

YORKSHIRE DALES NATIONAL PARK AUTHORITY

AUDIT AND REVIEW COMMITTEE

Minutes of the meeting held at the Dales Countryside Museum, Hawes on Friday, 16th December 2005.

Present:

J Blackie, WH Brown, HA Kirkbride, KJ Lancaster, SR Macaré, Mrs S Marshall, Mrs Y Peacock, JJ Pearlman, Dr KM Petyt and J Sayer.

Also in attendance: C Lis.

COPIES OF ALL DOCUMENTS CONSIDERED ARE IN THE MINUTE BOOK

272. MEMBERSHIP OF THE COMMITTEE

The report of the Secretariat Officer was noted.

273. ELECTION OF CHAIRMAN

Having been nominated unopposed, it was

RESOLVED –

That Mrs Y Peacock be elected Chairman of the Committee, to hold office until the first meeting of the Committee following the annual meeting of the Authority in 2006.

MRS Y PEACOCK IN THE CHAIR

274. ELECTION OF DEPUTY CHAIRMAN

Having been nominated unopposed, it was

RESOLVED –

That KJ Lancaster be elected Deputy Chairman of the Committee, to hold office until the first meeting of the Committee following the annual meeting of the Authority in 2006.

275. MINUTES

RESOLVED -

That the Minutes of the meeting held on 27th May 2005, having been printed and circulated, be taken as read and be confirmed and signed by the Chairman as a correct record, subject to the following wording on page 2:

“ • the District Auditor, who was appointed by the Audit Commission on a 5 yearly contract could be undertaken by a private sector auditor;”

being amended to read:

“ • the Authority’s External Auditor, who is appointed by the Audit Commission on a 5 yearly contract, could be either the District Auditor or an auditor from the private sector;”.

276. PUBLIC QUESTION TIME

No notifications of public questions or of the intention to make a statement had been received.

277. APOLOGIES FOR ABSENCE

Apologies for absence were received from Messrs Dalton and Heather and Ms N Stedman.

278. DECLARATIONS OF THE EXISTENCE AND NATURE OF PERSONAL INTERESTS

None.

279. DECLARATIONS OF LOBBYING

None.

280. ANNUAL AUDIT AND INSPECTION LETTER

CONSIDERED –

The report of the Chief Executive.

The District Auditor thanked members for the opportunity to introduce this year’s Annual Letter. He endorsed the comments in Chief Executive’s covering report, that the Letter contained some positive messages, namely:

- An unqualified opinion had been given on the accounts by the earlier statutory deadline of 31st October. Much credit should go to the Authority’s finance staff in meeting the earlier closedown requirements without any diminution in the quality of the financial statements and the supporting working papers they had produced. He

highlighted that the accounts were free of material error and compliant with the accounting rules; consequently it had not been necessary to make a formal report to the Authority under Statement of Auditing Standard 610.

- The Authority's Best Value Performance Plan met the statutory requirements, therefore he had been able to give an unqualified opinion on the Plan.
- The Auditor's work in relation to the systems of internal financial control and legality of transactions had not identified any significant issues.

He did, however, state that, as reported in the Letter, some areas had been identified where it was felt that the Authority needed to take action. These areas were:

Financial standing: The DEFRA grant allocation would make it harder for the Authority to maintain activity levels and at the same time stay within budget. The Authority had insufficient balances to support the budget in the medium to long term. He stated that it was important for a reasonable working balance to be maintained and suggested that the Authority's Section 151 Officer would advise on what he considered to be a sufficient sum.

The Auditor had noted that the Authority was in the process of reviewing the budget with the intention of identifying the scope for savings. From looking at the committee papers, it seemed that the emphasis was very much on reducing expenditure. He stated that relying solely on expenditure reductions increased the likelihood of the need for service reductions which could impact on the Authority's ability to achieve its business objectives. He urged the Authority to consider the opportunities for increasing income.

Planning: The Auditor reminded members that over the last year a number of discussions had taken place about the findings and recommendations arising from the audit work. As the issues had been well rehearsed he did not go over them again in detail. He stated, however, that, as part of the next audit, they would follow up the progress in implementing the agreed recommendations. One matter on which agreement had not been reached, however, was that of the size of the Planning Committee.

The Auditor took the view that to have all the members of the Authority sitting on the Planning Committee increased the risk of blurring the policy and executive role with that of undertaking the regulatory function of administering the planning function. Most planning authorities took measures to ensure that the regulatory role was clearly separated from the policy and executive roles. He pointed out that planning committees were usually smaller than the whole authority, whilst retaining balance. This enabled the policy and representational roles to be separated from that of regulation; was generally accepted to increase efficiency, and was found by most planning authorities to be an improvement on traditional, larger committees.

One reason often cited by members for feeling that they all needed to be on the Planning Committee was the lack of ownership of, and deficiencies in, the Local Plan that they had inherited when the Park had gained independence. He reminded members that the Planning Committee was now working with a new plan, which all members had been involved in preparing and which set out a detailed policy framework for the determination of applications. Members now had the opportunity to show corporate ownership and support for their policies and their confidence in their fellow members by reducing the size of the Committee.

He reminded members that the comments in the Authority's National Park Authorities Performance Assessment (NPAPA) Peer Review report supported the Auditor's conclusions and recommendation. The reviewers had also raised the point about the opportunity cost of

member time and energy being devoted to planning matters when their skills and abilities could be put to use to enhance other areas of the Authority's work.

He concluded by pointing out that the Letter formally requested members to reconsider their refusal to accept the recommendation in regard to the size of the Committee.

Members welcomed the Audit Letter, in particular the unqualified opinion. There was, however, lengthy discussion about the Auditor's recommendation that the Authority should reconsider the size of the Planning Committee. The debate raised a number of issues, suggestions and concerns, including the following:

- The question of reducing the size of the Committee had already been considered, both at the Planning Committee and at the Authority, when members had decided to retain the full membership.
- The comment (paragraph 33) that approved applications to extend would make houses less affordable was questioned. It was suggested that the Audit Commission (AC) should be aware that the average age of Park residents was 35 years and, therefore, likely to have a growing family and need larger accommodation.
- Several members failed to see what the AC hoped to achieve by reducing the size of the Planning Committee. Had similar recommendations gone to either the North York Moors or Exmoor NPAs, where Planning Committees also consisted of the full membership? If not there seemed to be some inconsistency and unfairness.
- It was suggested that the way in which the Letter was phrased made it unclear what improvements would follow from a reduction in committee size.
- Of the 15 applications considered under the reference back procedure, only 5 had been determined when the voting balance had been marginal – the remaining 10 decisions had been virtually overwhelming.
- It was suggested that the last sentence of Paragraph 29 was unsubstantiated by analysis and that the difference between AC recommendations and those from Peer Review were in respect of members' involvement in Planning to the detriment of other areas of work. Elsewhere, where a Planning Committee consists of less than the full membership, there was no evidence that non-planning members were more 'involved' with other issues.
- Mention was made of the Lake District National Park Authority (LDNPA) where it was suggested that members took the view that to be of 'value' they had to be on the Planning Committee.
- The reference back process, where applications were reconsidered by the same group of members, was perceived to be unsound. A reduced committee, with reference back items determined by the full Authority, would be preferable. A Working Group of members and officers should consider the matter in detail and produce recommendations and advice for the way forward.
- Whilst it was accepted that the Planning Committee and Authority had taken decisions that there should be no change in the size of the Committee, it was pointed out that there had been minimal discussion amongst members at either meeting. The suggestion of a Working Group was supported.
- The suggestion of considering all options was endorsed, although it was pointed out that the 'extra work for officers', referred to in paragraph 28, would still be needed for any reference back process which, when first introduced had been seen as 'good practice'. There was no recollection of any instances when 'extra costs' had been incurred, or any cases of 'intervention' by the Secretary of State. Some of the comments in paragraph 31 were not pertinent to the size of the Committee, whilst some of the issues had already been addressed.

The Chief Executive reminded members that since the first 'Probity in Planning' report, the Authority had gone through the NPAPA process and received the Peer Review report. Much

of the local, regional and national perception surrounding the Authority was based on its planning service and the Planning Committee.

He reminded members of the timetable leading up to the January 2006 Authority meeting when a report on the draft Improvement Plan, produced following the Peer Review process, would be considered for adoption. That report would take into account the views of the Planning Performance Working Group (PPWG), due to meet on 23rd December, and of the Policy Development Forum (PDF) to be held on 19th January.

In response to a member's question, he stated that the PPWG had been established at the September meeting of the Planning Committee and consisted of Messrs Brown, Dalton, Lancaster, Fenten and Ireton with a general remit to look at the performance of the Authority's planning service. He also advised that as the size and composition of the Group had been agreed by the Planning Committee (which contained the full membership) it would be irrational for the meeting to be open to other members.

A member commented on the way in which the Planning Committee operated. He referred to the number of officers who attended the meetings (often in excess of 12); the volume of paper circulated to members; and the circulation of 'late comments'.

The District Auditor commented on members' concern and perception of the role of the auditor and the reporting mechanism. The audit looked at finance and business risks facing organisations. National 'flavours' used to be audited across authorities, but the new Code of Practice now required audits to be more tailored to local issues; hence the content of audit plans were not necessarily the same. For this authority, a key issue had been identified in respect of Planning and audit work undertaken. Following completion of the fieldwork the findings were discussed with both officers and members, all members having the opportunity to take part. A draft report was then produced which set out the findings of the audit in some detail. That had then been considered at a Policy Development Forum, albeit poorly attended by members, prior to the production of the final report which is summarised in the Audit Letter. With regard to the issue of the size of the Planning Committee, he accepted that the Authority would not necessarily get better decisions from a smaller committee, but conversely, twice as many members did not necessarily give twice the value of decision making. In response to a member's question, he added that the Audit Commission could take the matter further, either by formal S11 recommendations under the Audit Commission Act 1998 to the Authority or by issuing a Public Interest Report under section 8 of the Act with statutory recommendations. In either case there would be a requirement for a formal public (press) response from the authority. Whilst noting some of the comments of members about the operation of the Planning Committee, in particular in relation to the number of officers attending meetings and the size of agendas in terms of economy and efficiency, he was pleased to note that some of the recommendations had been actioned since the Letter had been prepared (e.g. Annual Monitoring Report). He stated that similar recommendations had not been made to other NPAs because the risks were not seen to be the same as at YDNPA.

A member responded that it seemed unfair when a sister Authority was not getting similar recommendations to reduce the size of its Planning Committee when it also consisted of the full membership. He stated that he would be willing to debate issues where improvements could be seen to arise from changes, but he did not believe any applications had been 'called in' as a result of Committee decisions, nor any appeals lost with costs. He pointed out that, in two years, the authority would reduce in size from 26 to 22 members. If a smaller Planning Committee was created with, for example half of the Authority membership (11 members), the Committee could end up with only 2 or 3 of those members being local representatives. He believed there was now greater acceptance of committee decisions because of the higher proportion of local members. He stated that, without knowledge of the work that would be done by the PPWG or at the PDF, he could not agree to recommend a

reduction in size. He did, however, accept that between now and the January meeting of the Authority evidence may emerge to warrant reconsideration.

The Auditor offered to provide members with an explanation of how the Audit Commission worked and its involvement in the Authority's planning process.

RESOLVED –

That:

- (a) at the time of the Committee's consideration of the Annual Audit letter, the Audit and Review Committee does not support the recommendation to reduce the size of the Planning Committee, however the Committee calls upon the Planning Working Group and the Policy Development Forum to address the issues that the Committee has raised in its debate for feed back to the Authority meeting on 31st January 2006;
- (b) the proposed response to deal with the following actions recommended by the Auditor through the Authority's budget process for 2006/07 and subsequent years:
 - "Ensure that a working balance in line with the financial strategy is maintained"; and
 - "Seek to increase income from current and potential additional sources of funds"

be noted; and

- (c) Officers be congratulated on receiving an unqualified opinion on the annual accounts.

281. RISK ASSESSMENT AND MANAGEMENT: ANNUAL REPORT

CONSIDERED –

The report of the Head of Finance and Resources.

Members, in considering the report, raised a number of issues, including:

- should the document include as potential risks to the Authority, costs of litigation and strikes?
- the categorisation of risk made no distinction between officers and members and could be re-structured as had occurred at other authorities;
- questioning the appropriateness of some of the identified risks (failure to innovate; involvement in inappropriate projects, and resource waste through excessive committee structure).

The Head of Finance and Resources noted members' comments and added that a number of other issues highlighted by members were addressed elsewhere, for example within the Authority's personnel and staffing policies.

RESOLVED –

That, subject to member comments being taken in to account, the report be noted.

282. CORPORATE GOVERNANCE

CONSIDERED –

The report of the Solicitor and Monitoring Officer.

Members, whilst endorsing that “Good Governance Standard for Public Services”, published by the Independent Commission on Good Governance in Public Services, would be an appropriate framework for the Authority’s corporate governance arrangements, suggested that, because of the importance of the issues set out in the report, either consideration should be deferred to a special meeting of the Committee or a working group be established to look at the matter in greater detail.

RESOLVED –

That a Working Group, consisting of the Chairman (or in case of her unavailability, the Deputy Chairman) of the Audit and Review Committee, J Blackie, Mrs S Marshall and Dr KM Petyt and the Chairman of the Standards Committee be established to consider in greater detail the report of the Solicitor and Monitoring Officer, draft terms of reference for the Group to be considered at its first meeting and reported to the next meeting of this Committee.

283. CONFIDENTIAL REPORTING POLICY

CONSIDERED –

The report of the Solicitor and Monitoring Officer.

A member commented that the scope of the policy was satisfactory, although it was noted that there was little mention of members in Section 3 of the Policy.

It was also suggested that –

- paragraph 2.2(g) should read “...or encouraging others to do so”;
- there should be a reference in paragraph 2.2(n) to racial discrimination;
- paragraph 4.2 should read “...a Member...”;
- the addresses in paragraph 4.4 and in Appendix 2 should be the same.

RESOLVED –

That, subject to member comments being taken into account, the proposed Confidential Reporting Policy, together with the proposals for implementing it as set out in the report of the Solicitor and Monitoring Officer be approved.

284. LOCAL GOVERNMENT OMBUDSMAN – ANNUAL REPORT & LETTER

CONSIDERED –

The report of the Secretariat Administrator.

RESOLVED –

That the report be noted.

285. COMPLIMENTS AND COMPLAINTS – HALF YEARLY RETURNS

CONSIDERED –

The report of the Secretariat Administrator.

RESOLVED –

That the report be noted.

The remainder of business was considered in private.

286. COMPLIMENTS AND COMPLAINTS

CONSIDERED –

The report of the Secretariat Administrator that identified individual members of staff.

RESOLVED –

That the report be noted.