Item 2: CHIEF EXECUTIVE’S REVIEW OF PERFORMANCE 2017-2018

1. Purpose of Report

This report provides an overview of the Authority’s achievement of the annual work programme in the year to 31 March 2018.

2. Recommendations

Members are recommended to:

a. Note the Authority’s performance for 2017-2018 as set out in this report and as detailed at Appendix 1 Item 2; and

b. Note the budget out turn for the year as set out at Appendix 2 to Item 2.

3. Implications

Financial

a. The overall 2017/18 financial outturn for the year shows a surplus of £3,500 to return to unallocated reserves.

Equalities

b. There are no equality implications in this information report that are not reported elsewhere

4. Performance Highlights from our Operational Plan 2017-18

a. The Sill: National Landscape Discovery Centre opened to the public for the first time on 31st July, 2017. This project was completed largely on time and within budget. A great achievement for our small team who have never delivered a project on this scale before. 100,000 visitors were estimated to travel to the building annually and this was surpassed in only 8 months. The revised plan now estimates 150,000 visitors to be a more realistic expectation. The official opening is scheduled to take place in the coming year.

b. Working with Natural England and Northumberland Wildlife Trust, the Authority successfully launched Revitalising Redesdale – Landscape Partnership Scheme. The project is predominantly funded by a grant of £1.8m from the Heritage Lottery Fund. Delivering the 12 outcomes of the project requires input from a large number of National Park partners and the project is being showcased as a demonstration in cross-organisational co-operation.

c. The Authority’s Development Management Service continues to deliver exemplary service with 98% of planning applications determined within statutory or agreed timeframes, the highest of all National Parks and in the top 5% of all local planning authorities in England. Our pre-application service continues to be widely used leading to an approval rating of submitted applications of 97%.

d. Our work with woodland creation and management across the Park has been very active during the year, with the Authority working at both a local and national level to help ensure the right trees are planted in the right places for the long term good of the Park. A Memorandum of Agreement was signed between the Authority, Natural England and Forestry Commission. A number of woodland creation schemes were assessed and 50ha of new scrub approved at Barrowburn.

e. The future of environmental land management schemes represents perhaps one of the biggest challenges to the upland communities and fabric of the National Park.
The Authority has been working closely with other Parks to influence the shape of future schemes, and during the year enabled 11 further holdings to enter stewardship in the Park.

f. Our overall performance in delivering the operational plan this year has been in line with the previous 3 year average. This is a very positive performance given the effort required in completing The Sill and moving to its ongoing operation. This has truly tested our capacity as an organisation and it is pleasing given these circumstances to see this level of performance. It is important that we recognise the great range of work being delivered right across our work programme and recognise the outstanding efforts of our teams.

Table 1. Delivery of Operational Plan 2017-18

<table>
<thead>
<tr>
<th></th>
<th>(green) Completed / substantially completed</th>
<th>(amber) Partially completed</th>
<th>(red) Not achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous 3 year average outturn</td>
<td>72%</td>
<td>23%</td>
<td>6%</td>
</tr>
<tr>
<td>Full Year Outturn</td>
<td>69%</td>
<td>24%</td>
<td>7%</td>
</tr>
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5. Budget Outturn 2017/18 in Summary

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 deficit of £964,000 compared to a planned Budget deficit of £791,500 (planned spending from accumulated balances). The deficit variance to budget of £172,500 result from the fact it was not necessary to draw down the previously agreed cashflow loan. Although this shows a deficit variance the outcome is therefore actually more favourable in that by managing within existing cash balances, the Authority do not incur unnecessary interest charges from use of the loan provision. The option will however roll forward to 2018/19 to enable drawdown of the loan, if or when required.

c. Of the budget deficit variance of £172,500 a net £176,000 is proposed as budget carry forward leaving a small balance of £3,500 to return to unallocated reserves. The detail of the carry forward is included in Item 9 on this Agenda.

d. 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.

e. As shown in the table at Appendix 2, the deficit against budget on The Sill Business Plan was mainly offset from budget surplus in the projects section and core operating budgets.

f. The Sill was operating against a Business Plan written early in the project planning process. In 2017/18 this had not been updated to reflect the later than planned opening date, changes in car park charging policy or other known changes or truly reflect the time needed to grow the business areas. As members are aware the Business Plan (with the exception of the activities element) was revised based on 5
months experience and included in the Medium Term Budget Plan 2018/19 – 2020/21 along with stretch targets to increase net income or decrease costs.

g. As anticipated income generation underachieved by £21,700 and this was managed by not allocating the New Project Fund to the same value.

6. Trading

a. The Authority generated £579,000 income from its trading operations. Net of direct staff and direct and recharged operating costs, an overall cash surplus of £154,800 was achieved. When the value of supporting non charged staff time of £86,100 is allowed for the overall operating surplus reduces to £68,700. The performance is summarised in tabular form in Appendix 2 to this report.

b. Detailed trading reports were discussed at the June 2018 Finance and Audit Group meeting for each of the trading areas detailed, enabling the appropriate level of scrutiny and challenge.

Car Park income at £184,100 increased by £12,700 (7.4%) in comparison to the previous year.

Hexham Enterprise Hub income at £50,300 decreased by £7,900 (13%) in comparison to the previous year as a result of turnover of tenants and an element of vacant possession.

The Walltown Kiosk was operated as a temporary replacement for the Once Brewed Centre during the construction phase of The Sill and gross profit margin increased to 46% meaning overall the 2017/18 operation generated a gross profit of £16,000, £500 more than the previous year.

c. The Sill results include 4 trading sub areas. The cash surplus or deficit of each being:

- £12,000 deficit – Retail.
- £36,300 deficit – Activities.
- £48,100 surplus on rental income.
- £22,500 surplus generated from car park charges.

7. Treasury Management Performance

a. In line with the agreed Investment Strategy for 2017/18 funds were held in on demand accounts only, to ensure sufficient cashflow during the capital build of The Sill.

b. At the 31 March 2018 £830,369 of funds were on deposit across the two banks as shown below;

Barclays (69%)
- £353,611 in a tracker on demand deposit account earning 0.50%
- £221,265 in an on-demand deposit business sweep account earning 0.19%

Santander (31%)
- £255,493 in an on-demand deposit account earning 0.30%

c. Bank interest earned in 2017/18 was £4,000 against a budget target of £8,000, this was mitigated by the fact that cashflow was managed without the need to draw on
the cashflow approved loan thus saving the Authority £16,900 of interest payment budgeted.

8. HR Review Annual Review 2017-18

a. A review of Leadership Team was completed during the year resulting in the creation of two Director posts, as well as a number of Head of Department posts. All Head of Department posts were filled internally following a recruitment process.

b. Implementation of the Organisational Development strategy approved by Members in 2016 is progressing well, with 92% of the actions completed by March 2018. Results of staff consultation regarding mental health awareness lead to the launch of the ‘Health at Work’ strategy, which includes practical days out for staff, opportunities to volunteer externally and a health cash plan.

c. A staffing review has taken place at The Sill with all posts now filled. This will be tested for 6 months and approval for the new structure and staffing resource will be sought at the December Authority meeting.

d. Sickness remains low at four days per staff member (short term sickness 2 days). This is well below that of similar organisations and reflects the ongoing high level of commitment and engagement of our staff.

e. Following the mental health awareness programme and the resulting ‘Health at Work strategy’, the Authority recently won the CIPD excellence in Health and Wellness Award and our HR Officer received a National Park Hero award for her work in this area. We should all be proud that the Authority is among the organisations leading on this work in our region.


a. The Health and Safety Working Group met three times during the year.

b. The 2017/18 agreed Action Plan provided a framework for integrating and embedding existing practice and procedures into a more robust framework for the management of OHS within the Authority. It prioritised ensuring members, managers, staff and volunteers are engaged with, and know what is expected of them in respect to health and safety. Action to ensure continuous improvement in health and safety management will continue to be prioritised during 2018/19.

c. In 2017/18 there have been 27 incidents/near misses, an increase of 170% from the previous year. The increase reflects the introduction of robust systems of capturing and reporting near miss events as a means of avoiding accidents/incidents.

d. There were a total of 16 incidents/near misses at The Sill, that involved 4 members of the public and 6 children (running, slipping or falling). There were no RIDDOR reportable incidents in the year.

10. Complaints Summary

There have been 9 Stage 1 complaints received by the Authority throughout 2017/18; 4 relating to planning and others included not allowing dogs into The Sill (3), car parking charges (1) and motor cross bikes on pathways (1). None of these complaints
progressed to Stage 2 of the Authority’s complaints procedure. One planning complaint was referred to the Local Government Ombudsman, who declined the investigation.

11. **Fundraising and Income Generation**

Fundraising activity has slowed in the year with the Head of Fundraising having been seconded to cover the absence of The Sill Manager for a large part of the year. In April 2018, a further £88,003 was received in respect of gift aid claimed. The shortfall will be rolled forward. Against the full project target of £1,341,000 there remains £583,818 to raise by 2020.

The additional £150,000 target for projects was achieved in 2017/2018. The Foundation received £200,000 to carry out scoping for a project in the Breamish Valley and for the scoping of a future Cheviot Hillforts project which meant the target was exceeded by £50,000.

12. **Communications and Partnership Working**

**Digital Media**

Comparing previous year on year performance we have seen a dramatic improvement in web traffic and use on the Northumberland National Park web-site. Our new modular website has increased dwell time on the site considerably, leading to more exploration of our content.

Table 2. NNPA website statistics

<table>
<thead>
<tr>
<th></th>
<th>April 2016 – March 2017</th>
<th>April 2017 - March 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unique Users</td>
<td>176171</td>
<td>263565</td>
</tr>
<tr>
<td>Total Users</td>
<td>255048</td>
<td>346001</td>
</tr>
<tr>
<td>Pageviews</td>
<td>588637</td>
<td>828389</td>
</tr>
</tbody>
</table>

For the year we have seen increases of: Unique Users: Total Users: Pageviews. The increases are a direct result of better signposting on social media and growth of our digital channels.

Table 3. NNPA Social Media statistics

<table>
<thead>
<tr>
<th></th>
<th>May 2017</th>
<th>May 2018</th>
<th>% increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Twitter</td>
<td>13232</td>
<td>14970</td>
<td>13%</td>
</tr>
<tr>
<td>Facebook</td>
<td>18860</td>
<td>23725</td>
<td>26%</td>
</tr>
<tr>
<td>Instagram</td>
<td>4129</td>
<td>5932</td>
<td>44%</td>
</tr>
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Overall steady progress has been made in delivering the Management Plan by the Authority and its partners, with 79% of the almost 200 actions identified, having been either completed or partially completed.
Table 4 – Management Plan Annual Action Plan 2017-18 Performance Summary

<table>
<thead>
<tr>
<th>Management Plan Aim</th>
<th>No. of Actions</th>
<th>Actions progressed*</th>
<th>Not Progressed / Update Unavailable</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Welcoming Park</td>
<td>55</td>
<td>47</td>
<td>8</td>
</tr>
<tr>
<td>A Distinctive Place</td>
<td>46</td>
<td>36</td>
<td>10</td>
</tr>
<tr>
<td>A Living, Working Landscape for Now and the Future</td>
<td>34</td>
<td>21</td>
<td>13</td>
</tr>
<tr>
<td>Thriving Communities</td>
<td>34</td>
<td>30</td>
<td>4</td>
</tr>
<tr>
<td>A Valued Asset</td>
<td>25</td>
<td>19</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>194</strong></td>
<td><strong>153</strong></td>
<td><strong>41</strong></td>
</tr>
<tr>
<td><strong>Total %</strong></td>
<td><strong>100%</strong></td>
<td><strong>79%</strong></td>
<td><strong>21%</strong></td>
</tr>
</tbody>
</table>

*No. actions progressed = the number of actions against which work was undertaken during the Action Plan period. It should be noted that the count includes both completed and partially-completed actions.

14. Conclusions

a) 2017-2018 has been a significant year for the National Park Authority with the opening of The Sill, a new landmark attraction for North East England; the National Park winning BBC Countryfile National Park of the Year for a second time in three years; and the Authority and The Sill in the running for a wide range of other awards. The profile of the Park and the Authority has been significantly raised during the year.

b) Against this backdrop the Authority has delivered a broad base of work, completing or partially completing 93% of its Operational Plan. Our performance continues against a backdrop of careful and challenging financial management and an increasingly stretched staff capacity. We are however making good progress towards the delivery of our 5 year Business Plan.

c) The Authority’s ambition remains high and during the year we have completed a review of the Leadership Team to better match the strategic and operational capacity to the challenges and opportunities we face.

d) As Chief Executive, I would like to thank the staff, members and volunteers for their ongoing commitments to this Authority and who make all that we achieve possible.

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Background papers: None