

# Public Document Pack

**Peak District National Park Authority**

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Our Ref: A.1142/1433

Date: 28 January 2016



## NOTICE OF MEETING



Meeting: **National Park Authority**

Date: **Friday 5 February 2016**

Time: **10.00 am**

Venue: **The Board Room, Aldern House, Baslow Road, Bakewell**

SARAH FOWLER  
CHIEF EXECUTIVE

### AGENDA

1. **Apologies for Absence**
2. **Chair's Announcements**
3. **Minutes of previous meeting 4 December 2015** (*Pages 1 - 6*) 5 mins
4. **Urgent Business**
5. **Public Participation**  
To note any questions or to receive any statements, representations, deputations and petitions which relate to the published reports on Part A of the Agenda.
6. **Members Declarations of Interest**  
Members are asked to declare any disclosable pecuniary, personal or prejudicial interests they may have in relation to items on the agenda for this meeting.

7. **BUDGET 2016/17 (A137/PN)** (*Pages 7 - 28*)

60 mins

Appendix 1

Appendix 2

Appendix 3

Appendix 4

8. **Exempt Information S100 (A) Local Government Act 1972**

The Committee is asked to consider, in respect of the exempt item, whether the public should be excluded from the meeting to avoid the disclosure of Exempt Information.

Draft Motion:

That the public be excluded from the meeting during consideration of Agenda Item No. 9 to avoid the disclosure of Exempt Information under S100 (A) (4) Local Government Act 1972, Schedule 12A, Paragraph 3 "Information relating to the financial or business affairs of any particular person (including the authority holding that information)" and Paragraph 5 "Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings."

**PART B**

9. **Exempt Minutes of 4 December 2015** (*Pages 29 - 30*)

5 mins

**Duration of Meeting**

In the event of not completing its business within 3 hours of the start of the meeting, in accordance with the Authority's Standing Orders, the Authority will decide whether or not to continue the meeting. If the Authority decides not to continue the meeting it will be adjourned and the remaining business considered at the next scheduled meeting.

If the Authority has not completed its business by 1.00pm and decides to continue the meeting the Chair will exercise discretion to adjourn the meeting at a suitable point for a 30 minute lunch break after which the committee will re-convene.

**ACCESS TO INFORMATION - LOCAL GOVERNMENT ACT 1972 (as amended)**

**Agendas and reports**

Copies of the Agenda and Part A reports are available for members of the public before and during the meeting. These are also available on the website [www.peakdistrict.gov.uk](http://www.peakdistrict.gov.uk).

**Background Papers**

The Local Government Act 1972 requires that the Authority shall list any unpublished Background Papers necessarily used in the preparation of the Reports. The Background Papers referred to in each report, PART A, excluding those papers that contain Exempt or Confidential Information, PART B, can be inspected by appointment at the National Park Office, Bakewell. Contact Democratic Services on 01629 816200, ext 362/382. E-mail address: [democraticservices@peakdistrict.gov.uk](mailto:democraticservices@peakdistrict.gov.uk).

## **Public Participation and Other Representations from third parties**

Anyone wishing to participate at the meeting under the Authority's Public Participation Scheme is required to give notice to the Director of Corporate Resources to be received not later than 12.00 noon on the Wednesday preceding the Friday meeting. The Scheme is available on the website [www.peakdistrict.gov.uk](http://www.peakdistrict.gov.uk) or on request from Democratic Services 01629 816362, email address: [democraticservices@peakdistrict.gov.uk](mailto:democraticservices@peakdistrict.gov.uk), fax number: 01629 816310.

## **Written Representations**

Other written representations on items on the agenda, except those from formal consultees, will not be reported to the meeting if received after 12noon on the Wednesday preceding the Friday meeting.

## **Recording of Meetings**

In accordance with the Local Audit and Accountability Act 2014 members of the public may record and report on our open meetings using sound, video, film, photograph or any other means this includes blogging or tweeting, posts on social media sites or publishing on video sharing sites. If you intend to record or report on one of our meetings you are asked to contact the Democratic and Legal Support Team in advance of the meeting so we can make sure it will not disrupt the meeting and is carried out in accordance with any published protocols and guidance.

The Authority uses an audio sound system to make it easier to hear public speakers and discussions during the meeting and to make a digital sound recording available after the meeting. The recordings will usually be retained only until the minutes of this meeting have been confirmed.

## **General Information for Members of the Public Attending Meetings**

Aldern House is situated on the A619 Bakewell to Baslow Road, the entrance to the drive is opposite the Ambulance Station. Car parking is available. Local Bus Services from Bakewell centre and from Chesterfield and Sheffield pick up and set down near Aldern House. Further information on Public transport from surrounding areas can be obtained from Traveline on 0871 200 2233 or on the Traveline website at [www.travelineeastmidlands.co.uk](http://www.travelineeastmidlands.co.uk).

Please note that there is no catering provision for members of the public during meal breaks. However, there are cafes, pubs and shops in Bakewell town centre, approximately 15 minutes walk away.

To: National Park Authority Members

Constituent Authorities  
Secretary of State for the Environment  
Natural England

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## MINUTES

**Meeting:** **National Park Authority**

**Date:** Friday 4 December 2015 at 10.45 am

**Venue:** The Board Room, Aldern House, Baslow Road, Bakewell

**Chair:** Cllr Mrs L C Roberts

**Present:** Mr P Ancell, Mrs P Anderson, Cllr D Birkinshaw, Cllr P Brady, Cllr C Carr, Cllr D Chapman, Cllr A R Favell, Cllr C Furness, Mr Z Hamid, Cllr Mrs N Hawkins, Mr R Helliwell, Cllr H Laws, Cllr Mrs C Howe, Ms S Leckie, Cllr J Macrae, Cllr A McCloy, Ms S McGuire, Cllr C McLaren, Cllr Mrs K Potter, Mrs E Sayer, Cllr Mrs N Turner, Cllr Mrs J A Twigg and Cllr D Williams

**Apologies for absence:** Mrs F Beatty, Cllr D Greenhalgh, Cllr Mrs G Heath, Cllr S Marshall-Clarke, Cllr F J Walton and Cllr G Weatherall.

### **119/15 CHAIR'S ANNOUNCEMENTS**

The Chair advised Members that she and the Chief Executive had recently met with local MP's and Natural England to obtain support for an amendment to the Cities & Local Government Devolution Bill which would give National Parks a functionally specific power of competence to give greater freedoms to innovate and become more entrepreneurial.

At the invitation of the Chair the Chief Executive commented on the recent Government Spending Review in which it had been announced that the total funding for National Parks and Forests had been protected. It was noted that this commitment, along with the proposals for additional powers, demonstrated that the work of National Park Authorities was valued within the Government. It was anticipated that more information on how the announcement would impact on the Peak District National Park Authority would be available in January.

### **120/15 MINUTES OF PREVIOUS MEETING - 18 SEPTEMBER 2015 & 2 OCTOBER 2015**

The minutes of the meetings of the Authority held on 18 September 2015 and 2 October 2015 were approved as a correct record.

### **121/15 MEMBERS DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **122/15 UPDATE ON MOORLIFE 2020**

In introducing this item the Chair confirmed that she and other Members were extremely proud of the achievements of the Moors for the Future Team, including the recent announcement for €16 million of funding from the European Commission. As the Programme Manager for the project, Chris Dean acknowledged the contribution of individuals and teams across the Authority and partner organisations, thanked Members for their support and shared a video of the European Commissioner speaking about the programme.

As Chair of the Moors for the Future Partnership Group, Cllr D Chapman congratulated the team on its success which would build on the other 50 projects they had already successfully managed.

On behalf of Members the Chair asked Chris Dean to thank and congratulate the team on their achievements.

### **123/15 NATIONAL PARK MANAGEMENT PLAN - REPORT FROM ADVISORY GROUP**

The Authority considered a report presenting findings from the National Park Management Plan Advisory Group based on performance from Spring 2014 to Spring 2015. The Deputy Chair of the Advisory Group, Sue Quinlan, attended and introduced the report in the absence of Dianne Jeffrey, the Chair of the Advisory Group.

Sue introduced the report by highlighting two key achievements against each of the 5 plan signatures. It was noted that 108 Actions were on track or completed in 2014/15 with 34 actions behind schedule, late in starting or reprioritised. It was also noted that action 40a had been cancelled as it was no longer believed that lobbying was the best tool to progress the affordable housing element of the Community Led Planning Signature.

The report also identified the timetable for reviewing the current plan in anticipation of public consultation on an updated plan early in 2017.

During discussions Members received an additional update on action 20f relating to Birds of Prey and action 25a on Warslow Moors.

Members asked Sue to pass on their thanks to the partners and those on the NPMP Advisory Group for their hard work and commitment and noted that any individual observations could be forwarded to Rachel Gillis, Assistant Director Policy and Partnerships for consideration

#### **RESOLVED:**

- 1. To receive the summary report of performance made on the NPMP from Spring 2014 to Spring 2015 as set out in Appendix A and note the progress and actions to address under-performance.**
- 2. To approve the recommended NPMP delivery plans to March 2017 as set out in Appendix B.**
- 3. To note the proposed outline schedule for the review of the NPMP in 2016 as set out in Appendix C.**

### **124/15 CAPITAL STRATEGY**

The Authority were asked to consider proposals to update the Capital Strategy approved by the Authority in August 2011 and revise the principles used to guide the Authority's approach to budgeting for capital expenditure. The Authority were also asked to approve a Capital Programme for the next medium term period, aligned to the current Asset Management Strategy, and the new Corporate Strategy for 2016-2019.

The report also proposed that the delegation to Resources Management Team be amended to include delegation for expenditure on capital projects in line with the report.

In response to questions from Members about the borrowing ceiling it was suggested that the meaning would be clearer if the word "breached" was replaced with "exceeded".

**RESOLVED:**

1. **To approve the key principles and working assumptions outlined in paragraphs 7 and 8.**
2. **To confirm that the potential projects identified in the Capital Programme in Appendices 2 and 3, and the means of financing them, will form part of an approved Programme for the duration of the Corporate Strategy period up to March 2019.**
3. **To delegate authority to the Resources Management Team to consider individual projects set out in Appendix 2, where the project cost is under £150,000, and to determine whether they are supported by either borrowing or the Capital Fund, subject to the Authority's Prudential Framework Authorised Limit and subject to the Chief Finance Officer's assessment that future estimated Capital Fund receipts will be achieved and available for allocation.**
4. **To confirm that individual projects within Appendix 2 above £150,000 will be brought to the Audit Resources and Performance Committee for approval, subject to the Authorised Limit and subject to the Chief Finance Officer's assessment that future estimated Capital Fund receipts will be achieved and available for allocation.**
5. **That, in accordance with working assumption (4) in this report, £50,000 from the Capital Fund be earmarked to support capital expenditure which would otherwise be funded from the Revenue Budget, to allow the Authority to allocate £50,000 of Revenue resources to ensure that the disposal programme approved in the Asset Management Plan continues up to March 2019.**
6. **To confirm that any other proposals for use of the Capital Fund not identified in Appendix 2 are the subject of a further report to the Audit, Resources and Performance Committee for consideration.**

The meeting was adjourned from 12 noon to 12:05pm following consideration of this item.

**125/15 CORPORATE STRATEGY 2016-19**

The Chief Executive, Sarah Fowler, introduced a report asking the Authority to approve the 2016-19 Corporate Strategy. It was noted that the draft Strategy had been developed following a series of workshops and discussions involving Authority Members and staff.

Members were also asked to consider an additional recommendation authorising the Chief Executive to make minor corrections following consultation with the Authority's Chair and Deputy Chair. During the discussion a number of Members made suggestions on minor amendments. It was agreed that these would be noted and incorporated into the final document where appropriate.

**RESOLVED:**

1. **To approve the Corporate Strategy 2016-19, as set out in Appendix I; including the change in order of Shifts and Cornerstones and making a slight amendment to the wording for the new Shift 1**
2. **To authorise the Chief Executive to make minor corrections to the Strategy following consultation with the Chair and Deputy Chair of the Authority.**
3. **To note the table in Appendix II which demonstrated how the consultation comments from the Member workshop on 23 October had been reflected in the proposed Corporate Strategy, and would continue to be used in service planning.**
4. **To note that as the detailed Performance and Business Plan was developed there may be further refinements to the detailed activities and measures set out in Appendix I and any necessary changes would be reflected in the final Performance and Business Plan.**

**126/15 AMENDMENTS TO STANDING ORDERS**

Members considered a number of proposals to amend the Authority's Standing Orders relating to:

- Contract procedure rules
- The sealing of documents
- Delegation to the Chief Executive
- The recording and reporting of meetings.

It was noted that the additional delegation to the Chief Executive had been proposed in the context of a review of the Authority's Business Continuity arrangements. Therefore, during the discussion, Members suggested that the proposed delegation should be expanded to include additional proposals should the Chief Executive or the Chair of the Authority be unable to act.

In response to the suggested change it was noted that in circumstances where the Chair and Deputy Chair were unable to act officers would attempt to contact other Members such as a Committee Chair or Deputy Chair or an appropriate Member Representative.

**RESOLVED:**

1. **To amend Standing Order 1.34(2) as follows:**

**“(2) The seal shall be attested by one at least of the following persons present at the sealing viz by the Chief Executive (National Park Officer), the Director of Corporate Strategy & Development or the Monitoring Officer, or by the Democratic Services Manager in the absence of the Chief Executive (National Park Officer), the Director of Corporate Strategy & Development and the Monitoring Officer. An**



entry of every sealing of a document shall be made and consecutively numbered in a book to be provided for the purpose and shall be signed by the person or by persons who shall have attested the seal.”

2. To approve changes to Part 2 of Standing Orders relating to Contracts set out in Appendix 1
3. To authorise the Chief Finance Officer to make minor changes to Appendix 1 following consultation with the Chair of the Audit, Resources and Performance Committee and the Head of Law.
4. To amend the scheme of delegation to the Chief Executive as set out in Part 7 of Standing Orders as follows:

a) To add:

#### **7.A-3 Emergency Delegation**

1. In the event of any emergency the Chief Executive (or a nominated Director if the Chief Executive is unable to act) is authorised to take any necessary action which is deemed essential for the wellbeing of the Authority or its employees where a decision is required on a matter that cannot reasonably be referred to the Authority or the Urgent Business Items Sub-Committee,
2. In all such cases the Chief Executive should consult with the Chair of the Authority or in their absence the Deputy Chair and with the Chief Finance Officer whenever urgent action has a financial consequence for the Authority, and with the Monitoring Officer (or in their absence their Deputy). If both the Chair and Deputy Chair are unavailable or unable to act Officers are authorised to contact alternative appropriate Members.
3. All Members are to be advised as soon as practicable of any decisions made under Paragraph 1 and the details then reported to a meeting of the National Park Authority at the earliest opportunity.

#### **7.C-5 Variation from Decisions of Authority or Committee Meeting**

b) Where the Authority or a Committee has made a decision which includes a delegation to an officer other than the Chief Executive, and the officer named in the delegation is unable to act, the Chief Executive may authorise the line manager of the named officer to make that decision in their absence (except for matters specifically delegated to the Chief Finance Officer or Monitoring Officer).

b) To delete 7.F-20 Recording of meetings and Proceedings of the Authority.

**127/15 EXEMPT INFORMATION S100(A) LOCAL GOVERNMENT ACT 1972**

**RESOLVED:**

To exclude the public from the meeting during consideration of Agenda Item No 12 to avoid the disclosure of Exempt Information under S100 (A)(4) Local

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**Government Act 1972, Schedule 12A, Paragraph 3 “information relating to the financial or business affairs of any particular person (including the authority holding that information)”, Paragraph 4: "Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the Authority or a Minister of the Crown and employees of, or office holders under, the Authority" and Paragraph 5 “Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings”.**

## **PART B**

### **Summary**

**The Committee determined the following items, full details of which are in the exempt minutes:**

128/14 Exempt Minutes of 18 September 2015

129/14 National Parks Partnerships

At the close of the meeting the Chair wished all Members and Officers a Happy Christmas and a peaceful New Year.

The meeting ended at 12.45 pm

## PART A

### 1. **BUDGET 2016/17 (A137/PN)**

#### **Purpose of the Report**

1. This report presents the formal budget approval for 2016/17 following approval of the proposals presented to Members in the 18<sup>th</sup> September report by the Director of Corporate Resources, and the Chief Executive's Strategic Framework at the same meeting.

#### **Recommendations**

2. **That:**
  1. **the base budget for the 2016/17 financial year shown in Appendix 1 and 2 be approved.**
  2. **the financial position of the Authority in respect of planning for the following years be noted.**

#### **How does this Contribute to our Policies and legal obligations?**

3. The Authority is required to set a balanced revenue budget for the 2016/17 financial year. This year will be the thirteenth year that National Park Grant has been funded directly at the 100% level from central government, in an extension of the original three year trial. In previous years, 25% of the Grant was financed from a levy on constituent councils, although the funding was still provided centrally by the Department of Environment, Food and Rural Affairs (Defra) to Local Authorities. The Authority's levying powers remain and are in theory capable of being used in the future, although in the past they have always been used by way of joint agreement between Defra and the Department of Communities and Local Government, with a corresponding mutual funding arrangement so that the cost of National Parks was not borne by local taxpayers. It is understood that retaining levying powers is an important consideration in terms of the Authority's ability to recover VAT as a Section 33 body, within the same VAT regime as other Local Authorities.

#### **Background**

4. The 2016-17 budget year forms the first year of a new Spending Review period of 4 years up to March 2020.

#### **The 2016/17 Settlement**

5. The Chancellor's Autumn Statement on the 25<sup>th</sup> November 2015 confirmed that resource savings of 15% in real terms would be achieved by the Department of Environment, Food and Rural Affairs over the next Spending Review period, however within this announcement there were a number of commitments to investment, amongst which was a welcome headline announcement that there would be "protection" of over £350m funding for public forests, National Parks and Areas of Outstanding Natural Beauty over the Spending Review period. This follows a period of year on year reductions since 2010-11 in National Park Grant, leaving our National Park Grant in 2015/16 at a cash level £2.0m below its 2010/11 figure, or in real terms approximately a £3.4m (36%) cut in spending power.

As a consequence of this announcement Defra issued a settlement letter on 21st January 2016 giving a four year settlement figure for National Park Grant showing that the Grant would be protected in real terms over the Spending Review period. The inflation measure used to calculate the real terms protection is an annual increase of 1.72% over the period.

	2015-16	2016-17	2017-18	2018-19	2019-20
	£	£	£	£	£
National Park Grant	<b>6,257,122</b>	<b>6,364,744</b>	<b>6,474,218</b>	<b>6,585,575</b>	<b>6,698,847</b>
Increase - £	-	107,622	109,474	111,357	113,272
Increase - %	-	1.72	1.72	1.72	1.72

The settlement letter contains a number of key points:-

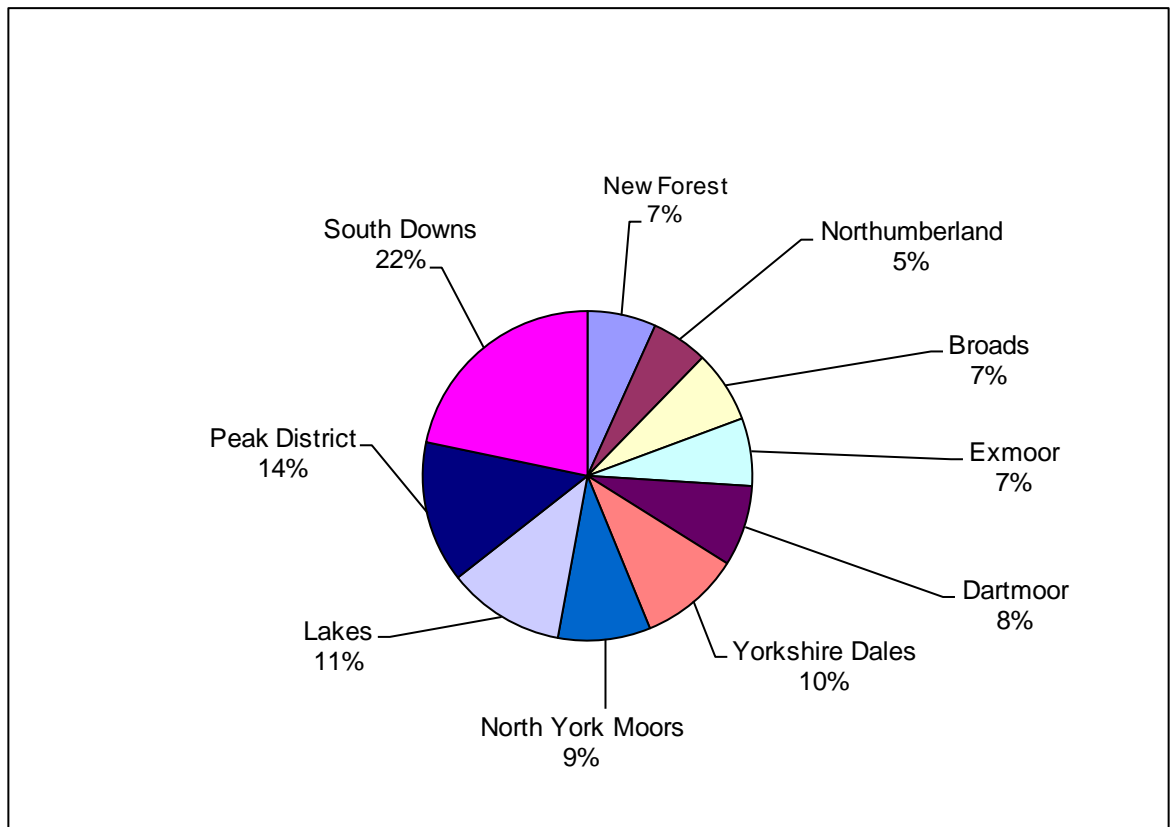
- That the protection referred to in the Chancellor’s statement is in real, not cash, terms, and includes an allowance for inflation
- The Minister, Rory Stewart, states in the letter that “this settlement reflects the huge value the Secretary of State and I attach to the National Parks and how impressed we have been by the impact that the Authorities are having across a whole range of important issues, including: natural capital, ecosystem services, water catchment, rural business and food production, and community engagement”
- That Defra “very much look forward to working with Members and Chief Executives in the delivery of Defra’s priorities and in particular the 25 Environment Plan and a new Plan for the National Parks”.
- In previous settlements caution has been expressed about future years being “indicative” figures, with the possibility of being changed, but the letter does not contain any provisos of this nature.

The figure quoted for 2016/17 is therefore the basis on which the budget has been set.

Members will note that budget planning for the new Spending Review period, prior to the Autumn announcement, showed a very different National Park Grant forecast. This was based on clear information that the government’s fiscal assumption was that “Total Managed Expenditure (TME) in 2016/17 and 2017/18 would fall in real terms at the same rate as between 2010-11 and 2014-15, with an assumption that TME would remain flat in real terms in 2018-19 and 2019-20”. Amongst government departments Defra was not spared from the severest cuts, and fell under the category of an “unprotected” department.

The September report therefore approved £602,000 of savings and income generating proposals as part of coping with these anticipated reductions in core grant. The Strategic Framework recommended that the detailed year 1 plans (i.e. involving the savings above) would be implemented in order that the 2016/17 budget was balanced, with the detail of proposals for years 2 onwards being evaluated and re-assessed after the settlement was known. The consequences of the new settlement on our financial planning therefore is outlined in paragraphs 7 and 8 below.

6. The financial impact of the Yorkshire Dales and Lake District boundary extensions have been added to the overall settlements, affecting the the Lakes’ and the Dales’ allocations, with the Lakes increase for 2016/17 being pegged to 1.26% (rather than the average of 1.72%), and the Yorkshire Dales allocation increasing by 11.6% (the Lakes’ increase being allocated in the 2017/18 year). The increase is about £400,000 for the boundary extensions. The % distribution of £45.9m of National Park Grant between English Parks has very slightly changed as a result:-



### Financial Planning for 2016/17: Setting a Balanced Budget – Revenue

7. Members approved proposals for reductions and income in Appendix 1 of the September report. The proposals have all been built into the budget for approval at this meeting. Detailed budget planning (e.g. on the actual staff budget) has also helped improve the initial estimates slightly. Overall, there is a surplus of £470,000 for the year, as shown in the table below, as a direct result of the improved National Park Grant figure :-

	£,000	2015/16	2016/17
<b>A</b>	Baseline Budget	6,674	6,478
<b>B</b>	Savings achieved /proposed	(342)	(602)
<b>C</b>	Contingency – high risk areas		
<b>D</b>	Approved new allocation	42	73
<b>E</b>	Revised Baseline Budget	6,374	5,949
<b>F</b>	Financed by:-	-1.74%	+1.72%
<b>G</b>	National Park Grant	(6,257)	(6,365)
<b>H</b>	Interest receipts	(30)	(30)
<b>I</b>	Reserves	(92)	(24)
<b>J</b>	<b>Structural budget deficit (surplus)</b>	<b>(5)</b>	<b>(470)</b>
<b>K</b>	(Contingency) b/f	(304)	(309)
<b>L</b>	Cumulative (Contingency) c/f	(309)	(779)

These figures are based on the following assumptions:-

- a) National Park Grant remains as allocated in the Defra letter.
- b) Normal incremental progression is assumed for staff and incorporates an annual pay award of 1%.
- c) Employers' increased National Insurance contributions following the unification of State Pension schemes has been incorporated (an increase of approximately £115,000)
- d) Interest rate assumptions are assumed to remain at low levels and the level of interest receipts remains the same as the current financial year.
- e) Revised income targets and savings are achieved.
- f) An additional baseline allocation of £58,000 is incorporated allowing baseline resource for progressing the Giving Strategy of up to £100,000 p.a., subject to a further resolution of the Authority following the report to the Audit, Resources and Performance Committee in January and the Committee's resolution on that report.
- g) An additional baseline allocation of £15,000 p.a. is incorporated allowing the Trails Manager to plan properly for a rolling programme of structural survey work dictated by the nature of the substantial infrastructure assets on the Trails, allowing them to be carried out without the need to balance them against other budget pressures on the Trails.

The cash contingency was approved as part of the process of coping with continuing reductions in resource and the requirements to seek more speculative income sources, providing a degree of temporary underwriting of new proposals until confidence that they were soundly based was gained. It may be that this level of cash contingency is not required in the future, subject to an overall review of Reserve levels and the degree of confidence we have that the 4 year settlement figures will not be reviewed. The approved Budget for 2016/17 is still much diminished because of the £602,000 resource reductions, but is nonetheless structurally balanced and is not dependent on one-off resources.

The table illustrates the cumulative impact of reductions on National Park finances over the last 6 year period, and the possible level of surpluses arising from the new settlement period:-

£	<i>NPG</i>	<b>Reductions Achieved</b>	<b>Reductions Proposed</b>	<b>Future</b>
2010/11	<b>8,298,814</b>	270,000		
2011/12	7,852,720	446,000		
2012/13	7,406,630	386,000		
2013/14	6,960,536	357,000		
2014/15	6,367,867	577,000		
2015/16	<b>6,257,122</b>	300,000		
2016/17	<b>6,364,744</b>		602,000	<i>(470,000)</i>
2017/18	6,474,218			<i>(356,000)</i>
2018/19	6,585,575			<i>(396,000)</i>
2019/20	6,698,847			<i>(448,000)</i>
<b>Total</b>		<b>2,336,000</b>	<b>602,000</b>	<b><i>(1,670,000)</i></b>

The Future period estimates are based on forward assumptions of pay awards constrained at 1% per annum, and include preliminary estimates of the impact of the apprenticeship levy, possible increases in employer superannuation costs, and the impact of living wage proposals.

In summary, recognising that there are some uncertainties in some of the forward assumptions, the baseline budget contained within Appendix 1 will allow:-

- the Authority to retain the same baseline over the Spending Review period, such that by 2019/20 the budget will still be balanced despite the cumulative impact of the above cost increases over that period.
- The Authority to consider a phased increase in baseline allocations over the four year period, with the actual amount a matter of judgement between what is available (building up to approximately £400,000 p.a. ultimately by 2019/20), and what is prudent given that a post-2020 Spending Review period may not be covered by the same degree of protection, and hence large scale baseline allocations may not be sustainable into the longer term.
- The Authority to consider a number of one-off allocations towards priority pressures, the total of which may be up to approximately £1,670,000, reduced by the extent of any baseline additional allocations which may be agreed as above.

8. The Financial Planning report prepared by the Director of Corporate Resources in September outlined five review areas which were necessary in order to ensure that the medium term financial planning was guided by the emerging Strategic Framework. These areas were:-

- The Leadership Team
- Ranger resource
- Conservation influencing / advisory roles
- Plan making and strategy work
- Support services.

The assumption was that £1.57m of savings/ income needed to be found over a three year period between 2016-2019; and as shown above £602,000 of reductions were approved and are incorporated in the 2016/17 budget proposals in this report as a consequence. Outline proposals on the remaining £970,000 were to be worked up in years 2 and 3, depending on the settlement.

The Strategic Framework approved by Members in September (paragraph 9) stated that if the Defra grant settlement “is better than our planning forecast, we propose to continue with the first year reductions (2016/17) and use any unallocated money to invest in a way that supports achievement of our strategic framework outlined in this paper.”

Accordingly, it is proposed that Management Team and Members engage in a process, between February and May, - either through the Strategic Advisory Group or with a member workshop whatever is agreed - culminating in a May or July Authority report deciding on:-

- Proposals for investment on a one off basis (predominantly resourced from the £1,670,000 resource available shown in the table above, if confirmed)
- Proposals for investment on the basis of additional permanent baseline allocations (up to £400,000, reducing the £1,670,000 resource available for one-offs, depending on when they are implemented)
- The extent to which outline savings in the 5 review areas for year 2 and 3 are still required, in order to invest either in a different baseline allocation, or to invest differently in the same area of review.
- The extent to which outline savings in the 5 review areas for year 2 and 3 are no longer required, as they will have a detrimental impact on performance against the agreed corporate strategy cornerstones and directional shifts.

9. Meanwhile, in terms of the 2016/17 budget, the main assumptions in Appendix 1 are outlined below:-

The Authority depends on some £2.1m of externally generated income (fees and charges) to balance its revenue budget, principally to maintain its Recreation Management and Promoting Understanding outcomes, but increasingly also to sustain its core services. Services with income targets are expected to increase targets routinely to cope with pay and non-pay inflationary increases in order to maintain margins and stay within established financial objectives, as well as accommodate additional targets approved as part of coping with reduced grant levels. The following considerations were made in reviewing the principal areas of income risk:-

- Learning Team. The income targets for the Learning & Discovery team are set to achieve a net budget of £143,500 p.a. with further savings of £3,800 p.a. being achieved.
- Visitor Centres. The budget has an increased income target of £30,000 as part of seeking to achieve a higher percentage of cost recovery of the service against its full cost. The service has found savings and additional income totalling £130,000 over the last four years and achieving an additional £30,000 of income requires additional sales of around £65,000. With estimated corporate support service costs of £110,000 the gross expenditure budget is £815,000 of which income is estimated to be £513,000, representing 69% of the full cost of the service.

Cycle Hire. The financial objective for the service to achieve full cost recovery requires the service to make a surplus above its direct costs, in order to cover the estimated corporate support service costs of £58,000. As part of achieving this objective an additional net income target of £9,000 has been approved, giving total expenditure for the service of £346,000, and an income target of £326,000, representing 94% of the full cost of the service.

- Planning Fees. The level of pre-planning charges is estimated to increase by £5,000 to £50,000. The budget estimate for planning applications has been increased by £10,000 to £259,000, reflecting changes in the charging scheme for minerals planning.
- Footpaths team. The Footpaths team budget has been set to recover in full its direct costs, with the team tasked with finding £98,000 income. There is some risk mitigation in the ability to flex labour costs, because the team is carrying a vacancy and temporary voluntary reductions in working hours, but the target remains ambitious in the context of less favourable Local Authority settlements, on which a majority of the income is based.
- Volunteers team. The Countryside Volunteers team retains its income target of £24,000.
- Warslow Estate The Warslow Estate has an increased income / cost reduction target of £37,000 in line with the objective to recover full cost of the estate, requiring a contribution to the estimated corporate support service costs of £54,000. The total cost of the estate is estimated to be £325,000 and the income estimate is £325,000, representing 100% cost recovery.
- North Lees Estate The North Lees estate has an increased income / cost reduction target of £10,000 in line with the objective to recover the full cost of the estate, requiring a contribution to the estimated corporate support service



costs of £38,000. The total cost of the estate is estimated to be £220,000 and the income estimate is £183,000, representing 83% cost recovery.

- Moors for the Future The Authority's allocation of £90,000 does not meet the full cost of the core staff within the partnership and the business plan is reliant upon other external contracts and agreements for funding the core team and the team's activities into the future (as reported to January Audit Resources and Performance Committee). The Authority's allocation represents approximately 33% of the running costs of the team, and the cash sum allocated therefore forms the basis of the financial objective for the team under the current business plan. The significant expenditure shown under the Moors for the Future projects heading reflects the approximate total value of contracts reported in the Operational Plan seen by Members in the January Audit Resources and Performance report. There is an additional allocation of £5,000 p.a. which represents the Authority's small cash contribution to the Moorlife 2020 proposal.
- Income levels from trading and fees are monitored by the Budget Monitoring group through the year.

10.

- (a) A small non-pay inflation provision of £15,000 is proposed. This allocation is a very small sum representing 0.5% of the Authority's overall non-pay expenditure and is therefore precisely targeted largely at unavoidable expenditure increases (e.g. utilities bills, audit fees, licences etc) – it does not offer protection from the effects of inflation for the majority of budgets. Bidding for the funds is done at the Midyear Review stage (November).
- (b) In addition to the amount paid to an employee, approximately 28% of salary on average is paid as an additional cost to support employer payments to the pension fund (17.82%), and also for employers' statutory National Insurance contributions (varies around 7-10%). Derbyshire County Council Pension fund requires the Authority to pay employers' contributions towards employee pensions of 13% of current employees' total superannuable pay, plus £217,000 p.a. which represents a deficit recovery sum determined by the actuary to ensure the scheme is able to meet its future pension payments to staff. In order to achieve the latter service budgets are charged a combined rate of 17.82% of their employees' gross costs. Following the 2015 actuarial revaluation there are no superannuation increases expected in 2016/17 although there may be increases from 2017/18 onwards. A provisional assumption is that these costs will increase by £100,000 and this is built into forward assumptions, although that entirely depends on actuarial recommendations. National Insurance payments are based on earnings thresholds and are revised annually by government, and the 2016/17 rates have been increased because of the removal of rebates for contracted-out employees, which has an impact of approximately an additional £115,000 which has been built into the 2016/17 salary budgets.
- (c) In respect of estimated pay awards, and increments, a 1% pay award assumption has been incorporated into budgets, as well as incremental progressions due to staff.
- (d) The dramatic decline in interest rates has removed approximately £230,000 from the Authority's annual finances. For 2016/17 a revised estimate of £30,000 is proposed following low overall Local Authority returns in the investments market, and continuing low interest rates. Sums are invested with North Yorkshire County Council.

### **Financial Planning for 2016/17: Capital**

11. The Chief Finance Officer's report on application of the Prudential Code for Capital Finance will be reported to the Authority in March, and his day to day responsibility for Treasury Mgt is set within the constraints of the Treasury Management Policy, which forms part of the same report.
12. In December 2015 the Authority approved a revised Capital Strategy paper covering key principles and working assumptions over the next corporate strategy period, and a prospective Capital Programme financed from a combination of borrowing and capital receipts.
13. Following this report the Resource Management Team has delegation to approve projects under £150,000 within the Capital Programme, financed from either borrowing or the Capital Fund. Projects above that sum will require further committee approval.
14. Following accounting convention and the introduction of the prudential code for capital finance all capital expenditure is separated from the revenue budget in Appendix 1, and is shown in the capital budget in Appendix 2. The only capital items shown in the Revenue Budget are the debt charges and revenue financing of capital expenditure. Appendix 2 only shows capital expenditure which has been approved.

### **Financial Planning for 2016/17 – Financial Position - Reserves**

15. Clause 25 of Part 2 of the Local Government Act 2003 requires the Chief Finance Officer to report to Members, when calculating the net budget requirement, on the level and adequacy of cash reserves. The full level of reserves is reported to Members in the outturn report in June and the financial accounts to the same meeting. The level of cash backed reserves are carefully managed and the situation at the end of 2016/17 is envisaged to be:-

<b><u>£,000</u></b>	<b>Actuals at</b>	<b>Estimates at</b>
	<b>31/03/15</b>	<b>31/03/17</b>
General Reserve	354	400
Minerals & Legal Reserve	423	400
Restructuring Reserve	399	0
Capital Reserve	335	300
Matched Funding Reserve	469	850
Carry forward Surplus	304	200
Slippage	637	850
Specific Reserves	537	500
<b>Total</b>	<b><u>3,458</u></b>	<b><u>3,500</u></b>

16. The General Reserve has traditionally been calculated on the basis of a minimum recommended level which is 2% of net expenditure (c. £125,000), with a trading contingency of £75,000, giving a base level of £200,000. A level between £350,000 and £400,000 is considered to be satisfactory given the current complex mix of activities within the revenue budget. The level of the reserve is reviewed annually to take account of the availability of other reserves, the degree of income risk, the degree of risk underlying budget assumptions, and the availability of other contingencies.

17. The Minerals & Legal Reserve contains funds anticipated to be required to handle a number of minerals cases over the spending review period and the levels potentially required are kept under regular review by Resource Management Team. The impact of other legal cases pursued by the Authority (eg Rights of Way and Compulsory Purchase Orders) has been added to the scope of this reserve. The reserve needs to be maintained at a level which allows a degree of financial resilience in handling a number of cases without immediate recourse to re-allocation of baseline resources which would disrupt other priorities.
18. The Restructuring Reserve is used for statutory redundancy and superannuation fund shortfall payments and is essential in providing the one-off resources needed to support the transition to a lower baseline. Given the new settlement it is proposed that this reserve may no longer be required, although this is a decision which will need to be taken during the process agreed in paragraph 8 above, and in combination with a review of overall reserve levels.
19. The Capital Reserve is only available to support capital expenditure, although the Chancellor's recent Autumn statement announced that some revenue expenditure could be eligible for financing revenue reform projects, on request to the Department of Communities and Local Government. The ability of Local Authorities to use capital funds in this way is called a Section 16 2 (b) Capitalisation Direction, and is a discretion granted to the Secretary of State, usually confined to strict criteria controlled by DCLG. The levels of the reserve have increased in 2015/16 following the sale of a number of woodlands, Warren Lodge and Losehill Hall bungalow. Further proposed asset sales, predominantly woodlands, are expected to generate more capital receipts. The Capital Strategy estimated capital receipts of up to £1.7m could be available for allocation to the Capital Programme in the period up to 2019, and the estimated reserve level shown is based on a balance between receipts estimated to be received by 31/03/2017, and capital expenditure proposed to have been spent. A base level of £50,000 is considered to be an acceptable minimum allowing a small cash reserve for emergency capital expenditure; it is also desirable to maintain the capability to substitute some of the reserve (e.g. £100,000 p.a.) to replace revenue financed capital in order to allow some flexibility for emergency revenue sums.
20. The Matched Funding Reserve is used to earmark funds for commitments already made for matched funding payments to external funding projects, and has also been used as the temporary home for sums agreed from previous years' revenue budgets to be allocated specifically on a one-off basis against priorities. The timing of expenditure for the approved allocations varies, with the earmarked sums for future years retained in the reserve. The majority of the earlier allocations will have been fully spent by 31<sup>st</sup> March 2017, but the new settlement and decisions over one-off allocations is likely to mean that this reserve will increase in size over the medium term period, taking account of the fact that there are some large matched funding requirements anticipated, and in hand, over this period as well.

The Carry Forward Surplus is not a separate reserve but is a sum retained within the General Reserve; these were the funds earmarked specifically to be used as a contingency against the ability for the Authority to balance the revenue budget in any one year, in the context of year on year reductions in core grant and correspondingly higher risk budget assumptions. It is considered that the level of this reserve is likely to be reduced but a base level is expected still to be needed to help underwrite continuing higher risk assumptions in the baseline budget, mainly arising from trading income targets.

21. The Slippage Reserve is a temporary year-end balance arising from the deferral of expenditure between financial years. The funds are all committed and are allocated into budgets in the next financial year, once slippage requests have been approved at the June Audit, Resources and Performance (ARP) committee. A slight increase is anticipated.

22. The Specific Reserves are used to support individual service areas and each reserve's objective and planned usage is reported to the ARP committee in June. Specific reserves, although earmarked for specific purposes, are available to support any Authority priorities as required in an emergency, subject to any commitments already made from them. As tighter financial objectives are set for the property portfolio, it is considered important that the property managers have access to and from a specific reserve, to allow them to manage and achieve their financial objective between financial years without impacting on corporate reserves.
23. Under the circumstances prevailing in the last Spending Review, and until recently as forecast in the next Spending Review, the Chief Finance Officer was of the opinion that these reserves were essential to give confidence that budgets could be balanced in future years, in the context of continuing revenue grant cuts; noting a greater dependency on variable income sources, and also the fact that the cumulative impact of savings made decreased the resilience of the remaining budgets and therefore increased overall risk. Higher than usual reserve levels were a necessary consequence of future uncertainty over resource provision, and Defra acknowledged the challenging nature of these reductions and the Authority's efforts in dealing with them.

Because of the welcome 4 year settlement announcement, the Authority will need to shift the emphasis of its reserves from supporting the transition to a newer smaller baseline, to supporting the new corporate strategy priorities and managing any temporary earmarked funds through the reserves until they are deployed on achieving National Park purposes. The settlement allows us to build on the valued government grant to achieve one of the Authority's directional shifts, which is to grow income and diversify our funding, to try and regain some of our lost spending power. It will be some time before "normal" reserve levels are achieved, and there will always be a need to ensure that reserve levels are strong when public funding rounds are heavily influenced by cyclical economic circumstances.

Reserve levels are only available as one-off sources of finance and cannot be relied upon to balance future budgets except on a temporary basis. The Authority's ability to make use of the Prudential Borrowing powers is also significantly helpful in achieving invest-to-save proposals, ensuring that access to capital finance allows sensible investment decisions to proceed.

**Are there any corporate implications Members should be concerned about?**

24. The financial, property, sustainability and human resource implications of the budget are integrated and planned by the Resource Management Team and the budget for 2016/17 includes all relevant matters arising from these plans, as well as all previous Member resolutions.

Risk Management

25. Clause 25 of Part 2 of the Local Government Act 2003 also requires the Chief Finance officer to report to Members, when calculating the net budget requirement, to advise on the robustness of the estimates made. Relevant factors include the previous year's outturn; pay & price increases; pension contributions; the revenue impact of capital investment; realistic income assumptions; the internal financial control environment; audit conclusions; and the overall public sector financing climate. Part of this assurance is gained from the Annual Governance Statement, the Risk Register reported quarterly to Management Team, the Head of Finance's involvement in all financial planning matters, and other relevant discussions with Management Team.

- 
26. The Authority's reliance on external income targets and estimates always remains a key risk area and as is usual, is carefully monitored by the Budget Monitoring Group during the year, especially where additional savings targets have been identified. The Moors for the Future team's continuing ability to handle very significant project expenditure remains important.
27. The further proposals for 2016/17 built into the budget remain challenging for services, but the 2016/17 budget is robust and can be recommended as such to Members.
28. **Background Papers** (not previously published)  
Defra Settlement Letter 21<sup>st</sup> January 2016

**Appendices -**

- Appendix 1 Revenue Budget
- Appendix 2 Capital Budget
- Appendix 3 Breakdown of baseline budgets
- Appendix 4 Explanation of Appendix 1

**Report Author, Job Title and Publication Date**

Philip Naylor, Chief Finance Officer, 28 January 2016

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# 2016/17 REVENUE BUDGET

NB there will be small rounding errors in totals

# APPENDIX 1

Director	Mgr		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	
			Permanent Staff - not directly linked to income	Permanent Staff - directly linked to income	Fixed Term Staff - not income linked	Fixed Term Staff - income linked	Total Pay	Travel / Transport	Premises related - fixed costs	Office/field running costs	PDNPA contributions to projects/ project expenditure	Costs securing income streams	Existing Commitments	Other available funds	Total Non Pay	Sales fees charges rents	Other income	Total Income	Net Budget	
<b>Conservation Natural Environment</b>																				
JS	SF	Countryside & Economy	154	-	-	-	154	4	-	7	-	-	100	19	130	(11)	-	(11)	272	
JS		Conservation General	-	-	-	6	6	-	-	-	-	-	-	10	10	-	(6)	(6)	10	
SM	CBM	Woodlands	19	-	-	-	19	3	-	2	-	-	-	33	37	(6)	(3)	(9)	47	
JS	RT	Natural Environment Team	190	-	-	-	190	4	-	2	-	-	5	0	10	-	(3)	(3)	197	
SM	CBM	Warslow Estate	59	-	-	-	59	3	5	12	-	-	7	185	212	(200)	(125)	(325)	(54)	
SM	RN	Eastern Moors Estate	-	-	-	-	0	-	2	-	-	-	43	-	45	(21)	-	(21)	24	
SM	RN	North Lees Estate	75	27	-	6	108	5	14	10	-	2	5	39	74	(150)	(33)	(183)	(2)	
SM	RN	Minor Properties	-	-	-	-	0	-	1	5	-	-	-	13	19	(19)	-	(19)	0	
<b>Projects</b>																				
JS	CD	Moors for the Future projects	-	-	-	485	485	-	-	-	-	5,098	-	-	5,098	-	(5,583)	(5,583)	0	
PN		Moors for the Future Centre	-	-	-	-	0	-	29	17	-	-	-	-	46	-	-	0	46	
JS	CD	Moors for the Future core team	-	186	-	31	217	3	-	50	5	-	-	-	58	-	(180)	(180)	95	
			<b>497</b>	<b>213</b>	<b>0</b>	<b>529</b>	<b>1,238</b>	<b>21</b>	<b>51</b>	<b>105</b>	<b>5</b>	<b>5,100</b>	<b>160</b>	<b>298</b>	<b>5,739</b>	<b>(408)</b>	<b>(5,933)</b>	<b>(6,341)</b>	<b>636</b>	
<b>Conservation Cultural Heritage</b>																				
JS	KRS	Cultural Heritage Team	127	-	-	-	127	3	-	2	-	-	3	0	8	-	-	0	135	
JS	KRS	Archaeology	71	-	-	-	71	2	-	3	-	-	-	0	5	-	(28)	(28)	47	
<b>Projects</b>																				
			-	-	-	-	0	-	-	-	-	-	-	-	0	-	-	0	0	
			<b>198</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>198</b>	<b>5</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>12</b>	<b>0</b>	<b>(28)</b>	<b>(28)</b>	<b>182</b>	
<b>Recreation Mgt &amp; Transport</b>																				
SM	HB	Cycle Hire	-	181	-	4	185	1	14	18	-	70	-	-	103	(326)	-	(326)	(38)	
SM	MJR	Footpaths	-	81	-	-	81	2	-	-	-	15	-	-	17	-	(98)	(98)	0	
SM	MJR	Pennine Way	-	23	-	-	23	-	2	8	-	-	-	-	10	-	(32)	(32)	0	
SM	MJR	Access & Rights of Way	76	-	17	-	93	-	-	5	-	-	2	11	17	-	-	0	111	
RMM		Recreation Strategy	33	-	-	-	33	3	-	1	-	-	2	0	6	-	-	0	39	
SM	ES	Trails	115	-	8.2	-	123	12	33	6	-	2	-	103	156	(192)	-	(192)	88	
SM	ES	non-Estate Car Parks	-	-	-	-	0	-	21	2	-	2	-	14	38	(108)	-	(108)	(70)	
SM	ES	non-Estate Concessions	-	-	-	-	0	-	-	-	-	2	-	-	2	(6)	-	(6)	(3)	
SM	ES	non-Estate Toilets	35	-	22	-	57	-	13	7	-	-	-	11	31	-	(8)	(8)	80	
SM	ES/JG	Recreation Minor Properties	11	-	-	-	11	-	11	2	-	-	-	-	12	(14)	-	(14)	10	
JS	ED	Policy: Transport	89	-	-	-	89	3	-	5	-	-	-	7	15	-	-	0	104	
<b>Projects</b>																				
SM	JW	Field Service: Area Projects	-	-	-	-	0	-	-	-	-	4	40	-	44	(50)	-	(50)	(6)	
			<b>360</b>	<b>285</b>	<b>47</b>	<b>4</b>	<b>696</b>	<b>21</b>	<b>93</b>	<b>54</b>	<b>0</b>	<b>95</b>	<b>44</b>	<b>146</b>	<b>451</b>	<b>(695)</b>	<b>(139)</b>	<b>(834)</b>	<b>313</b>	
<b>Promoting Understanding</b>																				
SM	SB	Visitor Centres	71	245	-	-	316	1	60	40	-	288	-	-	389	(517)	(46)	(563)	142	
SM	ME	Communications: Design	15	-	-	26	41	-	-	1	-	-	1	-	2	-	(26)	(26)	17	
SM	SW	Learning & Discovery Team	-	131	-	68	199	5	0	-	-	22	-	-	27	(82)	-	(82)	144	
SM	ME	Communications	98	-	-	-	98	1	-	6	-	-	9	19	36	-	-	0	134	
<b>Projects</b>																				
			-	-	-	-	0	-	-	-	-	-	-	-	0	-	-	0	0	
			<b>184</b>	<b>376</b>	<b>0</b>	<b>94</b>	<b>654</b>	<b>7</b>	<b>60</b>	<b>47</b>	<b>0</b>	<b>310</b>	<b>10</b>	<b>19</b>	<b>453</b>	<b>(599)</b>	<b>(72)</b>	<b>(671)</b>	<b>436</b>	

Director	Head		Permanent Staff - not directly linked to income	Permanent Staff - directly linked to income	Fixed Term Staff - not income linked	Fixed Term Staff - income linked	Total Pay	Travel / Transport	Premises related - fixed costs	Office/field running costs	PDNPA contributions to projects/ project expenditure	Costs securing income streams	Existing Commitments	Other available funds	Total Non Pay	Sales fees charges rents	Other income	Total Income	Net Budget
<b>Rangers, Estates Service, Vols</b>																			
SM	JW/AF	Rangers - Area Teams	518	-	-	-	518	8	39	19	-	-	67	5	137	-	(167)	(167)	488
SM	JW/AF	Estate Workers	48	-	-	-	48	0	-	3	-	-	-	-	3	-	(10)	(10)	42
SM	JW/AF	Rangers - Transport	-	-	-	-	0	138	-	-	-	-	-	-	138	-	(30)	(30)	108
SM	JW/AF	Rangers - Volunteers	51	-	-	-	51	5	-	3	-	-	6	-	14	(22)	(2)	(24)	41
			<b>617</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>617</b>	<b>151</b>	<b>39</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>73</b>	<b>5</b>	<b>293</b>	<b>(22)</b>	<b>(209)</b>	<b>(231)</b>	<b>679</b>
<b>Development Control</b>																			
RMM	DB	Planning Service: Admin	53	12	-	-	65	-	-	2	-	-	-	-	2	(13)	-	(13)	53
JS		Planning Service: Area Planners	345	-	-	-	345	14	-	6	-	52	1	-	72	(269)	-	(269)	148
JS		P.S: Monitoring & Enforcement	133	-	-	-	133	3	-	1	-	-	-	-	4	-	-	0	136
JS		Planning Service: Minerals	267	-	-	-	267	2	-	1	-	-	-	-	3	(40)	-	(40)	231
			<b>798</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>810</b>	<b>19</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>52</b>	<b>1</b>	<b>0</b>	<b>80</b>	<b>(322)</b>	<b>0</b>	<b>(322)</b>	<b>568</b>
<b>Forward Planning &amp; Communities</b>																			
JS	BT	Planning Policy	95	-	-	-	95	3	-	2	0	-	6	22	32	-	-	0	127
RMM		Corporate Strategy: Communities	43	-	-	-	43	-	-	-	7	-	-	-	7	-	-	0	50
RMM	SS	Corporate Strategy : External Funding	25	-	-	-	25	0	-	1	-	-	-	12	13	-	-	0	38
RMM		Corporate Strategy	129	-	-	-	129	5	-	5	-	-	-	24	34	-	-	0	163
SM	CB	Interpretation	23	-	-	-	23	1	-	-	-	-	-	-	1	-	-	0	24
JS	BT	Community Village Officer	24	11	-	-	35	1	-	-	-	-	-	-	1	-	(11)	(11)	25
			<b>339</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>349</b>	<b>9</b>	<b>0</b>	<b>8</b>	<b>7</b>	<b>0</b>	<b>6</b>	<b>58</b>	<b>87</b>	<b>0</b>	<b>(11)</b>	<b>(11)</b>	<b>426</b>
<b>Corporate and Democratic Core</b>																			
RMM	MI/JG	Property Team & Strategic Property	121	-	38	-	159	7	-	10	-	-	3	2	22	-	-	0	181
RMM	MI/JG	Property: Aldern House HQ	10	-	-	-	10	-	84	74	-	10	-	33	201	(30)	(20)	(49)	162
RMM	AM	Legal Services	200	-	-	-	200	1	-	5	-	-	6	50	60	(7)	-	(7)	253
RMM	AM	Democratic Services & Members	113	-	-	-	113	2	-	8	-	-	88	4	103	-	-	0	215
RMM	DB	Information Mgt	279	-	-	-	279	2	-	10	93	2	220	-	326	-	-	0	605
RMM	LW	Customer & Business Support Team	318	-	-	-	318	1	-	54	-	(20)	-	-	35	(1)	-	(1)	351
RMM	PN	Finance	175	-	-	-	175	0	-	14	-	-	69	-	84	-	-	0	259
-	PN	Contingency/ inflation costs	0	-	-	-	0	-	15	-	-	-	-	-	15	-	-	0	15
SF	PN	Corporate Management	341	-	-	-	341	1	-	7	100	-	54	41	203	-	-	0	543
RMM		Corporate overhead fund	-	-	-	-	0	-	-	-	-	-	-	-	0	-	(92)	(92)	(92)
RMM	TR	Human Resources	109	-	6	6	121	0	-	14	-	-	-	31	46	(6)	-	(6)	161
		<i>Projects</i>	-	-	-	-	0	-	-	-	-	-	-	-	0	-	-	0	0
			<b>1,666</b>	<b>0</b>	<b>44</b>	<b>6</b>	<b>1,715</b>	<b>15</b>	<b>99</b>	<b>195</b>	<b>193</b>	<b>(8)</b>	<b>440</b>	<b>160</b>	<b>1,094</b>	<b>(44)</b>	<b>(111)</b>	<b>(155)</b>	<b>2,654</b>
<b>Total</b>			<b>4,658</b>	<b>896</b>	<b>91</b>	<b>633</b>	<b>6,277</b>	<b>248</b>	<b>342</b>	<b>447</b>	<b>205</b>	<b>5,548</b>	<b>734</b>	<b>686</b>	<b>8,209</b>	<b>(2,089)</b>	<b>(6,502)</b>	<b>(8,591)</b>	<b>5,895</b>

**Financing**

<b>Net Cost of Services</b>	<b>5,895</b>
Central Debt Charges	54
<b>Net Revenue Expenditure</b>	<b>5,949</b>
<b>Funded by:-</b>	
<b>NPG @ 1.72% increase</b>	<b>6,365</b>
<b>Other Reserves</b>	<b>24</b>
<b>Interest on balances</b>	<b>30</b>
<b>Total</b>	<b>6,419</b>
<b>Surplus to / (deficit from) general reserve</b>	<b>470</b>



## CAPITAL BUDGET 2016/17

## APPENDIX 2

Capital expenditure is expenditure over £10,000 on the acquisition or improvement of assets of the Authority which have a useful life of more than one year. All assets are shown on the Authority's balance sheet in the Statement of Accounts. Assets are depreciated over their useful life and this depreciation is charged in the Statement of Accounts to the Revenue Account, in order to show the annual cost of the use of assets by services. The depreciation charge is subsequently reversed out and the cost which is charged against National Park Grant is either the actual capital expenditure paid (if financed from revenue), or the amount of debt interest and a statutory Minimum Revenue Provision sum, representing the setting aside of a fixed amount of loan principal each year (if financed from borrowing). This means that the depreciation charge is shown in the accounts as a notional charge only.

The Capital Budget is financed from a number of sources:-

- capital grants: specific grants received towards the expenditure.
- capital receipts reserve: a cash reserve holding the sale proceeds of any asset sold previously.
- borrowing: within the borrowing limits set out in the Prudential Code (March 2016 report).
- financed from Revenue: monies towards capital expenditure, if available from revenue budgets.

**Column A** shows the amount of new capital expenditure which will take place in 2016/17 approved by this report. **Column B** shows the amount estimated to take place in the year arising from previously approved expenditure. Capital expenditure not yet approved (whether delegated or not) is not shown.

### £,000 2016/17 Budget

	<b>A New</b>	<b>B Approved</b>	<b>Total</b>
<b>Acquisition of Land and Existing Buildings</b>			
	0	0	0

<b>New Construction, conversion and Renovation</b>			
Conservation Properties (RMT 19/13)	0	20	20
Field Sites (Authority 58/11 & ARP 39/15)	0	212	212
Headquarters (Authority 58/11)	0	13	13

<b>Vehicles, Plant, Equipment and Machinery</b>			
Computer purchases	93	0	93
Vehicle purchases	0	0	0

<b>Intangible Fixed Assets</b>	0	0	0
<b>Total Capital Expenditure</b>	<b>93</b>	<b>245</b>	<b>338</b>

### Financed by

<b>Capital Grants</b>	0	0	0
<b>Borrowing</b>			
Public Works Loan Board / Internal Borrowing	0	0	0
<b>Capital Receipts Reserve</b>	0	118	118
<b>Financed from Revenue Account</b>	93	127	220
<b>Total Financing</b>	<b>93</b>	<b>245</b>	<b>338</b>

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**APPENDIX 3**

<b>2016/17 Breakdown of baseline budgets</b>			
<b>NB non-pay only. Col I, K, L of Appendix 1</b>		<i>(rounding errors may occur)</i>	
		<b><u>Col L</u></b>	<b><u>Cols I, K</u></b>
		<b><u>Discretionary</u></b>	<b><u>Commitments</u></b>
<b>Conservation Natural Environment</b>		<b>£,000</b>	<b>£,000</b>
Countryside & Economy:	Annual payments & grants	19	100
Land Management:	Special Projects	10	
Moorlife 2020 support (direct cash)			5
Woodlands	Forestry Mgt contractors & supplies	33	
Natural Environment Team	pension payment		5
Properties - Warslow	Tenanted building repairs & Estates works (NB higher amount funded by HLS grant & required as condition of grant)	185	7
Properties - Eastern Moors	sum for lease payment to lessee		43
Properties – Minor Properties	Miscellaneous	13	
Properties - North Lees	Miscellaneous Estate works – some arising from grant requirements; maintenance of car parks & campsite	39	5
		<b>298</b>	<b>165</b>
<b>Conservation Cultural Heritage</b>			
Cultural Heritage Team	pension payment		3
		<b>0</b>	<b>3</b>
<b>Recreation Mgt &amp; Transport</b>			
Field Services: Area projects	Projects within the Derwent and Goyt area funded from shared car park income		40
Properties - Trails	Surfacing	10	
	Structures & Maintenance @ engineer's rolling programme	25	
	Surveys	15	
	Additional running & maintenance costs – tunnels & Cycling route	25	
	Trails Car Parks and toilets maintenance	28	
Properties: non–Estate Car Parks	basic maintenance, plus any trading surpluses above budget	14	
Properties: - non-EstateToilets	Repairs, maintenance, decoration, plumbing, electrical works at all toilets	11	
Recreation and Tourism Strategy	pension payment		2

Policy: Transport Policy	Contributions to projects	7	
Field Services: Rights of Way & Access	Pathworks on Access land	4	
	Restrictions casework system Access payments – remaining agreements	7	2
		<b>146</b>	<b>44</b>
<b>Promoting Understanding</b>			
Communications	Park Life twice yearly (reduced winter edition)	19	
	pension payment		9
		<b>19</b>	<b>9</b>
<b>Rangers, Estates Service, Vols</b>			
Rangers - Area	Volunteer Patrol Rangers - duty expenses & travel		62
	pension payment Ranger training	5	5
Rangers - Volunteers	Volunteer Patrol Rangers - duty expenses & travel		6
		<b>5</b>	<b>73</b>
<b>Planning Service</b>			
	pension payment		1
		<b>0</b>	<b>1</b>
<b>Forward Planning</b>			
Planning Policy	Statutory plans	22	
	pension payment		6
Corporate Strategy	Statutory Plans including research	12	
	Contribution to tourism joint working	12	
Corporate Strategy: Communities	Partnership projects		7
Corporate Strategy: External Funding	External Bid support for project development	12	
		<b>58</b>	<b>13</b>
<b>Corporate and Democratic Core</b>			
Property Service: Aldern House	Minor repairs, maintenance	33	
Property Service: Team	Equipment & materials / pension	2	3
Democratic Services & Members	Member activities	4	88
I.T. Services	telephones		82
	Network mtce & licences		41
	internet		97
	Capital replacements		93
Financial Services	Bank fees & software licences;		17
	DCC SLAs for insurance, payroll,		39

	plus Internal Audit External Audit		13
Corporate Management	Support for misc. corporate activities	5	
	insurances		46
	Pension payment		8
	Subscriptions	36	
	Provisional allocation towards giving / fundraising strategy		100
Corporate Overhead Budget	Remaining sum supporting corporate services infrastructure from recovery of corporate overhead charges to externally funded projects – not yet allocated to budgets	TBC	
Legal Services	Minerals/consultancy budget/fund	40	
	pension payment		6
	Legal updates & library	10	
Human Resources	Workforce plan measures; Field H&S (£3k)	5	
	Corporate Training	26	
		<b>160</b>	<b>633</b>
<b>Total</b>		<b>686</b>	<b>939</b>

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## Explanation of Baseline spreadsheet (Appendix 1)

## APPENDIX 4

### **Income and Expenditure**

Only revenue income and expenditure passing through the Authority's accounts is shown here. Therefore, leverage of others' funds (eg economic income) and capital items are not shown. Capital income and expenditure is covered separately in Appendix 2.

### **Rows**

These represent each service broken down into its principal activity (department on the accounting system). The services are grouped into the relevant Business Plan heading, except that the full apportionments required by the annual accounts – for example recharges of Support Services directorate expenditure and Area Rangers – are not shown in the budget approval papers – to do so would complicate the allocation of budgetary responsibilities unnecessarily for the purposes of this report. Initials of the accountable officers are shown.

### **Columns**

The columns are provided to help understand how costs are allocated within each activity area. The breakdown of non-pay figures (Cols F to L) is indicative only.

### Pay

- A Establishment pay shows the full salary cost of permanent staff
- B This column shows the cost of permanent staff linked to income generating activities
- C The cost of fixed term contracts not linked to external income
- D The cost of fixed term contracts linked to external income
- E Total pay (sum of A to D)

### Expenditure

- F The cost of travel claims and transport costs for vehicles
- G The cost of premises related items (eg utilities, some supplies etc judged to be fixed for the duration of occupation of those premises)
- H Office/field running costs are general running costs of each service (eg photocopying, misc supplies and equipment, printing, stationery etc) and are judged to be fixed as long as the underlying activity continues.
- I Cash contributions to existing projects shows the amount of Authority matched funding required to support externally funded projects or partnerships, or project allocations.
- J Costs directly related to the securing of income are shown here (eg cost of sales, expenditure of projects levered by the PDNPA cash contribution, planning fee advertising etc)
- K Fixed commitments tend to be the longer term commitments, some of which are contractual (eg Countryside & Economy annual payments, Access agreements remaining, pension payments)
- L Other available funds represent the remainder of the non-pay budget – some commitments may have been made from these already – but the basis of this column is that services have some discretion over their incidence.
- M Total non pay (sum of F to L)

A breakdown of the amounts shown in columns I, K and L is shown in Appendix 3.

### Income

- N Charge driven income
- O Other income (eg recurring grants, partnership contributions, external grant aid)
- P Total income (sum of N to O)

Net Budget

Q The net service baseline budget

Financing

This shows the planned surplus or deficit to the General Reserve, after application of the National Park Grant, interest receipts and any reserve contributions. For convenience any central debt charges not allocated to services are shown here.