidance and updated Risk Assessment and Method Statement.
- i. A full review of the Authority's policy for Business Continuity will be carried out in 2023/24.

**10. Complaints Summary**

- a. Zero Stage 1 complaints have been received by the Authority.

**11. Conclusion**

- a. The year ended 31 March 2022 has been a mixed year for the Authority. We have had many great achievements as we have focussed on delivery of our Bridging Operational Plan. The Authority continues to make great strides in being a welcoming park, and we are developing clear actions around nature and climate, with much more to be achieved.

- b. Whilst the Authority has had a very positive financial performance, particularly in respect of our self-generated income, ongoing flat cash settlement in our defra grant in aid have cast a long shadow on the medium- and long-term planning of the Authority. The need to undertake budget saving and a business review to reduce ongoing staff costs has had an impact on staff morale and will have impacted on our delivery.
- c. As we move forward there is nevertheless much to look forward to. A healthy financial performance on self-generated income, together with one-off end of year Defra funding means the impact of cost reductions can be curtailed. A new Management Plan and Business Plan gives the Authority a clear focus and clear agenda for at least the next three years and our working in partnership is already beginning to realise support and resources to archive our priorities.
- d. I would like to thank staff and members of the Authority for another great year's work, albeit against a difficult background.

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**Background papers:** None