Item 2: CHIEF EXECUTIVE’S REVIEW OF PERFORMANCE 2018-2019

1. Purpose of Report

This report provides an overview of the Authority’s activities and achievement of the annual work programme in the year to 31 March 2019 and reports on the budget outturn for the same period.

2. Recommendations

Members are recommended to:

a. Note the Authority’s performance for 2018-2019 as set out in this report and as detailed at Appendix 1 Item 2; and

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

3. Implications

Financial

a. The overall 2018/19 financial outturn for the year delivers a budget surplus of £50,500. This together with the £25,000 budget deficit planning assumption included in the Medium Term Budget Plan 2019/20 – 2021/22 results in an additional £75,500 of unallocated funds. There is a proposal to allocate this amount in Item 8 on this Agenda.

Equalities

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

4. Performance Highlights from our Operational Plan 2018-19

a. The Sill: National Landscape Discovery Centre completed its first full year of operations and continues to outperform the 100,000 visitors that were anticipated in the National Lottery Heritage Fund forecast. There were 146,000 visits during the year, including a high profile Official Opening by HRH The Prince of Wales in September 2018. The team have delivered just over 21,000 activity days across our Events, Education and Training programmes and our rolling programme of temporary exhibitions, particularly Digital Landscapes, have begun to widen the draw of the National Park to new audiences. If we compare this with the 45,000 visitors per annum to Once Brewed the scale of change we are delivering through The Sill is very evident.

b. Working with Natural England and Northumberland Wildlife Trust, the Authority completed the first year of Revitalising Redesdale Landscape Partnership Scheme. The scheme is on target and there continues to be broad support from the communities in the Rede Valley. This year has delivered improvements to 2.5km of the Pennine Way, baseline ecological surveys for the river and its tributaries and a spate of newly discovered archaeology from the Lidar Landscapes project. 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 provide excellent service with 97% 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%, well above the national average of 88%.

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. The Forestry England - National Parks England Joint Accord was formally launched in July 2018 with a three year action plan to enhance how we work together.

e. The future of environmental land management schemes continues to represent one of the biggest challenges to the upland communities and the National Park. The Authority has been working closely with other Parks to influence the shape of future schemes. Due to the fluid policy environment, some schemes that are due to expire this year have been given the option to roll over for a further 12 months. Farming Officers have been working hard to ensure that land managers continue to receive the support they need.

f. During the year the Authority took on the additional role of implementing the Defra Traditional Farm Building pilot and this has attracted significant interest from across the Park.

g. Our overall performance in delivering the operational plan this year has increased from last year as the Authority has delivered on its proposed new management structure. This year has seen The Sill become an ongoing operation and focus is now moving to making best use of this fantastic facility and ensuring its financial sustainability. It is also 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 2018-19

<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 Business Plan outturn</td>
<td>66%</td>
<td>25%</td>
<td>9%</td>
</tr>
<tr>
<td>Previous Year Performance</td>
<td>69%</td>
<td>24%</td>
<td>7%</td>
</tr>
<tr>
<td>Full Year Outturn</td>
<td>73%</td>
<td>22%</td>
<td>5%</td>
</tr>
</tbody>
</table>

5. Budget Outturn 2018/19 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 surplus of £318,900 compared to a planned Budget deficit of £63,300, resulting in a favourable variance to budget of £382,200.

c. Of the surplus budget variance of £382,200, a net £323,900 is proposed as budget carry forward. The detail of the carry forward is included in Item 8 on this Agenda. Furthermore £7,800, which relates to the recent nationally agreed Development Management fee increase, must be ring-fenced to enable improvements within the planning service. This has been transferred to an earmarked reserve.
d. After the adjustments outlined in paragraph 5c an outturn budget surplus of £50,500 arises. Given the Medium Term Budget Plan was produced on the basis of a £25,000 in year budget deficit the outturn results mean overall there is an additional unplanned sum of £75,500 available.

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. As shown in the table at Appendix 2, the deficit against budget on The Sill Business Plan was mainly offset from budget surplus in Operating Salary and Related Costs.

g. The commercial Income generation target was exceeded with additional £7,400 generated against target. This is a very pleasing outcome and in keeping with new income generation targets set in the Medium Term Budget Plan, we will be undertaking a full review of the Plan in the current year (2019-2020).

5. Managing Strategic Risks during 2018-19

a. The Authority continues to actively engage with proposed changes to national policy. The Glover (Designated Landscapes) Review is due to report its findings in September 2019 and NNPA and National Parks England (NPE) have been involved throughout this process. Indications are that consistent feedback is being given to National Park Authorities and Ministers regarding the conclusions of the review. The progress of the Environment Bill and Agriculture Bill is being closely monitored in co-ordination with NPE. Officers are engaging with each consultation that takes place to ensure robust responses are given and to ensure that the National Park perspective is clearly communicated.

b. The Local Plan is entering the final round of consultation prior to public examination. There has been a short delay in the publication timeline during the year.

c. The proposed transformation of the Authority management structure is now complete and a ‘values based’ recruitment policy has been introduced. The organisation is reviewing staff workflows during the development of the Operational Plan and is reducing some reporting requirements as part of the conclusions of the 2019 Governance Review. The Authority is developing a Strategic Development Plan to help us better match our work to capacity and resources, in line with agreed priorities going forward.

d. The Sill Business Plan currently represents the key risk to the Authority’s financial position. During the year The Sill Business Plan was fully reviewed based on experience of the first 18 months of operation and delivery of the business plan is being closely monitored.

e. The Sill Activity Programme was reviewed to ensure this remains sustainable, the National Lottery Heritage Fund agreed to a reduction in anticipated activity income which substantially de-risked the project and efficiency savings were achieved during the year.

f. Capacity issues are being addressed through a review of the Business Plan delivery programme including how the Operational Plan will be developed moving
forward. Results of this review are expected in 2020. A number of service reviews have been completed and some remain outstanding, although risks to the delivery of the Business Plan remain due to the fluid policy and delivery environment.

g. The extreme temperature fluctuations in 2018-2019 including a late thaw and summer wild fires have increased awareness of Global Warming. The Authority has been working to address control measures on the Otterburn Training Area, continues to contribute to the Wildfire Forum and has established a Green Team to make recommendations that would reduce the impact of our work on the wider environment.

h. The Strategic Risk Register has been reviewed and updated as part of the development of the 2019-2020 Operational Plan and was reviewed by the Finance & Audit Group on 19 June 2019. As a result a number of further amendments have been incorporated. A copy of the updated Strategic Risk Register is available at Appendix 3 to Item 7.

Table 2. Delivery of Strategic Risk Register during 2018-19

<table>
<thead>
<tr>
<th>Strategic Risk</th>
<th>No Action</th>
<th>Early Progress</th>
<th>Acceptable Progress</th>
<th>Good Progress</th>
<th>Actioned</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>7</td>
<td>2</td>
</tr>
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<td>2</td>
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<td>0</td>
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<td>1</td>
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<tr>
<td>Total</td>
<td>1</td>
<td>8</td>
<td>16</td>
<td>41</td>
<td>8</td>
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</table>

<table>
<thead>
<tr>
<th>%</th>
<th>1%</th>
<th>11%</th>
<th>22%</th>
<th>55%</th>
<th>11%</th>
</tr>
</thead>
</table>

Table 3. Strategic Risk Register Key

<table>
<thead>
<tr>
<th>Actioned</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>The proposed actions</td>
<td>The proposed actions have been completed and are demonstrating</td>
</tr>
<tr>
<td>have been completed</td>
<td>the desired impacts (to avoid or mitigate the risk).</td>
</tr>
<tr>
<td>and are demonstrating</td>
<td></td>
</tr>
<tr>
<td>the desired impacts</td>
<td></td>
</tr>
<tr>
<td>to avoid or mitigate</td>
<td></td>
</tr>
<tr>
<td>the risk.</td>
<td></td>
</tr>
<tr>
<td>Good Progress</td>
<td>The proposed actions have been completed or are well progressed,</td>
</tr>
<tr>
<td></td>
<td>with impacts yet to be determined.</td>
</tr>
<tr>
<td>Acceptable Progress</td>
<td>The proposed actions have been initiated but are dependent on</td>
</tr>
<tr>
<td></td>
<td>others (&amp; external factors) for further progress to be achieved.</td>
</tr>
<tr>
<td>Early Progress</td>
<td>Some work towards the proposed action is taking place, however a</td>
</tr>
<tr>
<td></td>
<td>more programmed or enhanced set of actions is required.</td>
</tr>
<tr>
<td>No Action</td>
<td>None of the planned actions have yet taken place.</td>
</tr>
</tbody>
</table>

6. Trading
   a. The Authority generated £639,800 income from its trading operations. Net of direct staff and direct and recharged operating costs, an overall cash surplus of £221,700
was achieved. When the value of supporting non charged staff time of £87,400 is allowed for the overall operating surplus reduces to £134,300. The performance is summarised in tabular form in Appendix 2 to this report.

b. Detailed trading reports were discussed at the June 2019 Finance and Audit Group meeting for each of the trading areas detailed, enabling the appropriate level of scrutiny and challenge.

c. Car Park income at £193,400 increased by £9,300 (5.1%) in comparison to the previous year.

d. Hexham Enterprise Hub income at £42,300 decreased by £8,000 (16%) in comparison to the previous year as a result of 2 pods and 1 office being vacant for the majority of the year.

e. The Sill results include 4 trading sub areas. The cash surplus or deficit of each being:
   - £13,700 surplus – retail.
   - £26,700 deficit – activities.
   - £47,100 surplus on rental income.
   - £29,600 surplus generated from car park charges.

7. Treasury Management Performance

a. In line with the agreed Investment Strategy for 2018/19 funds were held in on demand accounts or where sufficient cash flow allowed in a 32 day notice account to maximise interest receipts.

b. At the 31 March 2019 £665,033 of funds were on deposit across the three banks as follows:

c. Barclays (54%)
   £54,614 in a tracker on demand deposit account earning 0.40%
   £303,808 in an on-demand deposit business sweep account earning 0.20%

d. Santander (23.5%)
   £156,531 in an on-demand deposit account earning 0.55%

e. HSBC (22.5%)
   £150,080 in an on-demand deposit account earning 0.45%

Bank interest earned in 2018/19 was £4,500 against a budget target of £5,000. Cashflow was managed without the need to draw on the cashflow approved loan and as a result a rolled forward budget of £28,100 in interest payments was saved.

8. HR Annual Review

a. The Leadership Team is now complete following last year’s senior management review. Two Directors were successfully recruited and all Head of Department posts were filled (almost all internally). The focus for 2018-2019 will be on Leadership Team development, both in terms of professional development and team cohesion.
b. Members approved the Organisational Development strategy in 2016. This is now complete and a new Organisational Development strategy will be presented to Members in September 2019. 94% of the actions were completed, including a Health at work strategy, refreshing the Authority’s culture and values and more internal recruitment opportunities. The new strategy will include values based recruitment, a management development programme and a further focus on succession planning.

c. As there are a significant proportion of staff new in post (including at The Sill, where the staffing complement is now complete), a tailored training and development programme will be prioritised. Some courses have already taken place, for example conflict management, lone working and personal safety.

d. Sickness remains very low at 3.2 days per staff member (short term sickness 1.2 days). This is well below that of similar organisations and reflects the ongoing high level of commitment and engagement of our staff.


a. The Health and Safety Working Group have met four times in the last year to review current performance and identify areas for focus.

b. A Business Continuity (BCP) full meeting held in April has requested the commencement of a full evaluation of our BCP procedures. A small sub-group has been formed and will work through our plans to ensure robust systems are in place throughout all areas of the Authority’s business activity.

c. In 2018/19 there have been 12 incidents and four near misses, a decrease of 59% from the previous year.

d. There were a total of eight incidents and four near misses at The Sill a decrease of 25% from the previous year.

e. There were no RIDDOR reportable incidents for the Authority during 2018/19 period.

10. Complaints Summary

a. There have been three complaints received by the Authority throughout 2018/19 relating to planning. Two of these complaints progressed to stage two.

11. Fundraising and Income Generation

a. The fundraising team are now at full capacity with Caroline O’Doherty, Head of Business Development implementing a new fundraising strategy alongside Pip Craig, Fundraising and Events Officer.

b. The Sill

A revised capital target of £335,911 was set for 2018/19 for The Sill. Of this, a total of £117,639 has been received. For 2019/20, £254,000 remains to be raised to balance The Sill capital budget.

A new sponsorship programme has been launched for The Sill. The corporate partner programme called The Sill: Herd has three sponsorship levels: Principal (£10,000 per annum), Major (£5,000 per annum) and Supporting (£2,500 per
annum). Various benefits are available to partners depending on their entry point. Funds raised will be allocated to The Sill capital budget.]

The sponsorship of the main exhibition (£50,000) and the temporary exhibition space (£25,000) remain available.

Successful applications to support The Sill Education Programme came from MG Northumbria, Hadrian Trust, Skipton Building Society and the Ernest Cook Trust.

A new walking festival is being planned to take place in May 2019/20. This ultra-distance challenge event will raise funds for the Northumberland National Park through fundraising and event sponsorship.

c. Projects

Against the £150,000 additional projects target, £166,000 was received in 2018/19. A £50,000 donation improved signage across the National Park.

Large scale bids have been submitted including the RDPE Growth Programme (Walltown phase 1 and phase 2 bids) and the Landscape Enhancement Initiative (Cheviot Champions and Hadrian’s Wall National Trail Enhancement List projects). Walltown phase 1 was successful (£86,000) and work is already underway. A second phase bid for £333,255 was submitted in March 2019 and we expect an outcome before July 2019.

We received a donation of £30,000 from Northumbrian Water Borderlands Upland Demonstrator Initiative.

d. Hadrian’s Wall National Trail Path

£15,000 was received from an anonymous donor and was used to improve signage on the trail path.

e. Northumberland National Park Foundation

The Trustees of the Northumberland National Park Foundation met in March 2019 and Carolyn Ramsbotham has been appointed as a new Trustee. Carolyn has extensive fundraising experience and has already made introductions to the fundraising team.

A significant legacy bequest has been made to Northumberland National Park Foundation and the trustees formally agreed to manage this at the March meeting.

12. Communications and Partnership Working

In the year 18/19 we issued 35 press releases solely about Northumberland National Park or The Sill and many more partnership releases were issued. A snap shot of the titles / channels that we were included in is below:

National

- Daily Mail
- Daily Express
- North West Evening News
- BBC Breakfast
- The One Show
- Guardian
- The Independent
- Sunday Times
- BBC Countryfile magazine
- Conservation and Heritage Journal
Regional

- BBC Look North
- ITV Tyne Tees
- Sunday Sun
- Metro Radio
- BBC Radio Newcastle
- North East Times
- Northern Insight
- Northumberland Gazette
- Hexham Courant
- Berwick Advertiser

Our most successful story was the Royal Visit to The Sill.

Last year saw growth across all of our social media channels with Instagram remaining our fastest growing platform. Facebook continues to be used to promote and sell events and we have increased our investment in Social Media advertising. Unique visitors to our website have decreased but total users and page views have increased meaning that although we have less new visitors than the previous year we are getting repeat site visitors staying for longer.

<table>
<thead>
<tr>
<th>Web</th>
<th>April 2017 – March 2018</th>
<th>April 2018 – March 2019</th>
<th>% + / -</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unique Users</td>
<td>263565</td>
<td>249218</td>
<td>-5%</td>
</tr>
<tr>
<td>Total Users</td>
<td>346001</td>
<td>352847</td>
<td>+2%</td>
</tr>
<tr>
<td>Pageviews</td>
<td>828389</td>
<td>837951</td>
<td>+1.2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Social</th>
<th>May 2018</th>
<th>May 2019</th>
<th>% + / -</th>
</tr>
</thead>
<tbody>
<tr>
<td>Twitter</td>
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<td>15928</td>
<td>+6.4%</td>
</tr>
<tr>
<td>Facebook</td>
<td>23725</td>
<td>25688</td>
<td>+8.3%</td>
</tr>
<tr>
<td>Instagram</td>
<td>5932</td>
<td>7789</td>
<td>+31.3%</td>
</tr>
</tbody>
</table>

14. External Recognition and Awards

a. During the year the Authority has achieved a range of external awards and recognition for the quality of its work.

b. In 2018 – 2019 the National Park once again won the BBC Countryfile National Park of the Year Award.

c. Following the Authority’s CIPD award for excellence in Health and Wellness, the Authority also won a national award for its mental health programme (Conscious Employer Awards Best Mental Health Awareness Initiative). The HR Officer has presented this work at a regional conference and to Public Health and NHS staff.

Other awards include:

Winner – Northumberland National Park
- Coquetdale Community Archaeology - National Parks Volunteer Project of the Year Award
- The Civic Trust’s Selwyn Goldsmith Award for Universal Design – Winner (The Sill: National Landscape Discovery Centre)
- North East RIBA Award
Winner – English National Parks
Visit England – England’s National Parks Experience Collection – Outstanding Contribution

Winner – Hadrian’s Wall
Countryfile Magazine Awards 2019 – Landmark of the Year

Winner – Northumberland
Best UK Holiday County/Destination – 2018 British Travel Awards

Finalist/Shortlist
- Northumberland and Tyneside Business Awards – The Sill: National Landscape Discovery Centre
- AJ Architecture Awards 2018 Public Building of the Year – The Sill: National Landscape Discovery Centre
- CIRIA (Construction Industry Research and Information Association) Biodiversity Award – The Sill: National Landscape Discovery Centre

15. Conclusions

a. It is a pleasure to report on what has been another very busy and successful year for the Authority. It is particularly pleasing to have completed the recruitment of key posts within the Leadership Team as the Authority prepares for the future.

b. Against a very challenging resource base and fluid external policy and operational environment, it is pleasing to report that the Authority has been able to embrace new projects, programmes and challenges as we continue to develop our model of operation.

c. I believe all this has prepared this Authority well to contribute to the effective delivery of our statutory purposes, Government’s 25 Year Plan for the Environment and the challenges and opportunities to come from Brexit and the Glover Review later in the year.

d. It is a pleasure to work with such an excellent and knowledgeable team of staff, members, volunteers and partners, and I look forward to continuing our achievements together in coming years.

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