

Public Document Pack

Peak District National Park Authority**Tel: 01629 816200**E-mail: customer.service@peakdistrict.gov.ukWeb: www.peakdistrict.gov.uk

Minicom: 01629 816319

Aldern House, Baslow Road, Bakewell, Derbyshire. DE45 1AE



Our Ref: A.1142/1762

Date: 11 January 2018



NOTICE OF MEETING

Meeting: **Audit Resources & Performance Committee**Date: **Friday 19 January 2018**Time: **10.00 am**Venue: **The Board Room, Aldern House, Baslow Road, Bakewell**SARAH FOWLER
CHIEF EXECUTIVE

AGENDA

1. **Apologies for Absence**
2. **Minutes of previous meeting 03/11/2017** *(Pages 5 - 8)*
3. **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.
4. **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.
5. **Urgent Business**
6. **External Audit - 2017/18 Audit Plan (DH)** *(Pages 9 - 34)* 15 mins
Appendix 1
7. **Internal Audit Report Block 1, 2017/18 (A1362/7/PN)** *(Pages 35 - 60)* 20 mins
Appendix 1
Appendix 2
Appendix 3

- | | | |
|-----|--|---------|
| 8. | Risk Management Policy (A91941/HW) (Pages 61 - 74)
Appendix 1

Appendix 2

Appendix 3 | 10 mins |
| 9. | 2017 - 2018 Quarter 3 Corporate Performance & Risk Management Report (A91941/HW) (Pages 75 - 128)
Appendix 1

Appendix 2

Appendix 3 | 30 mins |
| 10. | DEFRA Peatland Restoration Fund Project (MSC) (Pages 129 - 142)
Appendix 2

Appendix 3

Appendix 4 | 20 mins |
| 11. | Strategic Asset Management and Operational Financial Performance of the Property Assets (2017/18) (CBM) (Pages 143 - 182)
Appendix 1

Appendix 2 | 20 mins |
| 12. | Woodland Disposal Project - Proposed Early Relinquishment of Leasehold Interests in Woodlands (BR) (Pages 183 - 190)
Appendix 1

Appendix 2 | 30 mins |
| 13. | Exempt Information S100(A) Local Government Act 1972
<p>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.</p> <p>Draft Motion:</p> <p>That the public be excluded from the meeting during consideration of Agenda Item No. 14 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).</p> | |
| | PART B | |
| 14. | Warslow Moors Estate - Restoration of Traditional Barn and Provision of New Estate Base (CBM) (Pages 191 - 204)
Appendix 1

Appendix 2 | 10 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 <http://democracy.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 the Democratic and Legal Support Team on 01629 816200, ext 362/352. E-mail address: democraticandlegalsupport@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 Strategy and Development to be received not later than 12.00 noon on the Wednesday preceding the Friday meeting. The Scheme is available on the website <http://www.peakdistrict.gov.uk/looking-after/about-us/have-your-say> or on request from the Democratic and Legal Support Team 01629 816362, email address: democraticandlegalsupport@peakdistrict.gov.uk.

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. From 3 February 2017 the recordings will be retained for three years after the date of the meeting.

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.

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: Members of Audit Resources & Performance Committee:

Chair: Cllr A McCloy
Vice Chair: Cllr F J Walton

Mrs P Anderson	Cllr J Atkin
Mrs F Beatty	Mr J W Berresford
Cllr A R Favell	Cllr C Furness
Mr Z Hamid	Cllr Mrs G Heath
Cllr C McLaren	Cllr J Perkins
Cllr Mrs N Turner	Cllr B Woods

Other invited Members: (May speak but not vote)

Cllr Mrs L C Roberts	Mr P Ancell
Cllr D Chapman	Cllr D Birkinshaw

Constituent Authorities
Secretary of State for the Environment
Natural England

Peak District National Park Authority
Tel: 01629 816200
E-mail: customer.service@peakdistrict.gov.uk
Web: www.peakdistrict.gov.uk
Minicom: 01629 816319
Aldern House, Baslow Road, Bakewell, Derbyshire. DE45 1AE



MINUTES

Meeting: **Audit Resources & Performance Committee**

Date: Friday 3 November 2017 at 10.00 am

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

Chair: Cllr A McCloy

Present: Cllr F J Walton, Cllr J Atkin, Mrs F Beatty, Mr J W Berresford, Cllr A R Favell, Cllr C Furness, Mr Z Hamid, Cllr Mrs G Heath, Cllr C McLaren and Cllr B Woods

Cllr Mrs L C Roberts, Mr P Ancell and Cllr D Chapman attended to observe and speak but not vote.

Apologies for absence: Mrs P Anderson, Cllr J Perkins, Cllr Mrs N Turner and Cllr D Birkinshaw.

46/17 MINUTES OF PREVIOUS MEETING 15/09/2017

The minutes of the last meeting of the Audit, Resources and Performance Committee held on 15 September 2017 were approved as a correct record.

47/17 PUBLIC PARTICIPATION

No members of the public had registered to speak at this meeting.

48/17 MEMBERS DECLARATIONS OF INTEREST

There were not declarations of interest by members.

49/17 2017-18 Q2 PERFORMANCE AND RISK MANAGEMENT REPORT

Comments had been received by email from Member Penny Anderson and were considered during the discussion of this item.

The Head of Strategy & Performance introduced the report and highlighted the change to Appendix 1, a new version of which had been electronically circulated to Members prior to the meeting and paper copies tabled at the meeting.

Members discussed each Directional Shift and Cornerstone and sought clarification on some areas of the report including clarification on income figures, donations, which were down when compared to last year, and how legacies were recorded in the budget. The Head of Finance explained that where applicable legacies are ring fenced in line with the wishes of the donor where a preference is specified.

Members considered the proportion of planning appeals allowed noting the percentage figure was higher than the target because of the low number of appeal decisions and that the Director of Conservation and Planning was closely monitoring the target but to date an analysis of the decisions had not given rise to any significant concerns about challenges to policy.

Members considered the high number of Enforcement Enquires per year which is increasing, no specific reason had been identified for the increase but it was noted that not all enquires result in an Enforcement Case. A quarterly report is provided to Planning Committee for the purpose of monitoring enforcement performance.

The Officer recommendation was moved, seconded, put to the vote and carried.

RESOLVED:

1. **To note the Quarter 2 Corporate Performance Return, set out in Appendix 1 and approve actions to address any issues identified.**
2. **To note the review of the Quarter 2 Corporate Risk Register given in Appendix 2 and accept the status of risks.**
3. **To note the status of Quarter 2 Complaints and Freedom of Information/ Environmental Information Regulations requests given in Appendix 3.**

50/17 MINOR PROPERTY REVIEW

Comments had been received by email from Member Penny Anderson and were considered during the discussion of this item.

The committee considered the report setting out the proposal for the disposal of minor properties. Clarification was sought for the term 'Minor' and if this was the best term to use to describe the properties listed, Officers explained this is a generic term which is the best collective name but not a reflection of the significance of the properties.

Members sought assurance that a communications plan be put in place and that the properties would only be sold to those who would maintain them to the same standard as that set by the Authority. Officers confirmed that the prospective buyers would be carefully selected.

The Officer recommendation was moved.

Members sought clarification on the risk rating of the report and this was clarified as based on business and income implications.

Members discussed the properties where Heritage Lottery Fund (HLF) had been obtained to make improvements and Officers confirmed the money from the HLF would need to be repaid if the property is sold.

The officer recommendation was seconded, put to the vote and carried subject to the stated amendments to the recommendations.

RESOLVED:

1. That the decision-making and disposal regarding those properties with a low to medium risk, highlighted yellow in Appendix 1, including approval of any possible undervalue arising from a disposable process, be delegated to the Resource Management Meeting in consultation with the Head of Law, Corporate Property Officer and Chair and Vice Chair of Audit Resource & Performance Committee.
2. That the high risk properties highlighted green in Appendix 1, are included in the Asset Management Plan Review.

51/17 ANNUAL REPORT OF THE DUE DILIGENCE PANEL

Members considered the report setting out the details of the meetings of the panel to look at suitability of proposed partnerships.

RESOLVED:

1. To note the items considered and decided on by the Due Diligence Panel over the last 12 months.

52/17 PROPOSED ACCEPTANCE OF THE LEGACY OF LOWER GREENHOUSE FARM, CALTON, STAFFORDSHIRE

Members considered the report setting out the details of the legacy and the Head of Law clarified that it was subject to the payment of any inheritance and other taxes attributable to the property.

The officer recommendation was moved, seconded, put to the vote and carried.

RESOLVED:

1. To accept the legacy from the executors once all the administration of the Estate is complete.
2. Following transfer of the property to the Authority an options appraisal is completed with recommendations for consideration by a future meeting of the Audit, Resources & Performance Committee.

ITEMS FOR NO DISCUSSION

54/17 EXTERNAL AUDIT (KPMG) 2016/17 ANNUAL AUDIT LETTER (A1362/DH)

RESOLVED:

1. That following consideration the receipt of the 2016/17 Annual Audit Letter be acknowledged.

The meeting ended at 11.30 am

This page is intentionally left blank

6. EXTERNAL AUDIT - 2017/18 AUDIT PLAN (DH)

1. Purpose of the report

This report asks Members to consider the 2017/18 External Audit Plan from our external auditors, KPMG. John Cornett, Director at KPMG will be at Committee to present the Plan and to answer any questions.

Key Issues

- The external auditor presents the plan for auditing the financial statements and value for money arrangements at this time every year
- Achieving unqualified opinions from the external auditor is a corporate performance indicator

2. Recommendations(s)

1. That the 2017/18 External Audit Plan be considered and acknowledged.

How does this contribute to our policies and legal obligations?

3. The work of the external auditors is a key part of our governance arrangements and helps us to monitor and improve performance against our corporate strategy cornerstone of 'developing our organisation so we have a planned and sustained approach to performance at all levels' (cornerstone: our organisation). Achieving unqualified opinions from the external auditor is a corporate performance indicator.

Background Information

4. The statutory responsibilities and powers of auditors appointed by Public Sector Audit Appointments Ltd (PSAA) are set out in the Local Audit and Accountability Act 2014 and the National Audit Office's Code of Audit Practice. Considering the external auditor's audit plan is part of the normal Audit, Resources and Performance Committee work programme.

Proposals

5. The External Audit Plan for 2017/18 is given at Appendix 1. The plan is based on a risk based approach to audit planning and outlines the work proposed, and the planned outputs, by the external auditor for the audit of financial statements and the value for money conclusion for 2017/18.

Are there any corporate implications members should be concerned about?

Financial:

6. The planned fees for external audit of £13,259 are funded from the existing Finance Services budget.

Risk Management:

7. The scrutiny and advice provided by external audit is part of our governance framework. The auditor's work is based on an assessment of audit risk as explained in Appendix 1.

Sustainability:

8. There are no issues to highlight.

Equality:

9. There are no issues to highlight.

10. Background papers (not previously published)

None

11. Appendices

Appendix 1 - External Audit Plan 2017/18

Report Author, Job Title and Publication Date

David Hickman, Director of Corporate Strategy and Development, 10 January 2018
david.hickman@peakdistrict.gov.uk



External Audit Plan 2017/2018

**Peak District National
Park Authority**

January 2018

Summary for Audit, Resources and Performance Committee

Financial statements

There are no significant changes to the Code of Practice on Local Authority Accounting ("the Code") in 2017/18, which provides stability in terms of the accounting standards the Authority need to comply with. Despite this, the statutory deadline for the production and signing of the financial statements has been significantly advanced in comparison to year ended 31 March 2017. We recognise that the Authority has successfully advanced its own accounts production timetable in prior years so as to align with the new deadlines. As a result, we do not feel that this represents a significant risk, although it is still important that the authority manages its closedown process to meet the earlier deadline.

In order to meet the revised deadlines it will be essential that the draft financial statements and all prepared by client documentation is available in line with agreed timetables. Where this is not achieved there is a significant likelihood that the audit report will not be issued by 31 July 2017.

Materiality

Materiality for planning purposes has been set at **£250,000**.

We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance and this has been set at **£12,000**.

Significant risks

Those risks requiring specific audit attention and procedures to address the likelihood of a material financial statement error have been identified as:

- **Valuation of Property, Plant and Equipment** – Whilst the Authority operates a cyclical revaluation approach, the Code requires that all land and buildings be held at fair value. We will consider the way in which the Authority ensures that assets not subject to in-year revaluation are not materially misstated; See **page 6**.
- **Pension Liabilities** – The valuation of the Authority's pension liability, as calculated by the Actuary, is dependent upon both the accuracy and completeness of the data provided and the assumptions adopted. We will review the processes in place to ensure accuracy of data provided to the Actuary and consider the assumptions used in determining the valuation. See **page 7**.

Summary for Audit, Resources and Performance Committee (cont.)

Value for Money (VFM) Arrangements work

Our risk assessment regarding your arrangements to secure value for money has not identified any VFM significant risk to date.

See pages 11 to 14 for more details

Logistics

Our team is:

- John Cornett – Director
- Katie Scott – Manager
- Surpreet Bhogal – Assistant manager

More details are in **Appendix 2**.

Our work will be completed in four phases from October 2017 to July 2018 and our key deliverables are this Audit Plan, an Interim Report (if applicable due to interim audit findings) and a Report to Those Charged With Governance as outlined on **page 17**.

Our fee for the 2017/18 audit is £13,259 (£13,259 2016/2017) see **page 16**. These fees are in line with the scale fees published by PSAA.

Acknowledgements

We would like to take this opportunity to thank officers and Members for their continuing help and co-operation throughout our audit work.

Introduction

Background and Statutory responsibilities

This document supplements our Audit Fee Letter 2017/18 presented to you in May 2017, which also sets out details of our appointment by Public Sector Audit Appointments Ltd (PSAA).

Our statutory responsibilities and powers are set out in the Local Audit and Accountability Act 2014, the National Audit Office’s Code of Audit Practice and the PSAA Statement of Responsibilities.

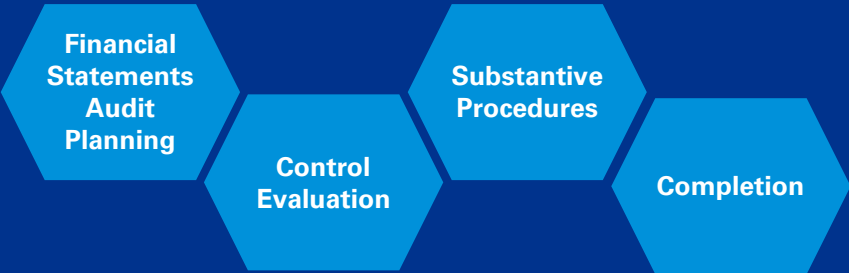
Our audit has two key objectives, requiring us to audit/review and report on your:

- 01 | **Financial statements :**
Providing an opinion on your accounts. We also review the Annual Governance Statement and Narrative Report and report by exception on these; and
- 02 | **Use of resources:**
Concluding on the arrangements in place for securing economy, efficiency and effectiveness in your use of resources (the value for money conclusion).

The audit planning process and risk assessment is an on-going process and the assessment and fees in this plan will be kept under review and updated if necessary. Any change to our identified risks will be reporting to the Audit, Resources and Performance Committee.

Financial Statements Audit

Our financial statements audit work follows a four stage audit process which is identified below. Appendix 1 provides more detail on the activities that this includes. This report concentrates on the Financial Statements Audit Planning stage of the Financial Statements Audit.



Value for Money Arrangements Work

Our Value for Money (VFM) Arrangements Work follows a five stage process which is identified below. Page 13 provides more detail on the activities that this includes. This report concentrates on explaining the VFM approach for 2017/18.



Financial statements audit planning

Financial Statements Audit Planning

Our planning work takes place during December 2017 to January 2018. This involves the following key aspects:

- Determining our materiality level;
- Risk assessment;
- Identification of significant risks;
- Consideration of potential fraud risks;
- Identification of key account balances in the financial statements and related assertions, estimates and disclosures;
- Consideration of management's use or experts; and
- Issuing this audit plan to communicate our audit strategy.

Risk assessment

Auditing standards require us to consider two standard risks for all organisations. We are not elaborating on these standard risks in this plan but consider them as a matter of course in our audit and will include any findings arising from our work in our ISA 260 Report.

01

Management override of controls

Management is typically in a powerful position to perpetrate fraud owing to its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Our audit methodology incorporates the risk of management override as a default significant risk. In line with our methodology, we carry out appropriate controls testing and substantive procedures, including over journal entries, accounting estimates and significant transactions that are outside the normal course of business, or are otherwise unusual.

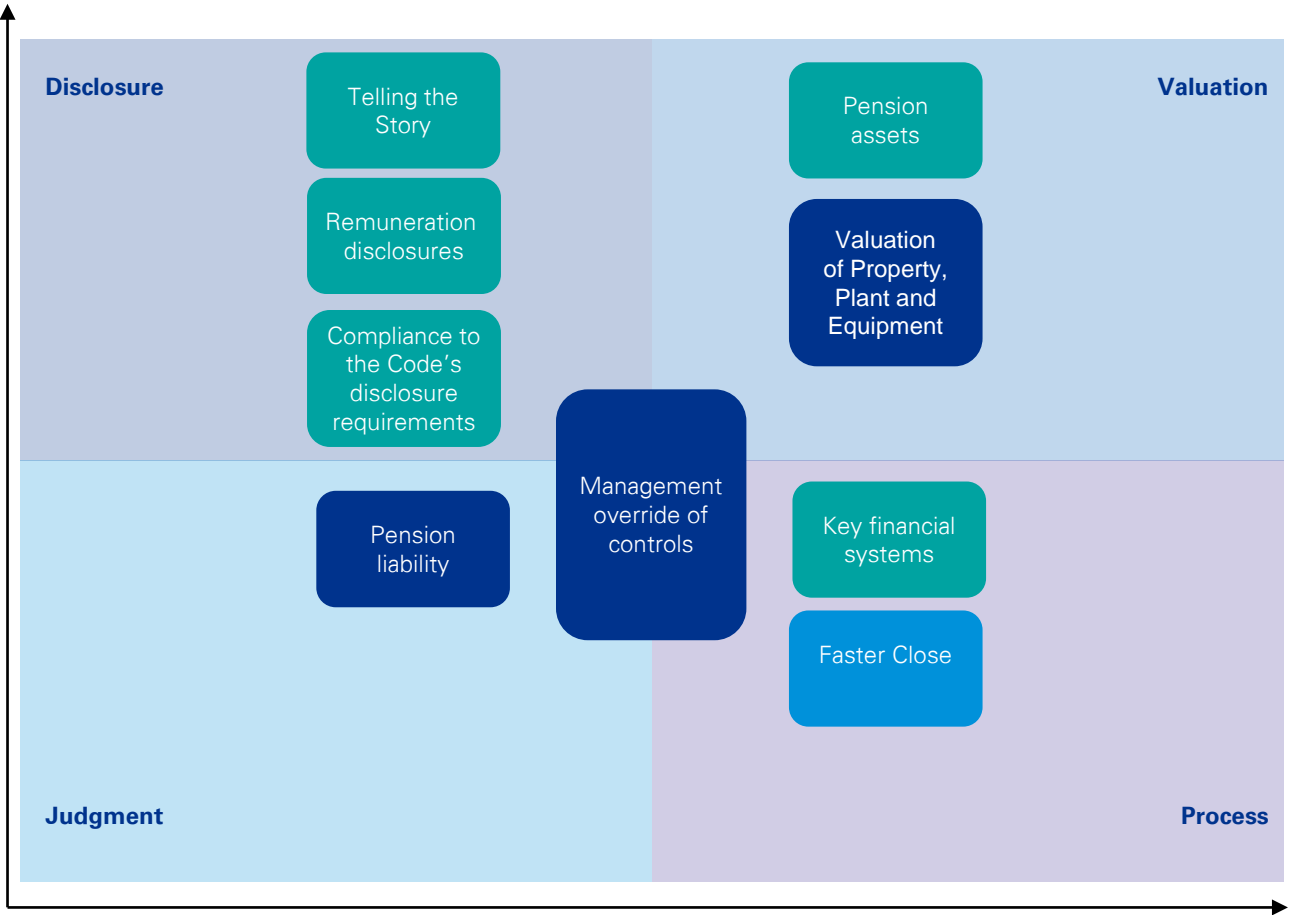
02

Fraudulent revenue recognition

We do not consider this to be a significant risk for local authorities as there are limited incentives and opportunities to manipulate the way income is recognised. We therefore rebut this risk and do not incorporate specific work into our audit plan in this area over and above our standard fraud procedures.

Financial statements audit planning (cont.)

The diagram below identifies significant risks and other areas of audit focus, which we expand on overleaf. The diagram also identifies a range of other areas considered by our audit approach.



Keys: Significant risk Other area of audit focus Example other areas considered by our approach

Financial statements audit planning (cont.)

Significant Audit Risks

Those risks requiring specific audit attention and procedures to address the likelihood of a material financial statement error in relation to the Authority.

Risk:	<p>Valuation of Property, Plant and Equipment</p> <p>The Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate fair value at that date. The Authority has adopted a rolling revaluation model which sees all land and buildings revalued over a five year cycle. As a result of this, however, individual assets may not be revalued for four years.</p> <p>This creates a risk that the carrying value of those assets not revalued in year differs materially from the year end fair value. In addition, as the valuation is undertaken as at 1 April, there is a risk that the fair value is different at the year end.</p>
Approach:	<p>We will review the approach that the Authority has adopted to assess the risk that assets not subject to valuation are materially misstated and consider the robustness of that approach. We will also assess the risk of the valuation changing materially during the year.</p> <p>In addition, we will consider movement in market indices between revaluation dates and the year end in order to determine whether these indicate that fair values have moved materially over that time.</p> <p>In relation to those assets which have been revalued during the year we will assess the valuer’s qualifications, objectivity and independence to carry out such valuations and review the methodology used (including testing the underlying data and assumptions).</p>

Financial statements audit planning (cont.)

Significant Audit Risks (cont.)

Risk:	<p>Pension Liabilities</p> <p>The net pension liability represents a material element of the Authority’s balance sheet. The Authority is an admitted body of the Pension Fund which had its last triennial valuation completed as at 31 March 2016. This forms an integral basis of the valuation as at 31 March 2018.</p> <p>The valuation of the Local Government Pension Scheme relies on a number of assumptions, most notably around the actuarial assumptions, and actuarial methodology which results in the Authority’s overall valuation.</p> <p>There are financial assumptions and demographic assumptions used in the calculation of the Authority’s valuation, such as the discount rate, inflation rates, mortality rates etc. The assumptions should also reflect the profile of the Authority’s employees, and should be based on appropriate data. The basis of the assumptions is derived on a consistent basis year to year, or updated to reflect any changes.</p> <p>There is a risk that the assumptions and methodology used in the valuation of the Authority’s pension obligation are not reasonable. This could have a material impact to net pension liability accounted for in the financial statements.</p>
Approach:	<p>As part of our work we will review the controls that the Authority has in place over the information sent directly to the Scheme Actuary. We will also liaise with the auditors of the Pension Fund in order to gain an understanding of the effectiveness of those controls operated by the Pension Fund. This will include consideration of the process and controls with respect to the assumptions used in the valuation. We will also evaluate the competency, objectivity and independence of Hymans Robertson.</p> <p>We will review the appropriateness of the key assumptions included within the valuation, compare them to expected ranges, and consider the need to make use of a KPMG Actuary. We will review the methodology applied in the valuation by Hymans Robertson.</p> <p>In addition, we will review the overall Actuarial valuation and consider the disclosure implications in the financial statements.</p>

Financial statements audit planning (cont.)

Other areas of audit focus:

Those risks with less likelihood of giving rise to a material error but which are nevertheless worthy of audit understanding.

Area:	<div data-bbox="247 462 404 499">Faster Close</div> <p data-bbox="247 513 1346 644">In prior years, the Authority has been required to prepare draft financial statements by 30 June and then final signed accounts by 30 September. For years ending on and after 31 March 2018 however, revised deadlines apply which require draft accounts by 31 May and final signed accounts by 31 July.</p> <p data-bbox="247 658 1346 752">During 2016/17, the Authority started to prepare for these revised deadlines and advanced its own accounts production timetable so that draft accounts were ready by June and the final signed accounts by July.</p> <p data-bbox="247 766 1346 897">The authority achieved the revised deadline last year (2016/17) and we need to ensure the continuation of this, including embedding of processes and similar arrangements that were established last year. In order to meet the revised deadlines, the Authority may need to recognise what worked well and summarise learning points from last year.</p> <p data-bbox="247 911 1346 969">In addition, there are a number of logistical challenges that will need to be managed. These include:</p> <ul data-bbox="247 984 1346 1373" style="list-style-type: none"><li data-bbox="247 984 1346 1077">— Ensuring that any third parties involved in the production of the accounts (including valuers, actuaries,) are aware of the revised deadlines and have made arrangements to provide the output of their work in accordance with this;<li data-bbox="247 1091 1346 1185">— Revising the closedown and accounts production timetable in order to ensure that all working papers and other supporting documentation are available at the start of the audit process;<li data-bbox="247 1199 1346 1257">— Ensuring that the Audit, Resources and Performance Committee meeting schedules have been updated to permit signing in July; and<li data-bbox="247 1272 1346 1373">— Applying a shorter paper deadline to the July meeting of the Audit, Resources and Performance Committee meeting in order to accommodate the production of the final version of the accounts and our ISA 260 report. <p data-bbox="247 1388 1346 1446">In the event that the above areas are not effectively managed there is a risk that the audit will not be completed by the 31 July deadline.</p> <p data-bbox="247 1460 1346 1591">There is also an increased likelihood that the Audit Certificate (which confirms that all audit work for the year has been completed) may be issued separately at a later date if work is still ongoing in relation to the Authority's Whole of Government Accounts return. This is not a matter of concern and is not seen as a breach of deadlines.</p>
Approach:	<p data-bbox="247 1638 1346 1769">We will continue to liaise with officers in preparation for our audit in order to understand the steps that the Authority is taking in order to ensure it meets the revised deadlines. We will also look to advance audit work into the interim visit in order to streamline the year end audit work.</p> <p data-bbox="247 1783 1346 1837">Where there is greater reliance upon accounting estimates we will consider the assumptions used and challenge the robustness of those estimates.</p>

Financial statements audit planning (cont.)

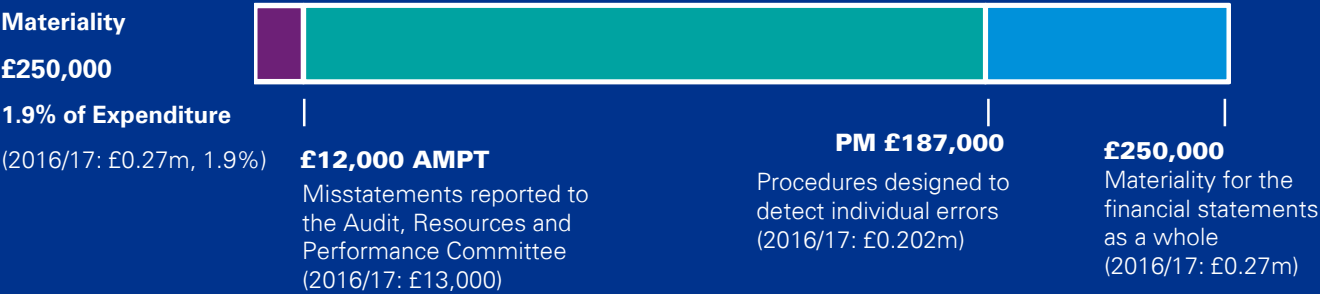
Materiality

We are required to plan our audit to determine with reasonable confidence whether or not the financial statements are free from material misstatement. An omission or misstatement is regarded as material if it would reasonably influence the user of financial statements. This therefore involves an assessment of the qualitative and quantitative nature of omissions and misstatements.

Generally, we would not consider differences in opinion in respect of areas of judgement to represent ‘misstatements’ unless the application of that judgement results in a financial amount falling outside of a range which we consider to be acceptable.

For the Authority, materiality for planning purposes has been set at £250,000. We design our procedures to detect errors in specific accounts at a lower level of precision.

Prior Year Gross Expenditure: **£12,827,153** (2016/17: £13,300,746)



Definitions: AMPT: Audit Misstatement Posting Threshold; PM: Performance Materiality

Financial statements audit planning (cont.)

Reporting to the Audit, Resources and Performance Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit, Resources and Performance Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work.

Under ISA 260(UK&I) ‘Communication with those charged with governance’, we are obliged to report uncorrected omissions or misstatements other than those which are ‘clearly trivial’ to those charged with governance. ISA 260 (UK&I) defines ‘clearly trivial’ as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

In the context of the Authority, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £12,000.

If management has corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit, Resources and Performance Committee to assist it in fulfilling its governance responsibilities.

We will report:



Non-Trivial corrected audit misstatements



Non-trivial uncorrected audit misstatements



Errors and omissions in disclosure
(Corrected and uncorrected)

Value for money arrangements work

VFM audit approach

The Local Audit and Accountability Act 2014 requires auditors of local government bodies to be satisfied that the authority ‘has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources’.

This is supported by the Code of Audit Practice, published by the NAO in April 2015, which requires auditors to ‘take into account their knowledge of the relevant local sector as a whole, and the audited body specifically, to identify any risks that, in the auditor’s judgement, have the potential to cause the auditor to reach an inappropriate conclusion on the audited body’s arrangements.’

Overall criterion

In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

The VFM approach is fundamentally unchanged from that adopted in 2016/17 and the process is shown in the diagram below. The diagram overleaf shows the details of the sub-criteria for our VFM work.



Value for money arrangements work (cont.)

Value for Money sub-criterion

Informed decision making

Proper arrangements:

- Acting in the public interest, through demonstrating and applying the principles and values of sound governance.
- Understanding and using appropriate and reliable financial and performance information to support informed decision making and performance management.
- Reliable and timely financial reporting that supports the delivery of strategic priorities.
- Managing risks effectively and maintaining a sound system of internal control.

Sustainable resource deployment

Proper arrangements:

- Planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions.
- Managing and utilising assets to support the delivery of strategic priorities.
- Planning, organising and developing the workforce effectively to deliver strategic priorities.

Working with partners and third parties

Proper arrangements:

- Working with third parties effectively to deliver strategic priorities.
- Commissioning services effectively to support the delivery of strategic priorities.
- Procuring supplies and services effectively to support the delivery of strategic priorities.

Value for money arrangements work (cont.)

VFM audit stage



VFM audit risk assessment

Audit approach

We consider the relevance and significance of the potential business risks faced by all local authorities, and other risks that apply specifically to the Authority. These are the significant operational and financial risks in achieving statutory functions and objectives, which are relevant to auditors' responsibilities under the *Code of Audit Practice*.

In doing so we consider:

- The Authority's own assessment of the risks it faces, and its arrangements to manage and address its risks;
- Information from the Public Sector Auditor Appointments Limited VFM profile tool;
- Evidence gained from previous audit work, including the response to that work; and
- The work of other inspectorates and review agencies.



Linkages with financial statements and other audit work

Audit approach

There is a degree of overlap between the work we do as part of the VFM audit and our financial statements audit. For example, our financial statements audit includes an assessment and testing of the Authority's organisational control environment, including the Authority's financial management and governance arrangements, many aspects of which are relevant to our VFM audit responsibilities.

We have always sought to avoid duplication of audit effort by integrating our financial statements and VFM work, and this will continue. We will therefore draw upon relevant aspects of our financial statements audit work to inform the VFM audit.



Identification of significant risks

Audit approach

The Code identifies a matter as significant '*if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public. Significance has both qualitative and quantitative aspects.*'

If we identify significant VFM risks, then we will highlight the risk to the Authority and consider the most appropriate audit response in each case, including:

- Considering the results of work by the Authority, inspectorates and other review agencies; and
- Carrying out local risk-based work to form a view on the adequacy of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources.

Value for money arrangements work (cont.)

VFM audit stage



Assessment of work by other review agencies, and Delivery of local risk based work

Audit approach

Depending on the nature of the significant VFM risk identified, we may be able to draw on the work of other inspectorates, review agencies and other relevant bodies to provide us with the necessary evidence to reach our conclusion on the risk.

We will also consider the evidence obtained by way of our financial statements audit work and other work already undertaken.

If evidence from other inspectorates, agencies and bodies is not available and our other audit work is not sufficient, we will need to consider what additional work we will be required to undertake to satisfy ourselves that we have reasonable evidence to support the conclusion that we will draw. Such work may include:

- Additional meetings with senior managers across the Authority;
- Review of specific related minutes and internal reports;
- Examination of financial models for reasonableness, using our own experience and benchmarking data from within and without the sector.



Concluding on VFM arrangements

Audit approach

At the conclusion of the VFM audit we will consider the results of the work undertaken and assess the assurance obtained against each of the VFM themes regarding the adequacy of the Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources.

If any issues are identified that may be significant to this assessment, and in particular if there are issues that indicate we may need to consider qualifying our VFM conclusion, we will discuss these with management as soon as possible. Such issues will also be considered more widely as part of KPMG's quality control processes, to help ensure the consistency of auditors' decisions.



Reporting

Audit approach

We have completed our initial VFM risk assessment and have not identified any significant VFM risks. We will update our assessment throughout the year should any issues present themselves and report against these in our ISA260.

We will report on the results of the VFM audit through our ISA 260 Report. This will summarise any specific matters arising, and the basis for our overall conclusion.

The key output from the work will be the VFM conclusion (i.e. our opinion on the Authority's arrangements for securing VFM), which forms part of our audit report.

Other matters

Whole of government accounts (WGA)

We are required to issue an assurance statement to the National Audit Office confirming the income, expenditure, asset and liabilities of the Authority. Deadlines for completion of this for 2017/18 have not yet been confirmed.

Elector challenge

The Local Audit and Accountability Act 2014 gives electors certain rights. These are:

- The right to inspect the accounts;
- The right to ask the auditor questions about the accounts; and
- The right to object to the accounts.

As a result of these rights, in particular the right to object to the accounts, we may need to undertake additional work to form our decision on the elector's objection. The additional work could range from a small piece of work where we interview an officer and review evidence to form our decision, to a more detailed piece of work, where we have to interview a range of officers, review significant amounts of evidence and seek legal representations on the issues raised.

The costs incurred in responding to specific questions or objections raised by electors is not part of the fee. This work will be charged in accordance with the PSAA's fee scales.



Other matters

Reporting and communication

Reporting is a key part of the audit process, not only in communicating the audit findings for the year, but also in ensuring the audit team are accountable to you in addressing the issues identified as part of the audit strategy. Throughout the year we will communicate with you through meetings with the finance team and the Audit, Resources and Performance Committee. Our communication outputs are included in Appendix 1.

Independence and Objectivity

Auditors are also required to be independent and objective. Appendix 3 provides more details of our confirmation of independence and objectivity.

Audit fee

Our Audit Fee Letter 2017/2018 presented to you in May 2017 first set out our fees for the 2017/2018 audit. This letter also set out our assumptions. We have not considered it necessary to seek approval for any changes to the agreed fees at this stage.

Should there be a need to charge additional audit fees then this will be agreed with the Director of Corporate Strategy and Development and PSAA. If such a variation is agreed, we will report that to you in due course.

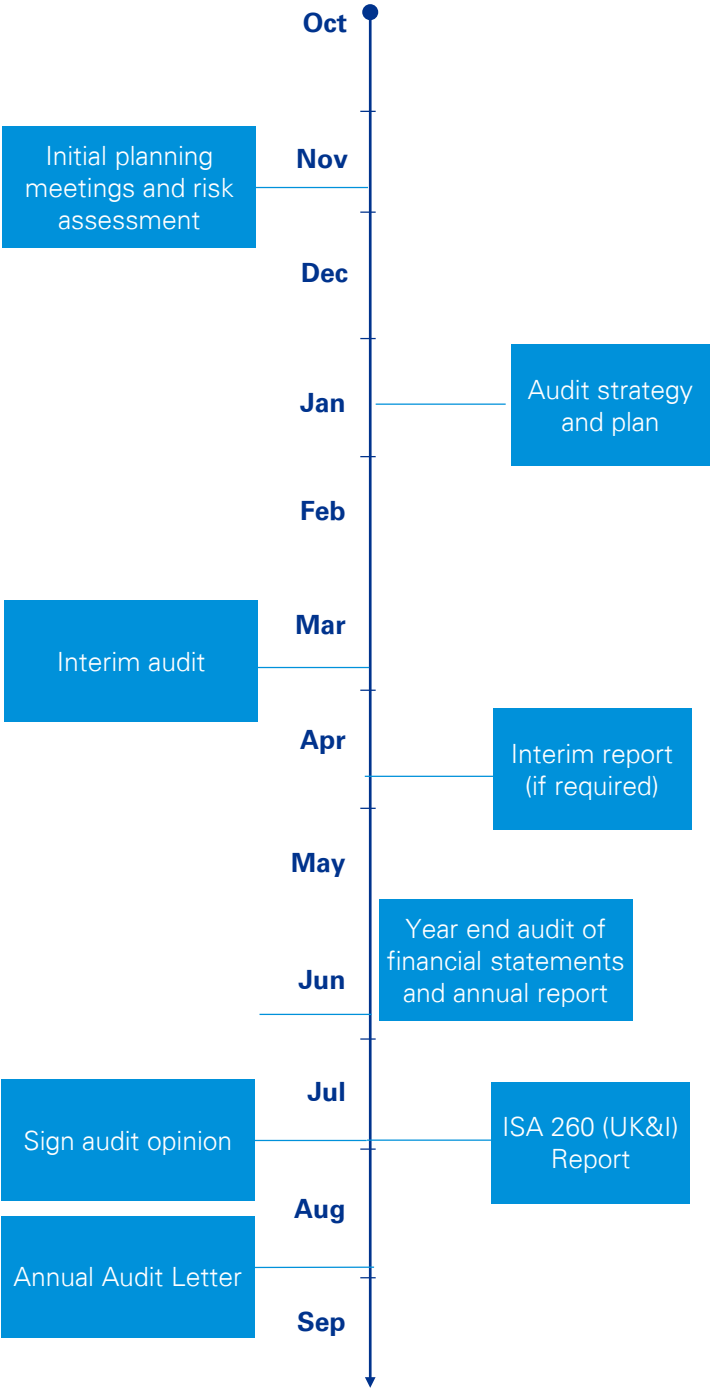
The planned audit fee for 2017/18 is £13,259 (2016/2017:£13,259).

Appendix 1:

Key elements of our financial statements audit approach

Communication

Continuous communication involving regular meetings between Audit, Resources and Performance Committee, Senior Management and audit team.



Appendix 1:

Key elements of our financial statements audit approach (cont.)

Audit workflow

Planning

- Determining our materiality level;
- Risk assessment;
- Identification of significant risks;
- Consideration of potential fraud risks;
- Identification of key account balances in the financial statements and related assertions, estimates and disclosures;
- Consideration of managements use or experts; and
- Issuing this audit plan to communicate our audit strategy.

Control evaluation

- Understand accounting and reporting activities
- Evaluate design and implementation of selected controls
- Test operating effectiveness of selected controls
- Assess control risk and risk of the accounts being misstated

Substantive testing

- Plan substantive procedures
- Perform substantive procedures
- Consider if audit evidence is sufficient and appropriate

Completion

- Perform completion procedures
- Perform overall evaluation
- Form an audit opinion
- Audit, Resources and Performance Committee reporting

Appendix 2:

Audit team

Your audit team has been drawn from our specialist public sector assurance department. Most of our audit team were all part of the audit last year.



John Cornett

Director

T: +44 (0)7468 749927

E: John.Cornett@kpmg.co.uk

'My role is to lead our team and ensure the delivery of a high quality, valued added external audit opinion. I will be the main point of contact for the Audit Resources and Performance Committee and Chief Executive.'



Katie Scott

Manager

T: +44 (0) 7468 365923

E: Katie.Scott@kpmg.co.uk

'I provide quality assurance for the audit work and specifically any technical accounting and risk areas. I will work closely with director to ensure we add value. I will liaise with the Chief Finance Officer and other Executive Directors.'



Surpreet Bhogal

Assistant Manager

T: +44 (0) 7767 086506

E: Surpreet.Bhogal2@kpmg.co.uk

'I will be responsible for the on-site delivery of our work and will supervise the work of our audit assistants.'

Appendix 3:

Independence and objectivity requirements

ASSESSMENT OF OUR OBJECTIVITY AND INDEPENDENCE AS AUDITOR OF PEAK DISTRICT NATIONAL PARK AUTHORITY

Professional ethical standards require us to provide to you at the planning stage of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

In considering issues of independence and objectivity we consider relevant professional, regulatory and legal requirements and guidance, including the provisions of the Code of Audit Practice, the provisions of Public Sector Audit Appointments Ltd's ('PSAA's') Terms of Appointment relating to independence and the requirements of the Financial Reporting Council (FRC) Ethical Standard and General Guidance Supporting Local Audit (Auditor General Guidance 1 – AGN01) issued by the National Audit Office ('NAO').

This Appendix is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners, Audit Directors and staff annually confirm their compliance with our ethics and independence policies and procedures. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard. As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values
- Communications
- Internal accountability
- Risk management
- Independent reviews.

We are satisfied that our general procedures support our independence and objectivity.

Appendix 3:

Independence and objectivity requirements (cont.)

Confirmation of audit independence

We confirm that as of the date of this report, in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the Audit Director and audit staff is not impaired.

This report is intended solely for the information of the Audit, Resources and Performance Committee of the authority and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

A handwritten signature in blue ink that reads "KPMG LLP". The signature is written in a cursive, stylized font. Below the signature is a horizontal line, also in blue ink, which appears to be a signature line or a separator.

KPMG LLP



kpmg.com/uk



This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. We draw your attention to the Statement of Responsibilities of auditors and audited bodies, which is available on Public Sector Audit Appointment's website (www.psaa.co.uk).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact John Cornett, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers, by email to Andrew.Sayers@kpmg.co.uk. After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing generalenquiries@psaa.co.uk by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

© 2018 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.

This page is intentionally left blank

7. INTERNAL AUDIT REPORT BLOCK 1, 2017/18 (A1362/7/PN)

Purpose of the report and key issues

1. This report presents to Members the internal auditors' recommendations for the first block of the 2017/18 audit and the agreed actions for consideration. The Internal Auditors will be available at the meeting to answer any questions relating to the audit report or process as usual.

Key issues include:

- The auditors give an opinion based on five grades of assurance (High / Substantial / Reasonable / Limited / No). The three areas audited, Risk Management, Performance Management and Procurement, have been given a High, Substantial and Substantial level of assurance respectively.
- The priority of agreed actions is determined based on a scale of 1 – 3, with 1 representing a fundamental system weakness which needs urgent attention, 2 a significant weakness which needs attention, and 3 no significant weakness but merits attention. Managers have responded to 4 Priority 3 actions.

2. Recommendations

1. **That the internal audit reports for the three areas covered under Block 1 for 2017/18 be received (in Appendices 1 - 3) and the agreed actions considered.**

How does this contribute to our policies and legal obligations?

3. As identified in the Annual Governance Statement, the Internal Audit process is regarded as an important part of the overall internal controls operated by the Authority and recommendations are addressed by the Authority's managers in the management response to the audit report.

Background

4. The Accounts and Audit Regulations 2015 require that the Authority maintains an adequate and effective system of internal audit of its accounting records and its system of internal control in accordance with proper practices in relation to internal control. The contract for the internal audit service is let to Veritau Ltd. Officers in consultation with the Chair and Vice Chair of this committee approved a two year extension of the current contract up to 31st March 2019 (the original contract was a three year contract starting April 2014, with an option to extend for two years). The Internal Audit Plan for 2017/18 was approved by this committee in July 2017.

Proposals

5. Managers have carefully considered the internal auditors' recommendations and the agreed actions are set out in the audit reports in Appendices 1 - 3 for members' consideration.

Are there any corporate implications members should be concerned about?

Financial:

6. There are resource implications of implementing recommendations and this is why prioritisation of action is important as this has to be managed within existing budgets and staffing levels, taking account of the level of risk agreed by management. The cost of the Internal Audit Service Level Agreement is found from within the overall Finance budget.

Risk Management:

7. The Internal Audit process is regarded as an important part of the overall internal controls operated by the Authority.

Sustainability:

8. There are no implications to identify.
9. **Background papers** (not previously published) – None

Appendices -

Appendix 1: Risk Management
Appendix 2: Performance Management
Appendix 3: Procurement

Report Author, Job Title and Publication Date

Philip Naylor, Head of Finance, 11 January 2018

Risk Management

Peak District National Park Authority

Internal Audit Report 2017/18

Business Unit: Peak District NPA
Responsible Officer: Director of Corporate Strategy and Performance
Service Manager: Senior Strategy Officer - Research
Date Issued: 2 January 2018
Status: Final
Reference: 69110/004

	P1	P2	P3
Actions	0	0	2
Overall Audit Opinion	High Assurance		

Introduction

The Authority's risk management policy supports one of the core principles in the Authority's Code of Corporate Governance of 'Taking informed and transparent decisions which are subject to effective scrutiny and managing risk'.

The risk management policy states that the Authority will use risk management to achieve its objectives through pro-actively managing its exposure to risk.

It will seek to recognise risk and mitigate the adverse consequences but recognises that, in pursuit of its vision and objectives, it may choose to accept an increased degree of risk in certain circumstances.

It will do so, subject always to ensuring that the potential benefits and risks are fully understood before developments are authorised, and that sensible measures to mitigate risk are established.

Objectives and Scope of the Audit

The purpose of this audit was to provide assurance to management that procedures and controls within the system will ensure that:

- significant risks are identified and addressed
- actions are carried out in a timely manner, ensuring risks are mitigated
- the requirements of the risk management policy are followed

The audit included review of the corporate and service risk registers, and a brief review of processes to see where they could be streamlined.

Key Findings

The procedures in place for the identification, monitoring and reporting of risk appear robust. Risks are reviewed quarterly and scores and action plans updated. The annual report to Audit, Resources and Performance Committee clearly shows the movement of key risks throughout the year. If any have not been managed down to an acceptable level they are reviewed and rescored to see if any further mitigating actions can be implemented. This is in line with the risk management policy and procedures. However, the Conservation Planning service risk register has two risks that have not been allocated a responsible officer. One of these is amber and the other is red, so this needs rectifying as soon as possible.

All risks in all registers have some mitigating actions, and the majority have timescales for completing them, although these are not necessarily in the correct column. Service registers are discussed at the quarterly monitoring meetings, and any risks that have been managed down appropriately are removed from the register. If necessary, risks can be escalated to the corporate register.

The risk management policy and procedures have not been reviewed since 2011. There have been major restructures over the last two years, which may mean that roles and responsibilities are no longer wholly appropriate. Whilst there are prescriptive guidance criteria for scoring risks, these contain financial values for impact which may no longer be relevant due to funding changes. The sample risk map in the procedures still includes numerical scores as well as high/medium/low which are no longer in use and should be removed.

Overall Conclusions

It was found that the arrangements for managing risk were very good. An effective control environment appears to be in operation. Our overall opinion of the controls within the system at the time of the audit was that they provided **High Assurance**.

01 Responsible Officers

Issue/Control Weakness

Failure to formally identify responsible officers

Risk

Mitigating actions do not occur due to lack of ownership, leaving the Authority exposed to risk

Findings

On the Conservation Planning service risk register, the following risks have not been formally allocated a responsible officer:

'Failure to deliver an integrated conservation service for land managers and communities which increases awareness, understanding and support for the National Parks special qualities and the public goods delivered by the place.'

'Failure to create a common understanding for the White Peak, including engaging with the farming community and land managers.'

The first risk is scored amber and the second is red.

Agreed Action 1.1

Add in responsible officers for these risks.

Priority

3

Responsible Officer

Holly Waterman

Timescale

Q3 2017/18

02 Risk Management Policy and Procedures

Issue/Control Weakness	Risk
The risk management policy and procedures have not been reviewed since 2011	Financial values attached to scoring criteria may no longer reflect the true value of the risk materialising

Findings

While there is fairly prescriptive guidance on how to score risks, the criteria have not been reviewed in several years and may no longer be appropriate, due to financial limits and exchange rates.
The guidance also still refers to numerical risk scores which are no longer in use.
Due to the restructure that has taken place throughout the Authority, the roles and responsibilities detailed in the policy may also not be appropriate any more.

Agreed Action 2.1

Review all risk management policy documents, make changes to ensure these are up-to-date, gain sign off from Members at ARP and circulate to all of OLT and SLT.

Priority	3
Responsible Officer	Holly Waterman
Timescale	Q4 2017/18

Audit Opinions and Priorities for Actions

Audit Opinions

Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit.

Our overall audit opinion is based on 5 grades of opinion, as set out below.

Opinion	Assessment of internal control
High Assurance	Overall, very good management of risk. An effective control environment appears to be in operation.
Substantial Assurance	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Reasonable Assurance	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited Assurance	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No Assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

Priorities for Actions

Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Priority 2	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.

Where information resulting from audit work is made public or is provided to a third party by the client or by Veritau then this must be done on the understanding that any third party will rely on the information at its own risk. Veritau will not owe a duty of care or assume any responsibility towards anyone other than the client in relation to the information supplied. Equally, no third party may assert any rights or bring any claims against Veritau in connection with the information. Where information is provided to a named third party, the third party will keep the information confidential.

This page is intentionally left blank

Performance Management Peak District National Park Authority Internal Audit Report 2017/18

Business Unit: Peak District National Park Authority
Responsible Officer: Director of Corporate Strategy and Development
Service Manager: Head of Human Resources
Date Issued: 06 December 2017
Status: Final
Reference: 69160/002

	P1	P2	P3
Actions	0	0	0
Overall Audit Opinion	Substantial Assurance		

Introduction

The Joint Performance and Achievement Review (JPAR) process is a means used by the Authority to enhance employee engagement in the workplace. It is a tool to facilitate an open discussion about an employee's past performance, in order to consider strengths and identify any areas for development, and to identify any problems or constraints with a view to finding solutions.

The process itself is reviewed regularly, taking on any feedback received through the staff survey. Previously, it has been expected that JPARS will be completed during the months of April, May and June. However this is the busiest time of year and this has potentially had an impact on the a return rate of just 52% by the end of June this year, which is considered unacceptable for a mandatory process. Moving forward, the process will be carried out in November, December and January, in order to address this issue.

There is also the possibility that the poor return rate is partially due to lack of engagement by both staff and managers. The latest Investors in People (IIP) report identified several areas relating to the JPAR process, in particular ensuring there is a connection between JPARS and the both the service and corporate plans - the idea of a golden thread running though all of these has been introduced in order that employees can see how their role fits into the overall objectives of the Authority, and how learning and development can be captured and evaluated in order to support this.

Another area that was identified is the need to establish exactly what a PDNPA manager 'looks like' i.e. what the qualities, competencies and attributes of an effective manager should be, and how managers can be supported in order to adequately carry out their role.

Objectives and Scope of the Audit

The purpose of this audit is to provide assurance to management that procedures and controls within the system will ensure that:

- appropriate preparation is carried out for the JPAR process
- JPARS are completed fully, within prescribed timescales
- managers feel adequately supported to carry out their role fully

Key Findings

In early 2016 it was agreed that JPAR completion was to become an operational performance indicator and should not be 'owned' by HR. HR are now only responsible for collating statistics and providing them to the Senior Leadership Team and also at the relevant quarterly Performance Review meeting which all Heads of Service attend. From the Staff Survey 2014 there was a comment that the JPAR process was seen as a 'bean counting exercise for HR' which was one of the main drivers for giving accountability to operational managers.

There is very clear guidance on how managers should prepare for the JPAR in the briefing note that was issued, including a six point plan which clearly states how much notice should be provided to staff and what they should be provided with in order to prepare. From the completed JPAR's tested all had been arranged in plenty of time to allow preparation for both the manager and the officer, and the relevant documentation had been sent to staff in order for them to complete it in advance.

JPARs are required to be carried out between April and June - this is changing moving forwards but the process for the current year has recently been completed. An email was sent to all staff on 05 February, reminding staff that the JPAR 'season' was coming up, and another on 27 June reminding all staff to have completed and returned to HR by 30 June. The timescale for completing the JPARs is very clearly stated in the briefing note that has been provided to all managers, and training was notified to all managers on 07 April. The response rates as at 31/7/17 were:

Overall: 52% of expected JPARs received by HR

Corporate Strategy and Development: 95% of expected JPARs received by HR

Management Team: 0% of expected JPARs received by HR

Conservation & Planning: 45% of expected JPARs received by HR

Commercial Development and Outreach: 29% of expected JPARs received by HR

100% of management team has now been returned, and the Chief Executive has confirmed that the JPAR meetings had taken place some time prior to the completed forms being returned to HR and that all Directors were aware of their own objectives prior to carrying out JPARs for their own staff. The return rate for Commercial Development and Outreach and Conservation and Planning is low, however there has been significant upheaval due to restructure in some of the service areas.

Directors have responsibility for checking compliance with policy and the completion of JPAR's. It was agreed that a 10% check would be carried out by each Director and the Chief Executive Officer. Each of the Directors has access to their staff's JPARs electronically, and the CEO has access to all. No confirmation of the reviews actually taking place or feedback on the content has been provided to the Head of HR.

One Director has confirmed that he did carry out a check, and any issues were reported directly back to the relevant Head of Service or team manager. He looked particularly at the objectives to ensure that were effectively SMART in nature and at the development/training plans. Another has stated that he uses the formal JPAR process and both team meetings and 1-2-1 meetings to review the JPARs. Although both of these approaches go some way to addressing the issues around completion of the JPAR forms, a more formal record of the checks and resulting discussion would be advisable in order to provide better assurance. The Chief Executive has confirmed that review of the JPARs was discussed at the Quarter 2 performance monitoring meeting as part of the People Matters Action Plan, and two actions have been identified for all Heads of Service and Directors, which are to:

- discuss and progress the actions with their teams
- report back on the progress with the action as part of the Q3 performance review

The People Matter Action Plan will be monitored on a regular basis throughout the year:

- at the joint meetings of SLT with Staff Committee and Unison
- as part of the Chief Executive's JPAR 1:1 meetings with Directors, at these she asks if the review has been undertaken. If the review by Directors was formally recorded, this would provide evidence to show progress with this action.

Therefore whilst the completion rate during the year is disappointingly low in some service areas, there have been some mitigating factors. The review process in place has identified the issues, and an action plan is in place to make improvements moving forward.

A sample of 5 JPARs was selected specifically from the service areas that had a low return rate, in order to see whether there were any patterns emerging that would suggest a lack of engagement. Only four of the five areas had carried out JPARs for staff. All four managers who had carried out JPARs felt they had received adequate training and the briefing note provides very comprehensive instructions on how to carry out an effective JPAR, however, there were areas on all four of the JPAR forms that were not completed fully. This includes the workforce planning section being incomplete on one, and timescales for objectives not included on the majority. There was little linkage of individual objectives to service and corporate plans which was a direct recommendation from the recent IIP report. From discussion, this may be because while managers try to engage their staff, they are not always willing which leads to the appraisal process being seen as a tick box exercise which does not achieve real results. This seems to be partly a result of the competency framework, where there is a view that they are inconsistently applied and their purpose is not well understood.

It was also noted that there was no negative performance referred to in any of the JPAR forms reviewed. This may well be a correct view of those particular individuals, but it has been mentioned by HR that this is an area where managers seem reluctant to comment. There is guidance available on performance management, but it is currently woven throughout the general disciplinary policy. Work is underway to make it a separate, clear document to see if this helps manage poor performance better going forwards. These issues should be addressed by the monitoring of the People Matters Actions Plan throughout the year.

There are also differing views on the level of support that managers are seen to receive, which appears to relate directly to the level of management within the Authority. Based upon the sample reviewed Team managers have reported particular issues in terms of fitting in the JPAR process around the normal day to day workloads. An idea that has been mentioned by one manager is some form of induction training and an induction pack which summarises the Authority's procedures and timetable for key information and procedures that managers need to be aware of (e.g. financial procedures, key policy documents, JPAR process, corporate planning process, consultation arrangements etc.), and which could be used as a reference document. Some of this will be covered by Standing Orders, but not all, and sometimes it is not clear when SO need to be referred to. This may help with time management to a certain degree.

Overall Conclusions

The arrangements for managing risk were good with few weaknesses identified. An effective control environment is in operation, but there is scope for further improvement in the areas identified. Our overall opinion of the controls within the system at the time of the audit was that they provided **Substantial Assurance**.

Annex 1

Audit Opinions and Priorities for Actions

Audit Opinions	
Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit.	
Our overall audit opinion is based on 5 grades of opinion, as set out below.	
Opinion	Assessment of internal control
High Assurance	Overall, very good management of risk. An effective control environment appears to be in operation.
Substantial Assurance	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Reasonable Assurance	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited Assurance	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No Assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

Priorities for Actions	
Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Priority 2	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.

Where information resulting from audit work is made public or is provided to a third party by the client or by Veritau then this must be done on the understanding that any third party will rely on the information at its own risk. Veritau will not owe a duty of care or assume any responsibility towards anyone other than the client in relation to the information supplied. Equally, no third party may assert any rights or bring any claims against Veritau in connection with the information. Where information is provided to a named third party, the third party will keep the information confidential.

This page is intentionally left blank

Procurement

Peak District National Park Authority

Internal Audit Report 2017/18

Business Unit: Corporate
Responsible Officer: Director of Corporate Strategy and Development
Service Manager: Chief Finance Officer
Date Issued: 18 December 2017
Status: Final
Reference: 69147/001

	P1	P2	P3
Actions	0	0	2
Overall Audit Opinion	Substantial Assurance		

Introduction

Procurement encompasses policy and processes related to obtaining all materials, equipment, services and works which the organisation requires to be provided by external or internal suppliers on a competitive basis. Peak District National Park Authority has approximately £2.7 million contract spend annually and approximately £3.4 million total spend annually.

Managing corporate spending efficiently through a structured approach to procurement offers the potential to significantly improve financial performance with lower prices and a reduction in operating costs.

There are a number of statutory provisions and EU directives relevant to procurement. These are incorporated into the authority's procurement rules in the financial regulations.

Objectives and Scope of the Audit

The purpose of this audit was to provide assurance to management that procedures and controls within the system will ensure that:

- The tender process complies with the authority's procurement policies and directives on spend.
- All spend is tendered/quoted where necessary and tenders are recorded appropriately.
- The authority's procurement activities ensure best value.

The audit focussed on the processes around selecting and evaluating suppliers and will not include review of arrangements for managing contracts after they have been awarded.

Key Findings

The tender process performed by Officers at the Peak District National Park Authority was largely compliant with the authority's procurement policies, detailed in Standing Orders – Part 2: Contracts. Our testing on a sample of tenders and discussions with relevant officers identified a high level of awareness towards complying with the procurement policies and the importance of securing best value during procurement activities.

Testing identified that tenders of varied values followed the relevant procurement rules. All tenders tested in our sample correctly obtained the following: authorisation for spend, number of quotations, contracts present for all tenders above £25000, publication of invite for tender, publication of contract. The correct documentation was present for all tenders, including a tender specification, a tender return form, and a signed contract.

The Contract Register was up to date (as of 30 June 2017). All tenders in the testing sample were correctly stated on the Contract Register, following the authority's procurement rule 5.13. The Contract Register is updated and published every three months.

Budget managers have the responsibility to monitor cumulative spend using reports produced by FRED However, based upon testing it appears that monitoring of aggregated spend across the organisation is not effective. Testing on the authority's spend per supplier identified there are a number of suppliers who have spending above £5000 between January and July 2017; no framework is in place, nor are the suppliers stated on an approved list This could result in a breach of the authority's procurement rule 5.2.1.

The authority's procurement activities are supported by officers with a high awareness to ensure best value is achieved on the tenders procured. From the sample of ten tenders tested a range of methods and considerations were used to achieve best value. This is supported by the authority's procurement rules which detail a number of methods which can be adopted; ensuring best value is obtained where possible.

However, there is no scoring criterion to determine best value prior to tender invitation. This means the authority cannot quantifiably evidence their awarding of tenders, when the cheapest quote is not selected. The nature of the work, complexity of work, and timescale pressures, means the lowest value quote is not always tendered. It is best practice to have a pre-determined scoring ratio which outlines the balance between cost, quality, and timeliness of work to be completed in the tender specification. Due to the nature of the work completed by the authority, the ratio will be subject to change for every tender application. This will provide quantifiable evidence to support the awarding of tenders to suppliers.

Overall Conclusions

The arrangements for managing risk were good with few weaknesses identified. An effective control environment is in operation, but there is scope for further improvement in the areas identified. Our overall opinion of the controls within the system at the time of the audit was that they provided Substantial Assurance.

1 Insufficient monitoring and management of aggregated spend

Issue/Control Weakness

Insufficient monitoring and management of aggregated spend of suppliers is performed.

Risk

Procurement is not monitored due to inadequate management decisions leading to poor procurement decisions and a potential breach of financial regulations.

Findings

The authority's contract procedure rules (5.2.1) state: 'Except where there is a suitable Framework Agreement or Approved List, if, in any 12 month period, two or more contracts below the value of £5000 are awarded to the same Contractor by the Authority with an aggregated value of £5000 or more, or the proposed contract takes the value over £5000, no further contract can be awarded to that Contractor without inviting at least 3 written quotations'

Budget managers currently have access to the following financial reports to monitor spend:

- Rolling 12 month period on individual transactions per supplier;
- Rolling 12 month period on monthly spend per supplier;
- Rolling 12 month report on total spend per supplier;

Testing on spend per supplier identified there are a number of suppliers who have spend above £5000, where there is no Framework agreement or are stated on the approved list. The analysis of spend has been provided to management to identify the current arrangements with all suppliers with spend above £5000.

Management do not directly monitor the money spent, per supplier. The responsibility is currently with the budget managers to monitor spending using the reports produced by FRED. These are not being used to manage spend effectively. It would be best practice to monitor the authorities spend on an authority wide level to ensure best value is achieved.

Agreed Action 1.1

The responsibility is correctly that of budget managers to use the FRED reports to identify aggregated spend and alter their procurement approach accordingly. However, the Finance Team will monitor these aggregated expenditures to ensure the rules are being followed, where resources allow. The Finance Team will also consider if alternative approaches to procurement would offer better value for money.

Priority

3

Responsible Officer

Head of Finance

Timescale

30 April 2018

2 Scoring of Best Value

Issue/Control Weakness

A scoring criterion to determine best value is not identified prior to tender or quotation invitation.

Risk

The authority cannot quantifiably evidence their awarding of tenders.

Findings

During the procurement process there are a number of considerations taken by the authority in achieving best value. Discussions with officers identified a high level of awareness in aiming to achieve best value when procuring services or goods. The lowest price may not always be the best overall value to the authority due to quality and other factors. Any tenders awarded to suppliers who did not quote the lowest value must be authorised by the Chief Executive or a relevant Director (rule 7.8.7).

Requirements for evaluating criteria and evaluation are contained in the Authority's Standing Orders. For procurement procedures over £25,000, invitations to tender must state the evaluation criteria to be adopted for the Contract which "must be capable of objective assessment, include price and other relevant factors, and be weighted by relative importance" (rule 7.2.2.14).

However there is no formal procedure to score best value for tenders or quotations under £25,000. No scoring ratio is currently stated in the tender specification prior to inviting tenders applications. There is a number of procurement activities valued under £25,000 where best value is not deemed lowest value, due to the reactive nature of the work the Authority performs. This could leave the Authority with insufficient evidence if the authority is challenged on their award of a tender.

It is best practice to have a pre-determined scoring ratio which outlines the balance between cost, quality, and timeliness of work to be completed in the tender specification for all tenders and quotation invitations. Due to the nature of the work completed by the authority, the ratio will be subject to change for every tender or quotation application. Criteria such as 'timeliness for completion' could potentially affect the quoted value and therefore is in the best interest of the Authority to state all relevant criteria in the tender specification. This will provide quantifiable evidence to support the awarding of tenders to suppliers.

Agreed Action 2.1

The legal team are currently trialling a more sophisticated scoring system to ensure that tender and quotation criteria are transparent and objectively evaluated and quantifiably evidenced with a view to rolling out the scoring system. Responsibility for applying evaluation criteria and scoring to individual procurement processes will remain with the Procuring Officer.

Priority

3

Responsible Officer

Senior Legal Officer

Timescale

30 April 2018

Audit Opinions and Priorities for Actions

Audit Opinions

Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit.

Our overall audit opinion is based on 5 grades of opinion, as set out below.

Opinion	Assessment of internal control
High Assurance	Overall, very good management of risk. An effective control environment appears to be in operation.
Substantial Assurance	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Reasonable Assurance	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited Assurance	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No Assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

Priorities for Actions

Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Priority 2	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.

Where information resulting from audit work is made public or is provided to a third party by the client or by Veritau then this must be done on the understanding that any third party will rely on the information at its own risk. Veritau will not owe a duty of care or assume any responsibility towards anyone other than the client in relation to the information supplied. Equally, no third party may assert any rights or bring any claims against Veritau in connection with the information. Where information is provided to a named third party, the third party will keep the information confidential.

This page is intentionally left blank

8. **RISK MANAGEMENT POLICY (A91941/HW)**

1. **Purpose of the report**

This report asks Members to approve the revised Risk Management Policy and supporting documents. The Risk Scoring Guide is included but remains unchanged.

2. **Key Issues**

- The Risk Management Policy and its supporting documents (Risk Register Template and Risk Scoring Guide) have been reviewed and revised following the Block 1 Internal Audit reports in September 2017 that highlighted the need for this.
- Minor updates have been made to the Risk Management Policy and to the Risk Register Template.
- The Risk Scoring Guide has been reviewed but no changes are proposed.

Recommendations

3. 1. **That the updated Risk Management Policy in Appendix 1, Risk Register Template in Appendix 2, and Risk Scoring Guide in Appendix 3 are approved.**

How does this contribute to our policies and legal obligations?

4. Risk management contributes to *Cornerstone 3 Our Organisation: developing our organisation so we have a planned and sustained approach to performance at all levels*. Monitoring service level and corporate risks is part of our approach to overall risk management and enables mitigating action to be taken in consultation with staff and Members where needed.

Background

5. As a Best Value Authority under the Local Government Act 1999 we have a duty to seek continuous improvement in the way in which we exercise our functions and deliver our services, having regard to a combination of economy, efficiency and effectiveness.
6. In discharging this overall responsibility, the authority is responsible for putting in place proper arrangements for the governance of its affairs, and facilitating the effective exercise of its functions, which include arrangements for the management of risk.
7. The Authority approved and adopted a Code of Corporate Governance in February 2017 which is consistent with the CIPFA/ SOLACE (Chartered Institute of Public Finance and Accountancy/ Society of Local Authority Chief Executives) Framework Delivering Good Governance in Local Government (minute reference 5/17).
8. One of the seven core principles in the Code of Corporate Governance is *Managing risks and performance through robust internal control and strong public financial management*, which includes a supporting principle of *Managing risk*.
9. The Risk Management Policy represents the Authority's underlying approach to risk management. The Authority's Risk Management Policy was originally developed and approved in December 2004 with updates reported annually to Audit, Resources and Performance Committee (ARP). It was last revised and approved by ARP in September 2016.

10. The report from Internal Audit (Block 1 – 2017/18) found that the arrangements for managing risk were very good. The auditor's overall opinion of the controls within the system at the time of the audit was that they provided **High Assurance**. High Assurance is the highest level of assurance and is described as: "Overall, very good management of risk. An effective control environment appears to be in operation."
11. As part of the Internal Audit report, it was recommended that the Risk Management Policy be reviewed and updated, where necessary.
12. Only one other suggestion for improvement to our risk register and approach was made and this has already been actioned:
 - 'Ensure that all risks are assigned a responsible officer' (two service level risks were missing a responsible officer)

Proposals

13. Members are asked to review and agree the revised Risk Management Policy, Risk Register Template and Risk Scoring Guide as detailed in Appendices 1, 2 and 3.

Are there any corporate implications members should be concerned about?

14. Financial: All work covered by the risk policy is undertaken within existing service budgets.
15. Risk Management: The policy forms the foundation of the Authority's approach to risk management.
16. Sustainability: No issues have been identified.
17. **Background papers** (not previously published) – None

Appendices

1. Appendix 1: Risk Management Policy
2. Appendix 2: Risk Register Template
3. Appendix 3: Risk Scoring Guide

Report Author, Job Title and Publication Date

Holly Waterman, Senior Strategy Officer - Research, 11 January 2018

Appendix 1: Risk Management Policy

Peak District National Park Authority Risk Management Policy (January 2018)

Purpose of this Document

1. This Risk Management Policy (the policy) supports one of the core principles in the Authority's Code of Corporate Governance (approved at Authority, May 2009) of 'Taking informed and transparent decisions which are subject to effective scrutiny and managing risk'.
2. The policy explains the Authority's underlying approach to risk management, documents the roles and responsibilities of Members, Strategic Leadership Team, Chief Finance Officer, Heads of Service, Strategy and Performance Team and other key parties. It also outlines key aspects of the risk management process, and identifies the main reporting procedures.

Underlying Approach to Risk Management

3. The following key principles outline the Authority's approach to risk management and internal control:
 - a. Members have responsibility for overseeing risk management within the Authority as a whole;
 - b. An open and receptive approach to mitigating risk problems is adopted by Members;
 - c. The Chief Executive and the Strategic Leadership Team supports, advises and implements policies approved by Members;
 - d. The Authority makes prudent recognition and disclosure of the financial and non-financial implications of risks in line with its risk appetite;
 - e. The Chief Executive, Directors, Heads of Service, Team Managers, Project Managers and Strategic Partnership Lead Officers are responsible for encouraging good risk management practice within their designated managed area; and
 - f. Key risks will be identified and closely monitored on a regular basis.

Statement of the Authority's Risk Appetite

4. The Authority will use risk management to achieve its objectives through pro-actively managing its exposure to risk. It will seek to recognise risk and mitigate the adverse consequences but recognises that, in pursuit of its vision and objectives, it may choose to accept an increased degree of risk in certain circumstances. It will do so, subject always to ensuring that the potential benefits and risks are fully understood before developments are authorised, and that sensible measures to mitigate risk are established.

Appendix 1: Risk Management Policy

Role of Members

5. Members' role in the management of risk is to:
 - a. Set the tone and influence the culture of risk management within the Authority, including;
 - Determining whether the Authority is 'risk taking' or 'risk averse' as a whole or on any relevant individual issue (the Authority's risk appetite);
 - Determining what levels of risk are acceptable and which are not, on the advice of the Strategic Leadership Team, and setting the standards and expectations of staff with respect to conduct and probity.
 - b. Approve major decisions affecting the Authority's risk profile or exposure;
 - c. Monitor the management of significant risks quarterly to reduce the likelihood of unwelcome surprises or impact;
 - d. Satisfy themselves that the less significant risks are being actively managed, with the appropriate controls in place and working effectively;
 - e. Annually review the Authority's approach to risk management and approve changes or improvements to key elements of its processes and procedures as part of the Annual Governance Statement. (This is the annual review of the Code of Corporate Governance led by the Monitoring Officer (which includes the Chair and Vice Chair of Audit, Resources and Performance Committee and is approved by the Audit, Resources and Performance Committee)).

Role of the Strategic Leadership Team (Chief Executive and Directors) and Chief Finance Officer

6. Key roles of the Strategic Leadership Team are to:
 - a. Set the overall culture of risk management in the Authority;
 - b. Take overall responsibility for the administration and implementation of the risk management process within the Authority;
 - c. Identify and evaluate the significant risks faced by the Authority for review by Members (the corporate risk register);
 - d. Provide adequate information in a timely manner to Members and its committees on the status of risks and controls;

Appendix 1: Risk Management Policy

- e. Annually review the Authority's approach to risk management as part of the annual review of the Code of Corporate Governance which is led by the Monitoring Officer and recommend changes or improvements;
- f. Review and monitor the risks identified in their individual services with their Heads of Service, Team Managers and Lead Officers (the service risk registers) including consideration of risks from working with strategic and major delivery partnerships, and escalate risks to the Corporate Risk Register as considered appropriate;
- g. Annually review the Authority's uninsured and insured risks.

Role of the Chief Finance Officer (statutory responsibility)

- 7. The role of the Chief Finance Officer is to:
 - a. Help ensure the effective governance of the Authority by supporting the development of risk management and reporting frameworks and ensuring risks are fully considered;
 - b. Lead on the implementation and maintenance of a framework of financial controls and procedures for managing financial risks ensuring robust systems of risk management and internal control;
 - c. Help promote arrangements to identify and manage key business risks including safeguarding assets, risk mitigation and insurance.

Role of Directors, Heads of Service, Team Managers and Lead Officers of Major Delivery Partnerships (for which we are the accountable body)

- 8. Key roles are to:
 - a. Take overall responsibility for the administration and implementation of risk management within the Directorate/ Service/ Team/ Partnership;
 - b. Identify and evaluate the significant risks faced in the Directorate/ Service/ Partnership;
 - c. Provide adequate information in a timely manner to Strategic Leadership Team on the status of risks and controls;
 - d. Manage significant risks within the policy guidelines;
 - e. Propose escalation of service risks to the Corporate Register as considered appropriate.

Role of Lead Officers of Strategic Partnerships or Major Delivery Partnerships where the Authority is not the accountable body

- 9. Key roles are to:

Appendix 1: Risk Management Policy

- a. Undertake an initial risk assessment for the partnership and review on an annual basis with the relevant Director or Head of Service the risks to the Authority associated with being involved in the partnership, to enable identified risks to be incorporated into the service risk register.
- b. Review, on a quarterly basis, with relevant Director or Head of Service any risks that appear on the service risk register relating to the partnership and inform of any risks that should be escalated to the service risk register or the Corporate Risk Register.

Role of the Strategy and Performance Team

10. Key roles of the Strategy and Performance Team are to:
 - a. Take day to day responsibility for the administration and implementation of the risk management process;
 - b. Support Strategic Leadership Team, Heads of Service and Lead Officers of Strategic and Major Delivery Partnerships in managing and monitoring risks;
 - c. Facilitate the process of consideration of risks onto the Corporate Risk Register on a quarterly basis;
 - d. Support Strategic Leadership Team in the annual review of the Authority's approach to risk management.

Monitoring and Evaluation of this Policy

11. This policy will be monitored and evaluated annually as part of the Authority's annual review of the Code of Corporate Governance which is led by the Monitoring Officer and reported to Audit, Resources and Performance Committee with any recommendations for change.

Appendix 1: Risk Management Policy

APPENDIX 1: Supporting documentation to the Authority's Risk Management Policy

Key Components of the Authority's Risk Management System

A. Identification of Risk

a. The Corporate Risk Register

The Authority manages risk at a corporate level through the Corporate Risk Register which is compiled by the Strategic Leadership Team and approved by Audit, Resources and Performance Committee. It helps to facilitate the identification, assessment and ongoing monitoring of risks significant to the Authority. The document is formally appraised annually but every quarter emerging risks are reviewed and added as required, whilst current risks are assessed to determine whether the level of risk has been managed down sufficiently to remove the risk from the register. Improvement actions are also monitored through Audit, Resources and Performance Committee.

b. Service Risk Registers

Heads of Service develop and use these registers to ensure that significant risks in their service are identified, assessed and monitored. The document is formally appraised annually by the respective Director and Chief Executive as part of the service planning process and allows for significant risks to be escalated to the Corporate Risk Register. Risks are added or removed as appropriate, and improvement actions to address risks are monitored with their Director through the Quarterly Performance Outturn Meeting. This allows any emerging significant risks to be escalated to the Corporate Risk Register during the year.

c. Major project / partnership risk registers

A risk register (following the template for the service risk register) is completed for all major projects which are monitored on a quarterly basis by the project team and the respective Head of Service or Director. If there is a significant risk (red) the project will be put on the respective Service Risk Register.

As stated in the Partnership Protocol, the lead officer for each major or strategic partnership will undertake an initial risk assessment of the partnership which is reviewed annually with the respective Director or Head of Service. If there is a significant risk (red) it will be placed on the Service Risk Register.

d. Insurance risks

The Authority decides on uninsured and insured risks as part of its annual review of insurance arrangements.

Appendix 1: Risk Management Policy

B. Monitoring of Risk

a. Quarterly monitoring

Comprehensive quarterly reporting is designed to monitor key risks and their controls. Decisions to rectify problems, if appropriate, are made at regular meetings of:

- i) the Strategic Leadership Team and Audit, Resources and Performance Committee, for corporate risks,
- ii) Heads of Service, and the Strategic Leadership Team, for service level risks (at the Quarterly Performance Outturn Meetings),
- iii) Project Managers and Heads of Service/ Director for major project risks. More frequent monitoring may be adopted depending upon the nature of the project.

b. Annual review

An annual review is conducted to:

- i) support the development of the subsequent year's risk registers (both corporate and service levels) and
- ii) review the effectiveness of our risk management strategy as part of the Annual governance Statement.

C. Reporting

a. Audit, Resources and Performance Committee

The Audit, Resources and Performance Committee receive quarterly reports on risk and respond to any emerging issues. In addition, the committee receives the Annual Governance Statement. The committee is therefore well-placed to monitor and scrutinise the Authority's system for the management of risk.

b. Quarterly Performance Outturn Meetings

Strategic Leadership Team, Heads of Service and other staff, as needed, meet every quarter to progress and consider issues relating to risk as part of this meeting and decisions to rectify problems, if appropriate, are made.

D. Assurance

a. Internal Audit Programme

Internal audit monitors the effectiveness of our internal control systems including our management of risk and reports to Audit, Resources and Performance Committee three times per year.

b. External audit

The External Auditors assess the Authority's arrangements to achieve economy, efficiency and effectiveness in our use of money, time and people against criteria specified by the National Audit Officer. This includes

Appendix 1: Risk Management Policy

assessing whether the Authority has adequate arrangements in place for risk management and internal control as part of giving their value for money opinion as reported in the annual governance report from the External Auditors.

c. Other external assessments

We will consider feedback received (for example through the National Park Authorities Performance Assessment process) as part of our ongoing assessment of risk.

d. Annual Insurance Report

Resource Management Team approve annually the insurance arrangements in place to mitigate risks inherent in the Authority's portfolio of property and equipment assets, vehicle operations and potential liabilities arising from officer and member actions.

E. Support

a. Skills and Training

Directors and Heads of Service are responsible for ensuring that staff who have responsibility for risk management are familiar with the Authority's risk policy and have the appropriate skills and training to undertake their role.

b. Toolkit

A toolkit of documents that support the management of risk are provided and are included as follows:

- i. Risk Register Template
- ii. Risk Scoring Guide (Defining likelihood and impact levels)

This page is intentionally left blank

Appendix 2: Risk Register Template

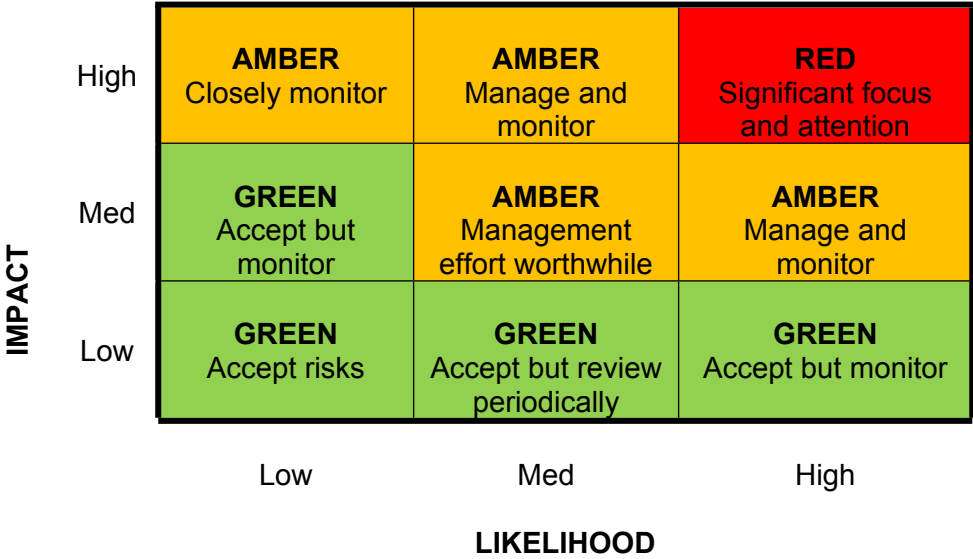
[Name of Service] 20xx/xx Service Risk Register

Likelihood: Refer to Risk Scoring System for guidance

Low
Medium
High

Impact: Refer to Risk Scoring System for guidance

Low
Medium
High



Overall Risk Rating

Risk Register for [Name of Service]. Year: 20xx/xx

Corporate Objective	Risk Description	Existing controls	Risk rating before mitigation (L x I)	Additional mitigating action (add to service plan)	Risk rating with mitigating action L x I (coloured Red, Amber or Green)					Time frame of action	Lead officer	How monitor/ Indicator	Quarterly update
					Start	Q1	Q2	Q3	Q4				
	A risk should be expressed as: If (x were to happen)..... then (the consequence would be) or “failure to”	Actions currently taken or controls we have in place that mitigate the risk e.g. standing orders	This should take into account existing controls	If the rating BEFORE mitigation is green, then no further action is essential. Otherwise, complete what actions you intend to take	The risk level taking into account the mitigating action you are proposing					To complete the mitigating action (s)		Monitoring you intend to use to ensure the action is completed	Against mitigating action and source of assurance To be completed prior to ¼ly meetings

Appendix 2: Risk Register Template

[Name of Service] 20xx/xx Service Risk Register

[illegible]

APPENDIX 3: RISK SCORING GUIDE

Risk Grid:

IMPACT	High	AMBER Closely monitor	AMBER Manage and monitor	RED Significant focus and attention
	Med	GREEN Accept but monitor	AMBER Management effort worthwhile	AMBER Manage and monitor
	Low	GREEN Accept risks	GREEN Accept but review periodically	GREEN Accept but monitor
		Low	Med	High
LIKELIHOOD				

Guidance on defining likelihood and impact levels:

<u>Likelihood</u>	<u>Description</u>
Low	Unlikely to occur/ only in exceptional circumstances
Medium	Possibly would occur/ may occur
High	Likely to occur/ Probable

<u>Impact</u>	<u>Description</u>

APPENDIX 3: RISK SCORING GUIDE

Low	<ul style="list-style-type: none">• Less than £20k in unplanned cost• Little or no reputational damage• Little or no effect on service delivery• Minor delay or interruption• Little or no effect on the environment• Minor or no legal implications
Medium	<ul style="list-style-type: none">• £20k to £100k in unplanned cost• Limited but recoverable reputational damage• Significant reduction in service delivery• Waste of time and/or resources• Significant impact on the environment• Some legal implications (eg legal challenge may be successful)
High	<ul style="list-style-type: none">• Over £100k in unplanned cost• Significant reputational damage with key stakeholders• Severe impairment of service delivery• Critical impact on the achievement of objectives and overall performance• Major environmental impact• Serious legal implications (eg legal challenge likely to be successful)

9. **2017/18 QUARTER 3 CORPORATE PERFORMANCE AND RISK MANAGEMENT REPORT (A91941/HW)**

1. **Purpose of the report**

This report provides Members with monitoring information at the end of Quarter 3 (October – December 2017) for review of performance against the second year of our Corporate Strategy (comprising four Directional Shifts and four Cornerstones); monitoring of the corporate risk register; monitoring of Freedom of Information and Environmental Information Regulations requests; and monitoring of complaints.

2. **Key Issues**

- **Corporate Performance** at the end of Quarter 3:
 - **Priority Actions:** None of our priority actions have performance issues, 8 actions require more planned work and 17 actions are on target.
 - **Indicators:** Progress on the year to date is that 24 are on target (green), 2 are close to target (amber) and 5 are below target (red). 5 indicators are not reported on in Q3.
 - Red indicators are:
 - a. % who understand PDNP potential benefits/services
 - b. % who are willing to support the PDNP
 - c. Value of donations (exc. legacy)
 - d. Number of donations (exc. legacy)
 - e. Proportion of planning appeals allowed).
- **Corporate Risk** status at the end of Quarter 3:
 - One risk has moved in its risk rating: *'Failure to deliver against our Performance and Business Plan in a time of change'* has moved down to low likelihood from medium likelihood, as a regular rhythm of performance reporting has been established and 2018/19 actions set.
 - One risk has been removed: *'Lack of engagement from the farming and land management community in landscape scale delivery models, the national agri-environment schemes and post Brexit policies & new support systems'* as it was felt to be a sub-risk of risk 4 rather than a separate risk.
 - One risk has been re-worded to more accurately reflect the key risk: *'Insufficient capacity to deliver Moors for the Future Partnership programme'* has become *'Failure to maintain core Moors for the Future Partnership income, leading to failure to deliver contractual commitments'*.
 - Two risks are high risk:
 - a. *'Failure to maintain core Moors for the Future Partnership income, leading to failure to deliver contractual commitments'*
 - b. *'Area of National Park land safeguarded in agri-environment schemes reduces because of Brexit uncertainty and continuing issues with Countryside Stewardship'*.
 - Two new service-level risks have been elevated to corporate risks:
 - a. *'Failure to gain sufficient buy in from partners for the updated National Park Management Plan (NPMP), particularly the delivery plan element'*.
 - b. *'Being a "poorly performing" Authority based on DCLG measures – specifically major applications appeal performance'*.

- Only 3 complaints were received in Quarter 3; 5 Freedom of Information requests and 10 Environmental Information Regulations requests were dealt with, all within time.

Recommendations

3.
 1. **That the Quarter 3 Corporate Performance Return given in Appendix 1 is reviewed and any actions to address issues agreed.**
 2. **That the Q3 Corporate Risk Register given in Appendix 2 is reviewed and status of risks accepted.**
 3. **That the status of Q3 Complaints and Freedom of Information and Environmental Information Regulations requests given in Appendix 3 be noted.**

How does this contribute to our policies and legal obligations?

4. Performance and risk management contributes to *Cornerstone 3, Our Organisation: developing our organisation so we have a planned and sustained approach to performance at all levels*. Monitoring the corporate indicators and corporate priority actions for 2017/18 is part of our approach to ensuring we are progressing against our Performance and Business Plan and, if needed, mitigating action can be taken to maintain and improve performance or to reprioritise work in consultation with staff and Members.

Background

5. The visual representation for performance data remains on a traffic light system, using:
 - **green** – the action or indicator is on target,
 - **amber** – some remedial work is required to get on target, and
 - **red** – wider variance from being on target where some significant issues may need to be addressed.
6. In addition, a commentary is provided in Appendix 1 for each Directional Shift and Cornerstone, including any issues and action being taken to address the issues.
7. The Authority's Risk Management Policy and supporting documentation was approved by Authority on 25 March 2011 (minute 21/11), and is reviewed annually as part of the Authority's review of the Code of Corporate Governance. It is being presented to ARP following this item today. In line with these arrangements, Appendix 2 shows the status of the corporate risks.
8. Appendix 3 shows the status of the complaints received in this quarter and the report on Freedom of Information and Environmental Information Regulations requests. All remain at a low level.
9. Information is given so that Members of the Audit, Resources and Performance Committee, in accordance with the scrutiny and performance management brief of the Committee, can review the performance of the Authority and the risks being managed corporately.

Proposals

10. Members are asked to review and agree the Quarter 3 Corporate Performance Return as detailed in Appendix 1.
11. Members are further asked to review the Corporate Risk Register status at Appendix 2 and agree the proposed changes to the Corporate Risk Register.
12. That the status of complaints and Freedom of Information and Environmental Information Regulations enquiries in Appendix 3 be noted.

Are there any corporate implications members should be concerned about?

13. This report gives Members an overview of the achievement of targets in the past quarter and includes ICT, financial, risk management and sustainability considerations where appropriate. There are no additional implications in, for example, Health and Safety.
14. **Background papers** (not previously published) – None

Appendices

1. Appendix 1: Corporate Performance Return Q3
2. Appendix 2: Corporate Risk Register 2017-18 Q3
3. Appendix 3: Complaints and FOI Q3

Report Author, Job Title and Publication Date

Holly Waterman, Senior Strategy Officer - Research, 11 January 2018

This page is intentionally left blank

Directional Shift 1: The Place and the Park, on a Landscape Scale

Our Focus:	2017-18 priority actions	Progress (RAG)
1. The Dark Peak	We will define, and have support for, our strategic direction for Stanage North Lees within the wider landscape.	GREEN
2. The SW Peak	We will have secured HLF funding and match funding to start the SW Peak Landscape Partnership Scheme delivery phase plus HLF agreement to a phased approach to future match funding requirements.	GREEN
3. The White Peak	We will know what the opportunities are for the NPA to develop an integrated management project in the public sector across the White Peak.	AMBER
4. The Whole Park	We will be offering an integrated conservation service to land managers.	AMBER

Corporate Indicator	Target 2017-18	Status at Q3
Stage of development of landscape scale partnership programmes a) Moors for the Future b) South West Peak Partnership c) White Peak Delivery Partnership d) Sheffield Moors Partnership	Stage of development a) Mature Partnership b) Strategic Plan c) Vision d) Vision	a) achieved b) achieved c) on target d) on target

Overview:

The White Peak Partnership now has clear governance and has established task and finish groups for key tasks; a stakeholder workshop during the quarter has refined the vision for the Partnership. The Moors for the Future Partnership continues to deliver restoration on the ground and continues programme development with partners and landowners. The South West Peak Landscape Partnership is now actively in the delivery stage. As in the previous quarters, the questions raised following the EU referendum about agri-environment schemes and the wider Rural Development Programme, the EU Environment Programme, EU environmental protection and EU designated sites remain unresolved, although Brexit discussions have progressed in the last quarter. The Authority continues to actively seek to influence future policy and support systems for the delivery of public benefits by the uplands and protected landscapes. Work has continued on the development of an integrated conservation service for land managers and communities, at a slower pace than anticipated, but with progress expected in Q4 as vacant posts have been filled. In December TfN announced that the full Trans-Pennine tunnel was not being progressed because of high costs, and that a shorter tunnel with major upgrades within the National Park would be part of a Strategic Transport Plan to be published for consultation in January.

Progress against priority actions/indicator targets:**Dark Peak:**

- The RSPB's Birdcrime report and Bird of Prey Initiative report were published, documenting the fortunes of key birds of prey alongside confirmed or suspected incidents of persecution in the moorland areas of the Peak District during 2016 and 2017. It highlighted that Peregrines have failed to breed in the Dark Peak for the first time since they recolonised in 1984 and that persecution has been a factor in this. The Authority has made its position clear and is working with partners, including the Moorland Association on this issue.
- A bid was submitted to Defra's capital grant scheme for the restoration of peatland for £4.8m - we will know if this has been successful around 19 January.
- The Defra Uplands team visited MFFP programme team on a fact-finding mission to learn more about project set up and management of peatland projects.
- MFFP is a partner in University of Manchester's successful bid for NERC funding for to research into the benefits of landscape-scale conservation to communities at risk of flooding in the Peak District. We have also secured funding from the Environment Agency to identify priority areas for Natural Flood Management in the Derbyshire Derwent catchment, which will include areas within the Dark Peak and White Peak.
- MFFP's Community Science Project won the prestigious 2017 Campaign for National Parks 'Park Protector' award. HLF confirmed additional funding for the project, allowing it to continue to December 2018.
- The £55,000 target for matched funding for the Breeding Bird Survey has been reached with pledges from various partners to assist Natural England if they are successful with their internal bid for funding this project.
- In order to secure future funding under the water companies' price review mechanism (PR19) the partnership is working with water companies to identify works that could be funded within PR19 and has produced a *Plan for water in the upper catchments of the South Pennines until 2030*.
- MoorLIFE 2020-funded Bogtastic van was delivered and its first outing took place at Halifax Fire and Rescue Service in December. A full programme of public engagement is being drawn up.
- MFFP's Moor Business application to HLF to update business processes was unsuccessful for the second time. The programme team plan to review and resubmit in 2018.
- Capital works to the end of December through MoorLIFE 2020, working with ML2020 partners and through the Private Lands Projects: Bare peat revegetation: over 9 ha of heather brash and 150 ha of fertiliser application; 35ha of cutting for sward diversification; Gully blocking works: over 3000 dams; Sphagnum application approx. 180 ha of works; Bracken spraying approx. 60 ha.
- Officers have liaised with the Sheffield Wildlife Trust on the "Sheffield Lakeland" Landscape Partnership and are seeking to clarify areas of responsibility where the two partnerships overlap.
- Sheffield Moors Partnership – work has continued with partners on the coordinated management and delivery of the Sheffield Moors Masterplan.
- Work on moorland tracks has been the subject of further discussions with landowners, Natural England and the Moorland Association. Officers sought external legal advice to establish whether planning permission is required for repairs/alterations to tracks and are now communicating this to landowners.
- Discussions have continued following the meeting of the Moorland Association, Authority officers and Natural England officers at Chatsworth in May 2017 on four key areas: visitor engagement, moorland fires, sustainable and resilient moorland management and moorland birds.

South West Peak:

- The South West Peak HLF-funded Landscape Partnership is well into its first year of delivery and has been promoting its work and objectives, with an article in Parklife, news releases, social media posts and attendance at Manifold and Leek shows.
- As noted in Q2, the Institute for Apprenticeships is re-examining many apprentice standards which they have previously approved for development and delivery. The Countryside Worker standard is now no longer approved and work is ongoing to address the issues raised and seek to obtain approval for the standard once again. As this apprentice standard is a key element of the SWP Future Custodians project which is planning to employ 6 Countryside Worker apprentices over the next 4 years, contributing to the Authority's commitment under Defra's 8-point plan, this is now a risk for the Authority. Officers have raised this issue with Government. It is now the intention to run the first cohort of 3 apprentices using the existing Environmental Conservation Framework, then migrate to the Countryside Worker Standard once this is approved.
- Further appointments have been made to South West Peak Partnership posts, both by the Authority and by partners. Thirteen of the eighteen projects are now well underway and recruitment is completed for two more posts based at the Authority.
- An external evaluation consultant is working with the South West Peak Partnership through the delivery phase to ensure effective delivery of outputs and outcomes and support production of a legacy plan. The consultant has reviewed and revised the Monitoring & Evaluation Framework for the partnership and has worked with project leads to refine individual project evaluation plans.
- The Programme Board continues to meet to monitor and review progress on individual South West Peak Partnership projects. Work has continued to find additional match-funding to fill the remaining gaps. This quarter a Countryside Stewardship Facilitation Fund grant of £55,000 has been approved, bids for a further £16,000 have been submitted and outcomes are awaited.

White Peak:

- The White Peak Partnership Steering Group has agreed the terms of reference and work plan. A vision task and finish group has developed draft vision options which were shared with the wider partnership at a workshop in November. Stakeholder project ideas were also shared and prioritised at the White Peak Partnership workshop and these will be considered further by the Steering Group in Quarter 4.
- A Brexit task and finish group has also been established to look at whether the White Peak could be used as an example of how a future support system could address local circumstances whilst operating under a national framework.
- Natural England has funded initial scoping and mapping of opportunities to focus on key areas of existing species rich habitat and where these could be made 'bigger, better, joined up and more'.

Whole Park:

- Countryside Stewardship Scheme support has continued and the Higher-Tier application for Authority's North Lees/Stanage Estate has been completed and submitted, 10 Mid-Tier applications have been completed and submitted which if successful will deliver conservation management of around 250 hectares, attract annual payments of £32,000 and capital works grants of over £120,000. A further 12 farmers have been assisted with their applications/agreements. The Authority's Farm Advisers continue to act as sub-contractors for the delivery of nationally procured Countryside Stewardship advice in the Peak District.
- A pilot Traditional Building Restoration grant scheme has been developed by Natural England, Historic England and five upland national parks including the Peak District. The scheme has a limited

budget and will only be available in the five national parks who have been involved in its development. Details are still being agreed and the scheme is expected to be open for applications in Quarter 4.

- The Landscape Enhancement Initiative grant applications for the Longdendale Valley for both phase 1 £200,000 grant (£270,000 total including partner contributions)) and phase 2 £180,000 (£240,000 total including partner contributions) have been successful and once contracts have been signed landscape enhancement works will begin in 2018/19.
- The opportunity to work with the Woodland Trust and the Forestry Commission on a potential HLF bid for the replacement of individual trees in the landscape in advance of Ash Die Back is being explored.
- The current Woodland Trust and Peak District National Park Authority Partnership arrangement for small scale woodland creation is in its third and final year; opportunities to extend this arrangement for a further period will be explored in Quarter 4.
- A Land Manager's Forum meeting was held this quarter with presentations from the Results Based Support Scheme Pilot from the Yorkshire Dales National Park stakeholders and farmers representing the main farm types in the Peak District. It was agreed that two sub groups would be formed, one to develop a Peak District "ask" post-Brexit and a second one to develop the sustainable and resilient moorland management issue as identified through the work with the Moorland Association and recent moorland meeting at Chatsworth.
- The Pedal Peak for Business strand of the European Regional Development Fund (ERDF) funded "Growing and Developing the Visitor Economy Sector within Derbyshire Programme" continues to work with local businesses and, after a slow start, increase in the business support and Pedal Peak grant is beginning to grow. This quarter the number of grant enquiries rose to 79 and four businesses have now been offered grants. One of the key project outputs has also been achieved this quarter with the production of the Peak District Cycle Tourism Toolkit, an online guide for businesses on how to attract the cycling market and benefit their business.
- The Peak District Environmental Quality Mark (EQM) award ceremony and networking event was held at Chatsworth Stables this quarter and the Peak District National Park Authority presented twelve businesses which support their local community, economy and environment with the award.
- Work continued on the development of an integrated conservation service; this has taken longer than anticipated because of other work pressures and vacancies with key staff, but progress should be made in Q4.
- Officers continue to be involved in discussions with TfN and Highways England on Trans-Pennine road proposals. The Authority is a member of the Project Board, to ensure proper consideration of National Park interests. In December TfN announced that the full Trans-Pennine tunnel was not being progressed because of high costs, and that a shorter tunnel with major upgrades within the National Park would be part of a Strategic Transport Plan to be published for consultation in January.

Issues arising and action to address:

- a) The debate about the sustainability of some aspects of grouse moor management including burning on deep peat, birds of prey, wildlife management and new and upgraded moorland tracks has continued. The Birds of Prey report was published during the quarter and highlights problems facing populations in the Peak District moorlands. The Authority continues to work with partners on this and is supporting a bird survey in 2018. External legal advice has clarified the position regarding works to

moorland tracks and officers have contacted moorland owners to set out the position in specific cases where unauthorised work may have taken place.

- b) Future funding of landscape partnerships is a constant focus for MFF and SWP partnerships. Discussions continue with the Environment Agency to determine whether they will contribute to core funds to MFFP. A bid was submitted to the DEFRA Peatland Fund, and a manifesto has been produced for PR19 funding from Water Companies. Further funding bids continue to be made by the SWP team.
- c) The Institute for Apprenticeships position on the Countryside Worker is a risk to the South West Peak Future Custodians project which is planning to employ 6 Countryside Worker apprentices over the next 4 years. Officers have sought to raise this issue with Government.
- d) Discussions continue with key partners (Derbyshire Wildlife Trust, Natural England, Environment Agency, National Trust) on the further development of the vision and governance of the White Peak Landscape Partnership.
- e) Uncertainty continues over the availability and participation in the national Countryside Stewardship Scheme, changes to the scheme for the 2018 application window and what could replace it and the Basic Payment Scheme when the UK leaves the EU. The Authority is actively involved in influencing future policy and support payments to deliver public goods in the uplands and protected landscapes through the NPE 'Future of Farming' group, Stakeholder Groups and events. The Authority is actively working with the Land Manager's Forum and other national parks to influence future policy to support payments.
- f) The announcement that a full Trans-Pennine tunnel is not being progressed was not a surprise but the alternative scheme of a shorter tunnel with major upgrades to the A628 in the National Park is likely to present a major challenge to Authority's position on road building in the National Park. The Authority has committed to working with TFN and Highways England to ensure that the special qualities of the National Park are protected and that any scheme provides net environmental benefit.

Risk implications: Covered in the above commentary.

Directional Shift 2: Connect people to the place, the park

Our Focus:	2017-18 priority actions	Progress (RAG)
1. Build support for the Park through a range of approaches to enable people to give time, money or valued intellectual support.	We will have examined the feasibility of a Charity Vehicle and, if deemed appropriate, established one.	AMBER
2. Improve access to the National Park for less represented audiences, in particular young people under 25.	We will have identified the best channels through which to engage young people.	GREEN
3. Improve access to the National Park for less represented audiences, in particular people with health inequality.	We will have identified the best channels through which to engage people living with health inequality and identified funding sources.	GREEN
4. Improve our volunteering opportunities and processes to nurture and build National Park volunteer supporters.	We will have identified the range of volunteering opportunities we need for the Peak District National Park and have systems and resources in place to effectively deliver these volunteer experiences.	GREEN

Corporate Indicator	Target 2017-18	Status at Q3
2. Number of people experiencing the benefits of the Peak District National Park from our target audiences of:		
a) young people under 25	a) 19,846 (+5% vs. 2015-16)	a) Not reported at Q3
<ul style="list-style-type: none"> young people – informally via our assets (cycle hire, visitor centres, trails, campsite) 	a i) Baseline	a i) 35,675
b) people living with health inequality (particularly mental wellbeing)	b) Baseline	b) Not reported at Q3
<ul style="list-style-type: none"> people living with a health inequality - informally via our assets 	b i) Baseline	b i) 25,125
c) volunteers (expressed as volunteer days)	c) 10,003 (+5% vs. 2015-16)	c) Not reported at Q3

Overview:

In Q3 the Visitor Experience Service has started to focus on the number of people who are experiencing the benefits of the National Park from our target audiences by visiting our Visitor Centres, Trails, Campsites and Cycle Hire Centres. This is important work to fully understand the opportunities provided via our assets. Work on the feasibility of establishing a charity vehicle is continuing through

the Charity Working Group and we have purchased a new volunteer management system, to be introduced in Q4.

Progress against priority actions/indicator targets:

- A subset of data for Corporate Indicators 2a and b has been included in this quarter's report based on a combination of data collected at source and extrapolation of the latest Service User Survey results. In 2018 a more refined method of gathering this data will be developed to provide greater accuracy. These numbers are significant and should be considered in tandem with the commercial income contribution that is delivered by the same assets. A total of 740,000 individuals p.a. experience the benefits of the National Park through facilities directly provided by the Authority.
- Play Wild HLF funded project has now been successfully delivered and we hosted the celebration event at Aldern House with representatives from Wildlife Trusts, Local Authorities, RSPB, National Trust and Derby University amongst the attendees. Both the WLTs and NT are looking at using the code and logo developed as part of the project nationally.
- A workshop was held with Public Health England and public health representatives from local authorities where ways for joint working were discussed. Several next steps are now being explored including looking at how we can share data to target projects.
- Good progress has been made on the restructure. In the Outreach team all but one post is now filled and many people are starting their new roles on 1st January. We expect the team to be complete by the end of Q4.
- We have now purchased a volunteer management system (Better Impact) and will be implementing this and training key staff in Q4.
- The Charity Working group, set up by the Authority, continued to meet. It heard presentations from key personnel leading the establishment of charities in the South Downs National Park and North York Moors National Park. Draft results from the research being undertaken to assess the appetite for giving will be available for the group during Q4.
- Mend our Mountains Campaign, a joint-venture fundraising initiative with the charity arm of the British Mountaineering Council was officially launched in November 2017. A national programme involving a number of other National Parks, Mend our Mountains is looking to raise significant sums for access improvements on the Cut Gate and Great Ridge trails in the PDNP. Its public launch will take place in Q4.

Issues arising and action to address:

- g) **Focus: Priority Action 1** - We will have examined the feasibility of a Charity Vehicle and, if deemed appropriate, established one – Amber. **Issue:** The Authority's decision to progress this action via a Working Group has had implications for the speed of progress. **Action:** None. Continue to progress through Charity Working Group.

Risk implications:

- None

Directional Shift 3: Visitor experiences that inspire and move

Our Focus:	2017-18 priority actions	Progress (RAG)
1. Look after the whole Park as a public asset in a way that encourages access and responsible behaviour.	We will have identified key audiences and behaviours that sustain the special qualities of the Peak District National Park and be developing an understanding of what those audiences feel/know about us.	GREEN
2. Provide a quality experience for anybody who visits our property or uses our visitor services that people are willing to pay for.	We will have an access service delivering a responsive service and have a programme of: <ul style="list-style-type: none"> • Site based maintenance and improvements for key visitor locations • Prioritised action on regulation • Engagement with people, recognising and valuing access in the Peak District National Park 	GREEN
3. Provide quality new experiences that will generate new income to fund the place.	We will be maximising the impact of the refresh to all our Visitor Centres to support: <ul style="list-style-type: none"> • Enhanced customer service engagement • Income generation • Fundraising • Promoting understanding 	AMBER

Corporate Indicator	Target 2017-18	Status at Q3
3. Brand awareness and understanding among existing audiences and potential supporters:		
a) % who know about the PDNP (compared with other comparator organisations/ causes)	a) Research commissioned	Brand Research underway to assess appetite for giving – draft results due Jan 2018
b) % who understand PDNP potential benefits/ services	b) >90%	67%
c) % who feel positive towards the PDNP	c) >90%	100%
d) % who are willing to support the PDNP	d) >90%	68%
4. Customer satisfaction with the PDNP experience	>90%	97%

Overview:

The engagement figures set out in the commentary for Cornerstone 1 and Shift 2 indicate the progress made in identifying and connecting with key audiences. We still have some way to go in reaching under-represented groups en masse, particularly BAME communities. The regulatory programme covering access routes has continued to plan, while improvements to all visitor centres are progressing slightly slower than planned.

Progress against priority actions/indicator targets:

- The new Countryside Maintenance and Projects Team has been appointed and are working with the Visitor Experience Development Team to develop a maintenance and improvement schedule for key visitor locations.
- The refresh of Castleton Visitor Centre has been maximised.
- An initial application for LEADER funding has been submitted to support development of Millersdale Station as a quality visitor experience and substantial work has been undertaken by PST to create plans for the site.

Issues arising and action to address:

- h) **Focus 3, Priority Action** 'We will be maximising the impact of the refresh to all our Visitor Centres' – Amber. **Issue:** Capacity and seasonal conditions have delayed improvements to Bakewell Visitor Centre. **Action:** A plan is now in place with PST to deliver the work in two phases over the forthcoming 12 months.
- i) **Indicator 3.b)** % who understand PDNP potential benefits/services – Red. **Issue:** Service user survey may not be the most representative method of gathering this data. **Action:** Research is underway to improve our insight in to audiences and their understanding of the PDNPA. Unlikely to see results of this work until Q4.
- j) **Indicator 3.d)** % who are willing to support the PDNP – Red. **Issue:** Service user survey may not be the most representative method of gathering this data. **Action:** Research is underway to improve our insight in to the propensity of people to support the place, the authority and a potential charity. Unlikely to see results of this work until Q4.

Risk implications:

- There will be an impact on achievement of income targets by Bakewell Visitor Centre but this cannot be accurately quantified. Originally anticipated work would be completed in Q3 of 2017/18.

Directional Shift 4: Grow income and supporters

Our Focus:	2017-18 priority actions	Progress (RAG)
1. Increase our income from giving. 2. Achieve our commercial programme income targets. 3. Develop / establish sponsorship relationships. 4. Secure external funding for major programme and partnership delivery.	We will have defined our brand positioning to support our Corporate Strategy on fundraising development, income generation and outreach.	AMBER
	We will have implemented changes to our car park management and effectively communicated them.	AMBER
	We will have approved short and long term plans for Millers Dale.	AMBER

Corporate Indicator	Baseline 2015-16	Target 2017-18	Q3 Status		
5. Amount and proportion of income by source:		5. a) Commercial increase: 5% by 2018-19 5. b i) Donations increase: 50% by 2018-19 2. d iii) Donations increase: 50% by 2018-19	Actual & (Proportion)	vs. last year	vs. plan
a) Commercial	£2,162,394 (17.8%)	No target	£1,636,646 (13.7%)	0.2%	
i) Conservation & Planning	£362,909	No target	£263,989	15.3%	
ii) Commercial Devpt & Outreach	£1,610,618	£1,664,306	£1,308,363	-0.5%	5%
iii) Corporate Strategy & Devpt	£188,867	No target	64,2984	-27.5%	
b) Donations	£40,255 (0.3%)	No target	£21,558 (0.18%)	-56.9%	
i) Donations (exc. legacy)	£34,230	£45,640	£21,558	-46.1%	-37%
c) External funding*	£3,584,952 (29.5%)	No target	£4,232,212 (35.37%)	-4.4%	
d) Defra grant*	£6,364,744 (53.4%)	No target	£6,075,000 (50.77%)	11.1%	
e) Total income	£12,152,345	No target	£11,965,416	3.3%	
2. d) Non-trading income supporters (donors)					
i) Number of donations	Baseline	No target	19		

ii) Average value of donations	Baseline	No target	£386.74
iii) Number of donations (exc. legacy)	151 (16/17)	227 annually by (17/18)	19 (73 Donations Q1,2 & 3)
iv) Average value of donations (exc. legacy)	Baseline	No target	£386.74

*Some quarterly distortions will appear for proportions of Defra Grant and External Funding due to accounting process.

Overview:

The introduction of better car park management practice in partnership with Derbyshire County Council has moved forward with Derbyshire County Council's committee approving plans during Q3 and our proposed changes to the byelaws in relation to parking charges received no objections. A scheme for Millers Dale Station is being developed by PST and an initial LEADER application for funding in relation to this initiative has been submitted.

Progress against priority actions/indicator targets:

- In addition to the deliberations of the Charity Working Group, a new CRM (Customer Relationship Management) system has been agreed and licenced from ThankQ. The system is also used by South Downs National Park, Northumberland National Park and the Canal and Rivers Trust). Implementation kicks off Feb 2018. This will enable the PDNPA to begin to build supporter communications programmes, boosting opportunities for making fundraising asks and improving understanding of supporter motivations and behaviours.
- We anticipate an increase in donations to the joint-venture Mend Our Mountains fundraising campaign following a strong start with a significant gift from a major donor at the official launch of the initiative this quarter.
- Progress has continued to be made on the potential significant legacy bequeathed to the PDNPA. It is hoped that a report to members for authorisation to accept the legacy will be made in Q1 of the next financial year.
- Car park charge increase programme continued, slightly behind schedule.
- Plans for short-term improvements to the visitor experience at Millers Dale continued to progress.
- Trading income at visitor centres has been under pressure – as per all retailers. The new food and beverage concession at Castleton has performed well; a review of a full year's trading at the end of Q1 next year will provide a fuller picture on how this addition to how the visitor experience has impacted on satisfaction levels.
- Warslow Moors Estate and Cycle Hire continued to have strong revenue performances.

Issues arising and action to address:

- First priority action** – Amber. **Issue:** We are awaiting the audience research before finalising the brief on the appropriate brand narrative for the place and Authority to ensure it is in line with our fundraising and outreach propositions. **Action:** Research findings due in early 2018 and a number of agencies have been approached to discuss potential approaches to creative.

- b) **Second priority action** – Amber. **Issue:** behind schedule but significant progress has been made on changes to how we manage our car parks. The changes to our byelaws received no objection and we are now waiting for them to be sealed by the Secretary of State. **Action:** None possible.
- c) **Third priority action** – Amber. **Issues:** Capacity, mainly within PST but also VED. **Action:** Schedule agreed with PST.
- d) **Corporate Indicator 5.b.i) Donations** – Red. **Issue:** Value. The lower than planned performance vs. last year is due to inclusion in Q1 of a £17K donation from our involvement in BMC Mend Our Mountains campaign. The performance vs Plan is driven by the difference in the shape and timings of our donations and our lack of active supporter management. **Action:** CRM (Customer Relationship management package) agreed and licenced from ThankQ (also used by South Downs National Park, Northumberland National Park and Canal and River Trust). Implementation in Feb 2018

Risk implications:

- No change

Cornerstone 1: Our assets

Our Focus:	2017-18 priority actions	Progress (RAG)
1. Reduce the size of our property portfolio and retain what we need	We will have reviewed, and be on target with, disposals of our woodlands and minor properties.	GREEN
2. Ensure that the Trails, Stanage, North Lees and Warslow Estate are well-managed assets able to support the delivery of our directional shifts	We will have an up-dated Asset Management Plan which aligns with the Corporate Strategy and sets out the need and scope for improvement in a targeted way.	AMBER
3. Get the basics right on the visitor infrastructure we own and operate, from both a local and visitor perspective		
4. Increase the value of our brand and its reach		

Corporate Indicator	Target 2017-18	Status at Q3
6. Percentage of assets that meet the standards set for:		
a) Maintenance	Baseline	Not reported at Q3 (annually)
b) Environmental performance	Baseline	Not reported at Q3 (annually)

Overview:

There is good operational management of the PDNPA assets that have been given strategic certainty. Challenges still exist in terms of financing long-term maintenance and development, but work is ongoing on how best to derive new income streams to support this work. In addition, a new approach to strategic asset development and management is being led by the Corporate Property Officer (and will be presented at this Audit, Resources & Performance Committee). Work on the brand is now gathering pace as a result of having the full complement of senior marketing and communications staff in place.

Progress against priority actions/indicator targets:

- The asset disposal programme has continued – a full report on woodland sales will be provided as a separate item at this Audit, Resources & Performance Committee.
- Similarly, the financial performance of Stanage-North Lees, Warslow Moors Estate, Cycle Hire Centres and other assets will be provided as a separate item at this Audit, Resources & Performance Committee.

- A proposed approach and timetable for the development of a comprehensive, strategic asset management plan will be presented to members for sign-off at this Audit, Resources & Performance Committee.
- In terms of brand value and reach, the past quarter has seen a new PDNP brand video finalised ready for use in January 2018.
- The PDNP brand narrative work is ongoing with quotations and creative approaches being sought from a number of agencies.
- Managing our brand reputation saw the Birds of Prey initiative report published and communications managed around the reaction by various stakeholders. Similarly, work with partners and stakeholders on the Transport for the North Trans-Pennine Tunnel initiative resulted in a well-managed media response.
- In terms of brand reach we have seen growth in the following digital platforms: Twitter, Facebook, LinkedIn, Pinterest and YouTube.
- The biggest stories in these channels during the quarter were as follows:

Twitter

- 15/11/17 – PDNPA career opportunities – 152.5K reach
- 24/11/17 – Black Friday; Peak District 100% free to explore – 150.8K reach
- 05/12/17 – Parrots in the Peak District – 115.6K reach
- 05/12/17 – International Volunteer Day – 113.7K reach

Facebook

- 16/11/17 – Castleton Lights Switch-On – 29K reach
- 19/12/17 – ‘Snowbow’ – 17.1K reach
- 13/12/17 – Ice on Kinder Scout – 13.3K reach
- 08/12/17 – First snow of winter – 12.5K reach
- 15/11/17 – PDNPA career opportunities – 10.6K reach
- Face-to-face reach of the brand with key audiences will be reported in later sections of this report covering Shifts 2 and 3.

Issues arising and action to address:

- k) **Priority Action 2 – Amber. Issue:** Considerable work required on the appropriate scale of Asset Management Plan for the Authority. Significant progress has been made by the CPO but the ambition to have an Asset Management Plan in place in 17/18 was probably unrealistic.
Action: Development work will continue with a new timescale to be proposed by the CPO.

Risk implications:

- None

Cornerstone 2: Our services

Our Focus:	2017-18 priority actions	Progress (RAG)
4. Deliver our services in a customer focused way	We will have an extended paid-for advice service for conservation.	GREEN
5. Ensure clear policies are in place through facilitated and effective engagement and communication	We will have partners indicating their commitment to Special Qualities.	GREEN
6. Ensure appropriate regulatory action	We will be communicating the clear value of our performance on enforcement.	GREEN

Corporate Indicator	Target 2017-18	Status at Q3
7. Proportion of planning appeals allowed	<30%	50% (3 of 6)
8. Proportion of planning applications determined in a timely way		
a) 13 weeks – major	a) >70%	a) 100%
b) 8 weeks – minor	b) >70%	b) 75%
c) 8 weeks – other	c) >80%	c) 85%
d) 13 weeks – county matters	d) >70%	d) 100%
9. a) Number of enforcement cases resolved	30 per quarter	33
9. b) % of enforcement enquiries (excluding minerals and waste) investigated (and reach a conclusion on whether there is a breach of planning control) within 30 working days	>80%	72%
10. Customer satisfaction with Planning Service:		
a) Applicants/ agents	>75%	No data
b) Parish councils	>70%	No data
c) Residents	>38%	47%*
d) Pre-application advice	>75%	65% **
11. a) Number of complaints received	<20	2
11. b) % complaints dealt with in accordance with agreed deadlines	>90%	100%
11. c) Satisfaction with first and second lines of enquiry (planning)	Baseline	78%

* Residents' Survey every 3 years (Baseline 2012, data 2016) ** Based on 2016/17 survey

Overview:

Work on Development Management policies has progressed, following a number of Member Steering Group meetings in September. Following consultation on the published plan earlier in the year a set of modifications were considered by Authority in October 2017. Public consultation on these changes commenced in November, and is due to finish in January 2018. The next step will be to submit the plan, the modifications and all the representations early in the New Year, thus triggering the examination stage, in early summer 2018. The Authority's influencing role has included ongoing dialogue with Constituent Authorities, particularly on housing policy and specific proposals. The NPMP update work is on track, with an annual conference/workshop taking place on 4 October at Thornbridge Hall.

Progress against priority actions/indicator targets:

- The update on the National Park Management Plan continues to progress with a workshop with partners in in October to develop the delivery plan. This was discussed with Members at a workshop in December.
- There was widespread support for the special qualities (SQs) but some merging of SQs and rewording was proposed. There was widespread support for the areas of impact, so we do not intend to change these. We have added some further intentions to some of the areas of impact, with some changes to the wording.
- Annual Parishes Day took place on 30 September, with 41 parish councillors attending. The main discussion was on special qualities, with further updates on neighbourhood planning, our offer to communities, mobile and broadband update, and South West Peak Landscape Partnership
- Performance on planning application determination was above target in the last quarter, well above the figures set by the Government for "under-performing" LPAs, including the performance on 3 major applications (3 apps, 100% in time). The improvement in performance should be maintained as the Development Management service is largely at full resource, with 4 posts being filled in November, including the Head of Service. Of 257 planning, listed building applications and other applications prior notifications, non-material amendments and discharging of conditions) determined, nearly 90% were approved. In addition to this the Service also dealt with 167 planning enquiries, of which 50% were completed within 15 working days. This is an improvement on the last quarter and should be maintained now that vacant posts will be filled. The 15 day figure does not reflect the fact that some enquiries take longer because of their scale or nature.
- 33 enforcement cases were resolved in the quarter, well over the target of 30 for the quarter. 72% of enforcement enquiries were investigated (with a conclusion on whether there is a breach of planning control) within 30 working days, slightly below the target of 80%.
- Planning appeals: 6 appeals were determined in Quarter 3, with 3 allowed and 3 dismissed, one of which was a split decision but the appeal was dismissed on the key issue, so the overall figure has been recorded as 50%, below the 70 target. One of the appeals (Bank House Hathersage) resulted in an award of costs against the Authority. The decision was contrary to the officer recommendation. Officers are focussing on this matter in Planning training.
- The number of formal complaints remains low (2 in Development Management). One Development Management complaint (in Taddington) that had progressed to the Ombudsman found no maladministration, finding that the Authority had followed its own procedures correctly.

- Work on collecting feedback on the performance of the Planning Service from applicants and agents has been delayed or postponed during the last three quarters because the Planning Liaison Officer left the Authority in May. The new officer (Fi Todd) commenced work at the end of November and has organised an agents meeting and Parish Council training in the coming months.
- The Policy and Communities team continued to work with communities, particularly Saddleworth on proposals for a site near Greenfield and the Neighbourhood Plan.
- The focus on Community Planning has continued, with further work on the Bakewell Neighbourhood Plan. A community Facebook page and Community Grant scheme have also been launched.
- Data on satisfaction with first and second lines of enquiry was collected in Quarter 1: 53% rate overall advice service as Excellent, 25% rate overall advice service as Good, 4% rate overall advice service as Fair, and 18% rate overall advice service as Poor. This is a drop from the previous quarter and appears to reflect the difficulties in the Development Management service through staff absences and vacancies. These are likely to be resolved in Q4 as posts are filled.

Issues arising and action to address:

- Our services, Indicator 7:** The percentage of appeals allowed is higher than the target at 50%, but with the exception of the Bank House Hathersage appeal, an analysis of individual decisions does not give any rise to any significant concerns about challenges to policy. The Bank House case underlines the importance of providing sound reasons for planning refusals; planning training for Members will focus on this. This is a measure for “poorly performing” authorities so it will be closely monitored.
- Our services, Indicators 8 and 10d:** Performance on dealing with planning and other applications has improved in the quarter and is above government targets. However, staff vacancies and absences in the early part of the quarter and the previous quarters has resulted in a poorer performance on dealing with enquiries. However, the filling of vacant posts and the reduction in absence through long-term illness has resulted in a better performance than the previous quarter. This improvement should be maintained in Q4.
- Our services, Indicator 9a:** The target for resolving enforcement enquiries cases was exceeded in Q3, although the speed of resolution was slightly below target. The Action Plan adopted in 2015-16, placing a greater focus on prioritising cases and then dealing with higher priority cases more quickly, is helping to address the backlog.
- Our services, Indicator 10b:** Officers continue to work with Parishes, either through the PPP Forum or through individual parishes to understand their concerns. The appointment of the Planning Liaison Officer and the resulting recruitment in November means that progress is being made on liaison with parishes, with regular Bulletins being published and planning training organised for Parish Councils.

Risks associated with this objective: None

Cornerstone 3: Our organisation

Our Focus:	2017-18 priority actions	Progress (RAG)
1. Develop and maintain appropriate standards of corporate governance	We will have implemented the new governance framework requirements as a public body.	GREEN
2. Implement our medium term financial plan	We will have clearly communicated the way in which our aspirations for the Peak District National Park, as set out in our Corporate Strategy, will be funded now and in the future.	GREEN
3. Develop key business processes underpinning the Corporate Strategy	We will have a single corporate register of the data we hold across the organisation.	GREEN

Corporate Indicator	Target 2017-18	Status at Q3
12. Audit conclusions showing satisfactory governance arrangements in place	Achieve	The External Auditor has confirmed that the Authority's Annual Governance Statement for 2016/17 complies with the guidance issued.

Overview:

During the third quarter of 2017/18, several important workshops were held with the Members of the Authority. The workshops covered a wide variety of topics including the Authority's financial health, asset management plans, National Park Management Plan update and identifying and agreeing our Corporate Priorities for 2018/19. Overall good progress continues to be made to achieve the 2017/18 priority actions relating to "Our Organisation".

Progress against priority actions/indicator targets:

- During the first quarter of 2017/18, an Annual Governance Statement was prepared and provided to KPMG (the Authority's External Auditors) for review. During Quarter 2 it was reported to the Audit Resources and Performance Committee (ARP) on 21st July 2017 that KPMG had confirmed that the Authority's Annual Governance Statement for 2016/17 complies with the guidance issued by CIPFA/SOLACE (Chartered Institute of Public Finance and Accountancy/Society of Local Authority Chief Executives).
- A report recommending amendments to the ARP Committee's Terms of Reference to adopt the latest best practice governance guidance was considered by the Authority and approved at a meeting on 7th July 2017.
- Our Members' Representative Roles have been aligned with the National Parks 8-point plan published by the Department for Environment, Food and Rural Affairs (DEFRA) and were appointed to at the Annual General Meeting (AGM) on 7th July. We also welcomed a new Secretary of State Member to the Authority who has been through our induction programme.

- A Members Appointments Panel process was put in place to assist decision making at the AGM and a review of representation of Members on Outside Bodies was undertaken and approved and these roles were appointed to at the AGM.
- The members Strategic Advisory Group (SAG) was replaced by a Members Forum open to all Members which it is hoped will address a number of issues identified in the 2016 Member Survey.
- The Authority's 2016/17 financial accounts were presented to the ARP committee on 19th May 2017. KPMG reviewed the accounts and it was reported at the ARP Committee on 21st July 2017 that the Authority's external auditors had issued an unqualified audit opinion.
- KPMG have also completed their work to consider whether the Authority has suitable arrangements in place to ensure it takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes. For 2016/17, KPMG concluded that the Authority had arrangements in place to secure economy, efficiency and effectiveness and have issued an unqualified value for money opinion. This was reported to the ARP committee on 21st July 2017.
- A report relating to the Authority's Environmental Management Performance was approved by the ARP Committee on 15th September 2017. The Authority's performance continues to improve and a 24.9% reduction in carbon emissions has been achieved since the 2009/10 baseline year. The ARP Committee agreed that new targets will be established for the period from 2019 to 2024.
- Members approved the Authority's 2017/18 Performance and Business Plan on 26th May 2017. The plan was published on the Authority's website prior to the statutory deadline of 30th June 2017 and performance is being monitored quarterly.
- The 2017/18 Internal Audit plan was approved by Members on 19th May 2017. The plan is based upon an assessment of strategic, financial, regularity and operational risks. Internal audit work relating to performance management, procurement and risk management was undertaken in Q2 and the outcome of the work will be reported to the ARP Committee in January 2018.
- To support the creation of a single register of corporate data, specific officers have been identified in all service areas. These officers are being designated as Information Asset Owners (IAO). Training sessions are being provided and a framework has been developed to capture the data required to construct the corporate data register. New online courses are being created to raise awareness and provide training to employees who capture and process personal or confidential information.
- A Resource Management Meeting held on 19th July 2017 approved a business case to progress a large scale property maintenance programme to address the backlog of works across the Authority's property portfolio. The works will address all of the urgent items arising from condition surveys completed on high priority sites. It is anticipated that the programme will be completed in 2018/19.
- A report providing details of the Local Government Ombudsman (LGO) Annual Review of complaints for the period 1 April 2016 to 31 March 2017 was presented to the ARP Committee on 15th September 2017. The report did not raise any concerns about the Authority's performance.
- On 3rd October a workshop to engage partners in the development of the delivery plan for the 2018/2013 - National Park Management Plan (NPMP) was held at Thornbridge Hall. An update on the development of the new NPMP, including feedback on the recent consultation exercise was formally provided to the Authority on 6th October 2017.
- The Health and Safety Committee considered changes to the Authority's Health and Safety policy relating to intent, delivery and governance on the 9th October. A new appendix also seeks to identify all existing health and safety policies and includes the date the policy was last reviewed and a nominated individual lead officer. Approval to adopt the updated policy will be sought at the next Local Joint Committee meeting.

- A Resources Management Meeting (RMM) approved an updated Business Continuity Plan for the Authority on 17th October 2017 which takes into account changes in the organisation's structure and the use of new technology. The new Plan also provides for a PDNPA Emergency Response Team to be temporarily hosted at a neighbouring Authority's offices should access not be possible to Aldern House.
- On 20th October, a workshop was held with Members to identify and agree the Authority's Corporate Priorities for 2018/19. The updated Corporate Priorities were shared with Members at a subsequent workshop.
- A member workshop focusing on the financial health of the Authority took place on 24th November and covered annual revenue budgeting and large scale capital projects. The associated funding, accounting frameworks, approval processes and reporting timetables were also covered.
- In September, a number of Members attended the highly successful BogFest conference organised by the Moors for the Future Partnership (MFFP). The opportunity was taken to host a workshop for the Authority's Members where the future of the Partnership was discussed. The MFFP staff team are currently seeking business support from HLF to explore new fundraising opportunities.
- During the third quarter, RMM approved a report and associated action plan which seeks to prepare the Authority to meet the challenges of the forthcoming General Data Protection Regulations (GDPR). The plan includes the assignment of key roles and the provision of training. An update will be provided in April 2018.
- In November, the ARP committee considered the annual report of the Due Diligence Panel and the items that had been dealt with during the last twelve months were noted.
- Following a proactive analysis of the Property Support Team's draft work programme, RMM agreed in December to allocate temporary additional resources to the team in order to support planned development work across the Authority in 2018/19.
- The Members' Learning and Development Annual report and programme of events for 2018 was approved by the Authority with a target of 20 hours learning and development activity per Member.
- The commencement of a review of the Members' Allowance Scheme by an Independent Person, to be appointed by the Monitoring Officer, was approved by the Authority in December. The corresponding report will be considered by the Authority prior to the Annual General Meeting in July 2018.

Issues arising and action to address:

- None to report

Risk implications:

- Members approved a report at the ARP Committee on 19th May 2017 which set-out the Authority's Risk Register for 2017/18. The risk register will be reviewed on a regular basis throughout the financial year.

Cornerstone 4: Our people

Our Focus:	2017-18 priority actions	Progress (RAG)
1. Ensure the Authority shape is fit for the future	We will have a structure in place at all levels that fits our organisational design principles and supports our ability to deliver the Corporate Strategy.	GREEN
2. Retain, develop and recruit the right people in the right place at the right time, with the right resources	We will know the workforce profile in each service against the following areas:-	GREEN
3. Embed, in the way we work, our organisational values of people matter, performance matters, communities matter and every day matters	-Skills resilience and gaps -Knowledge resilience and gaps -Hard to fill roles.	GREEN
	We will have used the staff survey feedback to gauge how well we are doing in living our organisational values and to identify improvements needed.	GREEN

Corporate Indicator	Target 2017 – 18	Status at Q3
13. Employee engagement – based on new Staff Survey	Baseline from Staff Survey in March 2017	64% (survey response)
14. Implement recommendations of the 2016-17 Investors in People assessment	Delivery of Action Plan	“People Matter – Action Plan” delivered September 2017
15. Sickness levels*:		
a) % of total time lost due to sickness	a) 2.3% quarterly 2.15% annually	a) 1.4% quarterly
b) Hours per FTE	b) 11.1h quarterly 44.4h annually	b) 6.76 hours quarterly
c i) Absence: sickness frequency rate **	c i) 25% quarterly 100% annually	c i) 25%
ii) Absence: individual sickness frequency rate (reported at Year-end) ***	ii) No target	c ii) 19.96
d) Value of total time lost (expressed as pay cost)	d) £26,750 quarterly £107,000 annually	d) £14,542 quarterly
16) Staff turnover	ACAS standard to be used (Range 9-15%)	5%

* All sickness indicators should be considered together for a full understanding of the overall picture.

** The absence frequency rate calculates the average number of periods of absence per employee as a percentage. It gives no indication of the length of each sickness absence period and no indication of employees who have taken more than one

period of absence. For example, an outturn of 100% means that, on average, there has been one absence for every one employee. For context, an outturn of 50% would mean that, on average, there has been one absence for every two employees.

*** This shows the proportion of staff that have had one or more spells of absence in the last year. A lower score indicates a smaller proportion of staff having time off. A higher score indicates a larger percentage of staff having time off. This score should be looked at in conjunction with 15 a), 15 b), 15 c) i) and 15 d).

Overview:

During Quarter 3 work has continued to develop new and update existing workforce related policies and procedures to bring them up to date with current best practice. Progress on the implementation of the “People Matter – Action Plan” was reviewed jointly with Staff Committee and Unison representatives. Overall good progress continues to be made to achieve the 2017/18 priority actions.

Progress against priority actions/indicator targets:

- In June 2017, the Senior Leadership Team approved a framework and related processes for the development of a comprehensive workforce plan. The plan will be developed in conjunction with Heads of Service as part of the Service Planning process for 2018/19.
- In line with the Authority’s updated business planning framework and associated timetable the Joint Performance & Achievement Review (JPAR) process commenced in December 2017. The JPAR documentation and guidance notes were also revised to collect additional information to support the development of the Authority’s workforce plan.
- Officers are supporting a multi-national park authority benchmarking exercise which is focusing on workforce issues and employment policies and practices. The results will inform the development of the Authority’s workforce plan.
- Consultation commenced in May 2017 with employees, Staff Committee and Unison representatives relating to a proposed restructuring within the Commercial Development and Outreach Directorate (CD&O). On 1st August 2017 a Resources Management Meeting (RMM) approved the proposed restructure and staff in the CD&O Directorate, UNISON and Staff Committee representatives were informed. Work is currently underway to populate the new structure.
- Following the 2017 Staff Survey, which was completed in March 2017, a Working Group with representatives from each Directorate, Staff Committee and Unison was formed to develop an action plan to address the issues identified in the survey. The “People Matter - Action Plan” was agreed with PDNPA Staff Committee and Unison representatives on 6th September and circulated to all staff on 11th September 2017.
- A joint performance review of the People Matter - Action plan was undertaken on 29th November with representatives of Unison and Staff Committee. It was noted that overall implementation progress was good and options to undertake a further staff survey will be considered in the final quarter of 2017/18.
- The Local Government Association has been engaged to develop an “Employee Benefits Package” which it is envisaged will support staff retention and future recruitment exercises. As part of this work, a Market Supplement Policy for the Authority has been developed and during Q2 consultation took place with the Senior Leadership Team, Operational Leadership Team and the

staff who are currently in receipt of a market supplement in addition to Staff Committee and Unison representatives. The new policy was approved by the Authority at a meeting held on 6th October 2017.

- During Q2, a review of the Authority's current Disciplinary Processes and related management guidance commenced. Any proposed changes will be the subject of appropriate consultation in due course.
- Resilience Coaching Sessions aimed at supporting individuals through change were offered to all staff during Q2. The take up has been good and the development sessions were delivered in Quarter 3.
- A review of the Authority's compliance against the Investors in People (IIP) standard was undertaken in Quarter 3. The inspection report subsequently received is very complimentary about the organisation's general approach and confirmed the Authority's IIP successful reaccreditation against the standard for a further eighteen months.

Issues arising and action to address:

- In order to respond to changes in tax and operational arrangements all staff were informed in December 2017 of proposed changes relating to the use of vehicles. The majority of the proposed changes are due to implemented in April 2018, including revisions to the Authority's Travel and Subsistence scheme and will be the subject of consultation with Unison and Staff Committee representatives.

Risk implications:

- None to report.

This page is intentionally left blank

Q3 Corporate Risk Register 2017/18

IMPACT	High	<p>6. Failure to implement the integrated strategic commercial plan</p> <p>7. Failure to design the organisation at all levels so it has the skills and capability to deliver</p> <p>10. Failure to influence the transposing of EU laws and legislation for landscape and the environment into UK law after Article 50</p>	<p>1. Failure to create a common understanding for the White Peak, including engaging with the farming community and land managers</p> <p>13. NEW: Failure to gain sufficient buy in from partners for the updated National Park Management Plan (NPMP), particularly the delivery plan element.</p>	<p>3. AMENDED WORDING: Failure to maintain core Moors for the Future Partnership income, leading to failure to deliver contractual commitments.</p> <p>4. Area of NP land safeguarded in agri-environment schemes reduces because of Brexit uncertainty and continuing issues with Countryside Stewardship</p> <p>12. Lack of engagement from the farming and land management community in landscape scale delivery models, the national agri-environment schemes and post Brexit policies & new support systems</p>
	Medium	<p>11. Failure to deliver against our Performance and Business Plan in a time of change</p>	<p>2. Adverse exchange rate movements for Moorlife 2020 European funding</p> <p>9. Failure to deliver an integrated conservation service for land managers and communities which increases awareness, understanding and support for the National Park's special qualities and the public goods delivered by the place</p>	<p>5. Failure to inspire people to give to the Peak District National Park Authority</p> <p>14. NEW: Being a "poorly performing" Authority based on DCLG measures – specifically major applications appeal performance</p>
	Low		<p>8. Failure to support staff going through a time of change</p>	
		Low	Medium	High
LIKELIHOOD				

Q3 Corporate Risk Register 2017/18

Impact	High	AMBER (closely monitor)	AMBER (manage and monitor)	RED (significant focus and attention)
	Med	GREEN (accept but monitor)	AMBER (management effort worthwhile)	AMBER (manage and monitor)
	Low	GREEN (accept)	GREEN (accept/ review periodically)	GREEN (accept but monitor)
		Low	Med	High
Likelihood				

Corp. Strat. Ref.	Risk Description	Existing controls	Risk rating before mitigation L x I	Mitigating action	Risk rating with mitigating action L x I (Green, Amber or Red)						Timeframe of mitigating actions	Lead officer	How monitor/ indicator	Quarterly update
						Start	Q1	Q2	Q3	Q4				
S1 The Place and the Park on a Land-scape scale	1. Failure to create a common understanding for the White Peak, including engaging with the farming community and land managers	Follow a clear quality process	High x High RED	Ensure clear strategic vision for what we want to achieve	Impact	High	High	High	High		Refresh strategic vision & log of who is involved by end of Q1 Explore brief for Brexit case study by end of Q1	JRS (Director of Conservation and Planning)	Quarterly updates	Vision working group have collectively produced a vision and summary. White Peak Partnership workshop took place on 3 rd November – well attended by range of stakeholders.
				Log of who to involve	Likelihood	Medium	Medium	Medium	Medium					
				Explore using the White Peak as a Brexit case study – SLF with National Trust & Natural England	Rating	AMBER	AMBER	AMBER	AMBER					

Q3 Corporate Risk Register 2017/18

Impact	High	AMBER (closely monitor)	AMBER (manage and monitor)	RED (significant focus and attention)
	Med	GREEN (accept but monitor)	AMBER (management effort worthwhile)	AMBER (manage and monitor)
	Low	GREEN (accept)	GREEN (accept/ review periodically)	GREEN (accept but monitor)
		Low	Med	High
Likelihood				

Corp. Strat. Ref.	Risk Description	Existing controls	Risk rating before mitigation L x I	Mitigating action	Risk rating with mitigating action L x I (Green, Amber or Red)						Timeframe of mitigating actions	Lead officer	How monitor/ indicator	Quarterly update
						Start	Q1	Q2	Q3	Q4				
S1 The Place and the Park on a Land-scape scale	2. Adverse exchange rate movements for Moorlife 2020 European funding	Capping Sterling budget	High x High RED	Consider hedging transaction	Impact	Medium	Medium	Medium	Medium		Continuous assessment	PN (Chief Finance Officer)	Chief Finance Officer	No hedging currently anticipated while Sterling remains weak or at current rate
					Likelihood	Medium	Medium	Medium	Medium				Budget monitoring group	
					Rating	AMBER	AMBER	AMBER	AMBER				ARP	

Q3 Corporate Risk Register 2017/18

Impact	High	AMBER (closely monitor)	AMBER (manage and monitor)	RED (significant focus and attention)
	Med	GREEN (accept but monitor)	AMBER (management effort worthwhile)	AMBER (manage and monitor)
	Low	GREEN (accept)	GREEN (accept/ review periodically)	GREEN (accept but monitor)
		Low	Med	High
Likelihood				

Corp. Strat. Ref.	Risk Description	Existing controls	Risk rating before mitigation L x I	Mitigating action	Risk rating with mitigating action L x I (Green, Amber or Red)						Timeframe of mitigating actions	Lead officer	How monitor/ indicator	Quarterly update
						Start	Q1	Q2	Q3	Q4				
S1 The Place and the Park on a Land-scape scale	3. Failure to maintain core Moors for the Future Partnership income, leading to failure to deliver contractual commitments.	Programme and project management processes in place, including Strategic Management Group and project board	High x High RED	a. Partner analysis	Impact	High	High	High	High		a. Q1 b. Q2 c. From Q1	JRS (Director of Conservation and Planning)	Quarterly Strategic Management Group and project board	Currently talking to partners, in particular the Environment Agency, about future funding. Until this is resolved, this risk remains red.
				b. Advocacy plan based on partner analysis	Likelihood	Low	High	High	High					
				c. Compliance monitoring of existing controls	Rating	AMBER	RED	RED	RED					

Q3 Corporate Risk Register 2017/18

Impact	High	AMBER (closely monitor)	AMBER (manage and monitor)	RED (significant focus and attention)
	Med	GREEN (accept but monitor)	AMBER (management effort worthwhile)	AMBER (manage and monitor)
	Low	GREEN (accept)	GREEN (accept/ review periodically)	GREEN (accept but monitor)
		Low	Med	High
		Likelihood		

Corp. Strat. Ref.	Risk Description	Existing controls	Risk rating before mitigation L x I	Mitigating action	Risk rating with mitigating action L x I (Green, Amber or Red)						Timeframe of mitigating actions	Lead officer	How monitor/ indicator	Quarterly update
						Start	Q1	Q2	Q3	Q4				
S1 The Place and the Park on a Land-scape scale	4. Area of NP land safeguarded in agri-environment schemes reduces because of Brexit uncertainty and continuing issues with Countryside	National influencing for post Brexit agri/ environmental policies and support systems Local communications across the farming & land management industry	High x High RED	a. Increase promotion of the service provided, working closely with other agencies such as NFU, CLA, NE, EA, FC.	Impact	High	High	High	High		On going	JRS (Director of Conservation and Planning)	Quarterly updates on progress	Still working to influence the development of agri-environment schemes. No certainty as yet as to what the outcome will be as this is a long-term issue. The Land Managers Forum
					Likelihood	High	High	High	High					
					Rating	RED	RED	RED	RED					

Q3 Corporate Risk Register 2017/18

Impact	High	AMBER (closely monitor)	AMBER (manage and monitor)	RED (significant focus and attention)
	Med	GREEN (accept but monitor)	AMBER (management effort worthwhile)	AMBER (manage and monitor)
	Low	GREEN (accept)	GREEN (accept/ review periodically)	GREEN (accept but monitor)
		Low	Med	High
Likelihood				

	Stewardship	NPMP work		b. Public payment for public goods/ benefits c. Influencing role through PDNPA links and NPE's Future of Farming										is looking at a future agri-environment scheme that will deliver the full range of public benefits for the Peak District. The Forum met in December and a sub-group is being set up to consider a future Peak District Ask for support schemes.
--	-------------	-----------	--	---	--	--	--	--	--	--	--	--	--	---

Q3 Corporate Risk Register 2017/18

Impact	High	AMBER (closely monitor)	AMBER (manage and monitor)	RED (significant focus and attention)
	Med	GREEN (accept but monitor)	AMBER (management effort worthwhile)	AMBER (manage and monitor)
	Low	GREEN (accept)	GREEN (accept/ review periodically)	GREEN (accept but monitor)
		Low	Med	High
		Likelihood		

Corp. Strat. Ref.	Risk Description	Existing controls	Risk rating before mitigation L x I	Mitigating action	Risk rating with mitigating action L x I (Green, Amber or Red)						Timeframe of mitigating actions	Lead officer	How monitor/ indicator	Quarterly update
						Start	Q1	Q2	Q3	Q4				
S2 Connecting people to the place	5. Failure to inspire people to give to the Peak District National Park Authority	Commercial Development & Outreach strategic plan Commercial Development & Outreach Operational	High x Medium AMBER	Implementation of Marketing & Fundraising Service plan to include: Continued reputation protection activity	Impact	Medium	Medium	Medium	Medium		Continuous assessment as part of BAU reporting	SM (Director of Commercial Development and Outreach)	Reputational health score (including propensity to donate)	Donations remain stable at a low level, but making a step-change in quantity and value requires a new approach. The charity
					Likelihood	High	High	High	High				Non-trading income levels	

Q3 Corporate Risk Register 2017/18

Impact	High	AMBER (closely monitor)	AMBER (manage and monitor)	RED (significant focus and attention)
	Med	GREEN (accept but monitor)	AMBER (management effort worthwhile)	AMBER (manage and monitor)
	Low	GREEN (accept)	GREEN (accept/ review periodically)	GREEN (accept but monitor)
		Low	Med	High
		Likelihood		

		plan Authority-approved budget		Brand activation on the ground to engage supporters including supporter videos CRM solution purchased - implementation in Q4	Rating	AMBER	AMBER	AMBER	AMBER					working group met. A CRM solution has been purchased to engage future supporters Audience insight research underway. BMC Mend our Mountains joint venture started.
--	--	---------------------------------------	--	---	--------	-------	-------	-------	-------	--	--	--	--	--

Q3 Corporate Risk Register 2017/18

Impact	High	AMBER (closely monitor)	AMBER (manage and monitor)	RED (significant focus and attention)
	Med	GREEN (accept but monitor)	AMBER (management effort worthwhile)	AMBER (manage and monitor)
	Low	GREEN (accept)	GREEN (accept/ review periodically)	GREEN (accept but monitor)
		Low	Med	High
Likelihood				

Corp. Strat. Ref.	Risk Description	Existing controls	Risk rating before mitigation L x I	Mitigating action	Risk rating with mitigating action L x I (Green, Amber or Red)						Timeframe of mitigating actions	Lead officer	How monitor/ indicator	Quarterly update
						Start	Q1	Q2	Q3	Q4				
S4 Grow our income and supporters	6. Failure to implement the integrated strategic commercial plan	Commercial Development & Outreach strategic plan	Medium x High AMBER	Full suite of HoS to drive delivery in place by Q2	Impact	High	High	High	High		Continuous assessment as part of BAU reporting	SM (Director of Commercial Development and Outreach)	Reputational health score (including propensity to donate) Non-trading income levels & costs Trading income levels & costs	Full suite of managers now in place. Tier 5 structure for visitor engagement and outreach is agreed and being implemented / recruited for. Work to create tier 5 marketing and fundraising team is underway with target completion of end Q4.
		Commercial Development & Outreach Operational plan		Full suite of managers and Tier 5 resource in place and integrated by Q4	Likelihood	Medium	Low	Low	Low					
		Authority-approved budget			Rating	AMBER	AMBER	AMBER	AMBER					

Q3 Corporate Risk Register 2017/18

Impact	High	AMBER (closely monitor)	AMBER (manage and monitor)	RED (significant focus and attention)
	Med	GREEN (accept but monitor)	AMBER (management effort worthwhile)	AMBER (manage and monitor)
	Low	GREEN (accept)	GREEN (accept/ review periodically)	GREEN (accept but monitor)
		Low	Med	High
Likelihood				

Corp. Strat. Ref.	Risk Description	Existing controls	Risk rating before mitigation L x I	Mitigating action	Risk rating with mitigating action L x I (Green, Amber or Red)						Timeframe of mitigating actions	Lead officer	How monitor/ indicator	Quarterly update
						Start	Q1	Q2	Q3	Q4				
C1 Our people	7. Failure to design the organisation at all levels so it has the skills and capability to deliver	Corporate Strategy 2016-19 in place Design principles in place	Medium x High AMBER	Experience gained and shared from tier 2 and 3 design Change process understood	Impact	High	High	High	High		Change implementation programme timescales	DH (Director of Corporate Strategy and Development)	Regular updates to SLT and OLT	Interview and selection process completed for jobs within Visitor Engagement and Outreach. Managers encouraged to think about current and future work force
					Likelihood	Low	Low	Low	Low					

Q3 Corporate Risk Register 2017/18

Impact	High	AMBER (closely monitor)	AMBER (manage and monitor)	RED (significant focus and attention)
	Med	GREEN (accept but monitor)	AMBER (management effort worthwhile)	AMBER (manage and monitor)
	Low	GREEN (accept)	GREEN (accept/ review periodically)	GREEN (accept but monitor)
		Low	Med	High
		Likelihood		

[illegible]

Q3 Corporate Risk Register 2017/18

Impact	High	AMBER (closely monitor)	AMBER (manage and monitor)	RED (significant focus and attention)
	Med	GREEN (accept but monitor)	AMBER (management effort worthwhile)	AMBER (manage and monitor)
	Low	GREEN (accept)	GREEN (accept/ review periodically)	GREEN (accept but monitor)
		Low	Med	High
Likelihood				

Corp. Strat. Ref.	Risk Description	Existing controls	Risk rating before mitigation L x I	Mitigating action	Risk rating with mitigating action L x I (Green, Amber or Red)						Timeframe of mitigating actions	Lead officer	How monitor/ indicator	Quarterly update
						Start	Q1	Q2	Q3	Q4				
C1 Our people	8. Failure to support staff going through a time of change	OLT working with SLT Clear comms on change UNISON & Staff Committee representatives	Medium x Medium AMBER	Resilience training for managers to understand emotional impact on staff 1-2-1	Impact	Medium	Medium	Medium	Medium		Training for managers in Q1/2	DH (Director of Corporate Strategy and Development)	Quarterly review	Regularly reviewing the People Matter action plan, with a review on 29 th November of actions taken to date.
					Likelihood	Medium	Medium	Low	Low		1-2-1 sessions aligned with change			

Q3 Corporate Risk Register 2017/18

Impact	High	AMBER (closely monitor)	AMBER (manage and monitor)	RED (significant focus and attention)
	Med	GREEN (accept but monitor)	AMBER (management effort worthwhile)	AMBER (manage and monitor)
	Low	GREEN (accept)	GREEN (accept/ review periodically)	GREEN (accept but monitor)
		Low	Med	High
Likelihood				

		HR team		coaching for affected staff where required							programme				Managers at all levels encouraged to complete the ILM team health audit questionnaire and use the results in JPARs.
		HR support package													
		6 free counselling sessions at Derwent Rural Counselling (DRC)		1-2-1 sessions with clinical psychologists where required	Rating	AMBER	AMBER	GREEN	GREEN						

Q3 Corporate Risk Register 2017/18

Impact	High	AMBER (closely monitor)	AMBER (manage and monitor)	RED (significant focus and attention)
	Med	GREEN (accept but monitor)	AMBER (management effort worthwhile)	AMBER (manage and monitor)
	Low	GREEN (accept)	GREEN (accept/ review periodically)	GREEN (accept but monitor)
		Low	Med	High
Likelihood				

Corp. Strat. Ref.	Risk Description	Existing controls	Risk rating before mitigation L x I	Mitigating action	Risk rating with mitigating action L x I (Green, Amber or Red)						Timeframe of mitigating actions	Lead officer	How monitor/ indicator	Quarterly update
						Start	Q1	Q2	Q3	Q4				
C2 Our services	9. Failure to deliver an integrated conservation service for land managers and communities which increases awareness, understanding and support for the National Park's special qualities and the public goods delivered by the place	Existing advice service delivered by teams Neighbourhood and village planning offer by policy and communities service Updating of NPMP, including comms for special qualities	Medium x Medium AMBER	Refreshing the community development offer Development of data to provide information Partnership working, including through NPMP	Impact	Medium	Medium	Medium	Medium		On-going NPMP review progress	JRS (Director of Conservation and Planning)	Quarterly updates	Charging for some cultural heritage advice has been implemented. Further progress has been delayed due to vacancies and staff turnover, however key posts have been filled so progress is expected next quarter.
					Likelihood	Medium	Medium	Medium	Medium					
					Rating	AMBER	AMBER	AMBER	AMBER					

Q3 Corporate Risk Register 2017/18

Impact	High	AMBER (closely monitor)	AMBER (manage and monitor)	RED (significant focus and attention)
	Med	GREEN (accept but monitor)	AMBER (management effort worthwhile)	AMBER (manage and monitor)
	Low	GREEN (accept)	GREEN (accept/ review periodically)	GREEN (accept but monitor)
		Low	Med	High
Likelihood				

Corp. Strat. Ref.	Risk Description	Existing controls	Risk rating before mitigation L x I	Mitigating action	Risk rating with mitigating action L x I (Green, Amber or Red)						Timeframe of mitigating actions	Lead officer	How monitor/ indicator	Quarterly update
						Start	Q1	Q2	Q3	Q4				
C3 Our organisation	10. Failure to influence the transposing of EU laws and legislation for landscape and the environment into UK law after Article 50	Working with national park family to influence	Low x High AMBER	NPE Board have agreed 4 priority areas for Government engagement as we leave the EU, including, delivering a better environment for all and grasping the opportunities for farming and land management	Impact	High	High	High	High		End March 2018	SF (Chief Executive)	Evidence of engagement e.g. emails, letters	NPE are continuing to monitor progress of the bill and highlight opportunities and risks
					Likelihood	Low	Low	Low	Low					
					Rating	AMBER	AMBER	AMBER	AMBER					

Q3 Corporate Risk Register 2017/18

Impact	High	AMBER (closely monitor)	AMBER (manage and monitor)	RED (significant focus and attention)
	Med	GREEN (accept but monitor)	AMBER (management effort worthwhile)	AMBER (manage and monitor)
	Low	GREEN (accept)	GREEN (accept/ review periodically)	GREEN (accept but monitor)
		Low	Med	High
Likelihood				

Corp. Strat. Ref.	Risk Description	Existing controls	Risk rating before mitigation L x I	Mitigating action	Risk rating with mitigating action L x I (Green, Amber or Red)						Timeframe of mitigating actions	Lead officer	How monitor/ indicator	Quarterly update
						Start	Q1	Q2	Q3	Q4				
C4 Our people	11. Failure to deliver against our Performance and Business Plan in a time of change	OLT in place	Medium x Medium AMBER	Pacing delivery with capacity. Prioritising. Timetable for delivery. Clear communications. JPAR guidance to have regular meetings with line manager to monitor and prioritise work. Wellbeing at work policy & agenda to promote smarter working practice.	Impact	Medium	Medium	Medium	Medium		End March 2018	SF (Chief Executive)	Quarterly performance monitoring process	Established a regular rhythm of performance reporting flowing from Heads of Service and Directors into ARP. Regular communication of performance to staff. Have assessed progress to date and determined 2018/19 actions with OLT and Members, setting a performance lead from each. Most significant structural changes are now near to completion
					Likelihood	Medium	Medium	Medium	Low					
					Rating	AMBER	AMBER	AMBER	GREEN					

Q3 Corporate Risk Register 2017/18

Impact	High	AMBER (closely monitor)	AMBER (manage and monitor)	RED (significant focus and attention)
	Med	GREEN (accept but monitor)	AMBER (management effort worthwhile)	AMBER (manage and monitor)
	Low	GREEN (accept)	GREEN (accept/ review periodically)	GREEN (accept but monitor)
		Low	Med	High
		Likelihood		

Corp. Strat. Ref.	Risk Description	Existing controls	Risk rating before mitigation L x I	Mitigating action	Risk rating with mitigating action L x I (Green, Amber or Red)						Timeframe of mitigating actions	Lead officer	How monitor/ indicator	Quarterly update
						Start	Q1	Q2	Q3	Q4				
S1 The Place and the Park on a Land-scape scale	12. Lack of engagement from the farming and land management community in landscape scale delivery models, the national agri-environment schemes and	Influencing role for future agricultural policy and support payments - Member led Future of Farming Group, England Agriculture &	HxH	Influencing role for future agricultural policy and support payments - Member led Future of Farming Group, England Agriculture &	Impact	New at Q1	HIGH	HIGH	Removed at Q3		On-going Future of Farming paper agreed by end of Q1	JRS (Director of Conservation and Planning)	Quarterly monitoring	Removed at Q3, as this is an action under risk 4 rather than a separate risk
					Likelihood		HIGH	HIGH						
					Rating		RED	RED						

Q3 Corporate Risk Register 2017/18

Impact	High	AMBER (closely monitor)	AMBER (manage and monitor)	RED (significant focus and attention)
	Med	GREEN (accept but monitor)	AMBER (management effort worthwhile)	AMBER (manage and monitor)
	Low	GREEN (accept)	GREEN (accept/ review periodically)	GREEN (accept but monitor)
		Low	Med	High
Likelihood				

Corp. Strat. Ref.	Risk Description	Existing controls	Risk rating before mitigation L x I	Mitigating action	Risk rating with mitigating action L x I (Green, Amber or Red)						Timeframe of mitigating actions	Lead officer	How monitor/ indicator	Quarterly update
						Start	Q1	Q2	Q3	Q4				
C2 Our Organisation	13. NEW: Failure to gain sufficient buy in from partners for the updated National Park Management Plan (NPMP), particularly the delivery plan element.	Advisory Group in place NPMP Project Board	H x H	Chief Executive met with Councillors of key local authorities	Impact			New at Q3	HIGH		May 2018	SF (Chief Executive)	Advisory Group meetings	New at Q3
				Written to all key partners with a draft copy of the plan for comment and them to agree actions	Likelihood				MEDIUM					
				Public consultation on the final draft plan	Rating				AMBER					

Q3 Corporate Risk Register 2017/18

Impact	High	AMBER (closely monitor)	AMBER (manage and monitor)	RED (significant focus and attention)
	Med	GREEN (accept but monitor)	AMBER (management effort worthwhile)	AMBER (manage and monitor)
	Low	GREEN (accept)	GREEN (accept/ review periodically)	GREEN (accept but monitor)
		Low	Med	High
Likelihood				

Corp. Strat. Ref.	Risk Description	Existing controls	Risk rating before mitigation L x I	Mitigating action	Risk rating with mitigating action L x I (Green, Amber or Red)						Timeframe of mitigating actions	Lead officer	How monitor/ indicator	Quarterly update
						Start	Q1	Q2	Q3	Q4				
C3 Our Services	14. NEW: Being a “poorly performing” Authority based on DCLG measures – specifically major applications appeal performance	Member training Standing Order 1.48	HxH	Director to write to CLG	Impact			New at Q3	MEDIUM		By end Jan 2018 Ongoing Ongoing	JRS (Director of Conservation and Planning)	CLG statistical returns	New at Q3
				Further training of Members	Likelihood				HIGH					
				Training of officers	Rating				AMBER					

Quarter 3 Report on Complaints and Freedom of Information and Environmental Information Regulations Enquiries
Complaints

Summary of Complaints in YTD	Q1	Q2	Q3	Q4	YTD	2017/18 Target
Number of Complaints Received in Quarter:	3	3	3		9	<20
Percentage of complaints dealt with in accordance with agreed deadline of 15 working days	100%	100%	100%		100	
Number of Complaints in Quarter regarding an Authority Member:	0	0	0		0	-

Complainant Ref, Date Made and Stage	Service and Reason for Complaint	Date Response Sent	Outcome	Any Change in Processes/Practices as a Result of Complaint Investigation
C.436 04/10/17 Stage One	Development Management Stage One complaint alleging due process was not followed with regard to the handling of two planning applications and that this severely disadvantaged the Complainants.	24/10/17 Within 15 working day deadline	Stage One The detailed plans for both developments in 2016 were not uploaded to the Authority's website until after they had been approved; it is not clear why this happened but they were uploaded as soon as the Authority was made aware of the problem. The Complainants had not seen the plans but had spoken to their neighbour and were not concerned about the proposed development however when they saw what was being built they did not think it was as described in the application. The Planning officer's report clearly considered the impact of the building(s) on the amenity of neighbours, so the lack of a response or objection from the Complainants did not lead to this being overlooked in any way. The recent applications for the variations to the approved schemes were dealt with by the Planning Committee and in both cases the impact on the privacy and amenity of the Complainant's property was dealt with in the Planning Officer's report and in the slide presentation to the Committee. There was a detailed discussion about the proposal, its partially retrospective nature, and the potential impact on neighbours.	

24/11/17 Stage Two	<p>Complaint escalated to Stage Two on the following issues:</p> <ol style="list-style-type: none"> 1. Failure of officers to follow due process, in that during the original application process plans were missing on the website. Complainants disadvantaged in objection to application. 2. Failure of the planning officer to not view the site from Complainant's property when considering the original application in 2016 – resulting in an approved building that is overbearing and oppressive and in close proximity to Complainant's bedroom window, invading their personal space. 3. Failure to mention that the summer houses will be joined together in either the original application or the revised application – which resulted in the building being oversized not modest. 	15/12/17 Within 20 working day deadline	<p>The Planning Committee then approved both applications.</p> <p>Stage Two Apologised for the failure and lack of good service regarding the missing plans for one of 2 similar applications which were only uploaded when the matter was brought to the Authority's attention in June 2017. The complaint highlighted a risk in the system. Acknowledged that this failure hampered Complainant's ability to research the proposal details online; however sufficient information was available online for the other planning application which was very similar to inform their objection.</p> <p>The planning officer made a visual assessment of the potential impact of the proposal on neighbours and considered the potential amenity implications. Based on the officer's reports on the original applications and the revised applications and the discussion at Planning Committee, the Authority is satisfied that the decisions did take into account the potential impact of the proposed development on the neighbour's amenity, and the impact on the Complainant's amenity in coming to the decision to approve.</p> <p>Accept and acknowledge that the reports did not state the two proposed "summer houses" were joined, but the plans available for both proposals (original and the variation) clearly showed that each individual proposed development does adjoin onto a neighbouring development. The reports identify as a key issue whether the development conserves the appearance of the site and wider built environment. The Planning Committee in making its decisions on the revised planning applications included additional conditions removing permitted development rights for the summerhouses at both locations and to ensure that they remain ancillary to the dwellings.</p>	<p>Stage Two A weekly check of all applications on the web has been instigated to identify any issues, such as missing documents, at an early stage.</p> <p>The value in offering a wider context in planning reports has been discussed with planning officers for future consideration.</p>
C.437 01/11/17 Stage One	<p>Information Management Service</p> <p>Complaint regarding the Authority's tendering procedure and alleging</p>	09/11/17 Within 15 working day	<p>Complaint upheld as there were no details about the size limit for emails and message failure notifications were not sent, the Complainant was therefore unaware that their tender return had not been received by the Authority.</p>	<p>Tender process which was subject of complaint was withdrawn and a new tender process</p>

	that the following statement from the process had not been interpreted correctly: "There may be circumstances where proportionality may exceptionally require the late submission of a tender (for example where this results from a fault on the part of the Authority), but no such or other exceptional circumstances appear to apply in this instance."	deadline	However, it was not possible to consider the tender submission as the tender invitation stated that late tenders would not be considered and all tenderers are entitled to rely on that statement. The Authority is required to ensure that the principles of non-discrimination and equal treatment are applied to all tenderers. Therefore the current tender opportunity was withdrawn and a new tender opportunity commenced.	commenced. Staff who manage procurement exercises will be encouraged to provide appropriate guidance on the maximum size of documents which can be submitted electronically. The 10MB email limit is now highlighted on the website and in requests for quotes and invitations to tender.
C.438 23/11/17 Stage One	Development Management Service Complaint alleging the following regarding a planning issue: 1. Lack of response to correspondence 2. Non acceptance of non-material amendment application 3. No constructive dialogue regarding the issues of height and floor level 4. Recent correspondence received does not refer to any previous correspondence sent by Complainant after 2 May - this is unacceptable and unprofessional 5. A letter received in November takes no account of previous correspondence – this is unacceptable and unprofessional 6. Complaint thinks he is being	04/12/17 Within 15 working day deadline.	Responses made to points raised in complaint: 1. The officer considered that the substance of the matter was as he had set out in previous correspondence; he therefore did not respond to Complainant's letter of 2 May 2017. However, it would have been polite for Complainant to be advised of this, referring back to previous letters and apologised that this did not happen. 2. The amendments sought were materially different to what was originally permitted and would not have been within the scope of a non-material amendment in any case. 3. The officer invited the Complainant to meet him on site in November with an aim to resolve the situation and to work constructively to address the issues on site. 4. There is no record of a letter from the Complainant after 2 May 2017. The complaint indicated that this letter asked that the non-material amendment be reconsidered in the light of the Complainant's letter of 2 May 2017. While the reasons for constructing the	

<p>21/12/18 Complaint escalated to Stage Two</p>	<p>Complainant unhappy with Stage One response.</p>	<p>Response due by 23/01/18 and will be reported in next quarter.</p>	<p>garage as it has been built may be set out in that letter, whether something could constitute a material amendment relates to how significant the amendment sought is, and how acceptable that amendment would be.</p> <p>5. See response in point 1 above.</p> <p>6. Advised that the Complainant's case has no relevance to his partner's case. The officer referred to by the complaint has only telephoned Complainant's partner once regarding her case, since then another officer has been trying to contact Complainant's partner, regarding her case, and has written a letter. However as the Authority's caller ID is the same for all officers it may have been mistakenly assumed that the caller was the first officer.</p> <p>Concluded that there is likely to be a solution available to remedy the breach and the Complainant has been advised to take up the officer's offer of a site meeting and take his advice about the best way to remedy this issue.</p>	
--	---	---	---	--

Update on Complaints Reported in Previous Quarters

Complaint Ref, Date Made and Stage	Service and Reason for Complaint	Date Response Sent	Outcome	Any Change in Processes/Practices as a Result of Complaint Investigation
C.431 06/09/17 Ombudsman Stage One and Stage Two complaints previously reported in Quarter 1. Receipt of Ombudsman complaint reported in Quarter 2.	Development Management Complaint referred to Ombudsman alleging: "The Authority accepted and approved a planning application which went against planning policies, as there were other sites which should have been considered and may have been more suitable rather than losing a greenfield site. The officer's report to the planning committee did not give enough detail for the Committee to reach a well-reasoned decision."	04/10/17 Within 28 day deadline	The Ombudsman stated that the Authority followed the correct process to assess a planning application and properly considered the suitability of the site. The Committee had all relevant information to enable it to reach a sound decision. The Ombudsman closed the case on the basis there is no fault by the Authority.	None required.
C.435 18/09/17 Stage One Originally reported in Quarter 2 but before response deadline was due.	Strategy and Performance Complaint regarding the Complainant twice not being short listed for an Authority post, although the Complainant feels they have met all the criteria in the person specification.	29/09/17 Within 15 working day deadline	Explained that Complainant was not short listed as they did not meet the first essential criteria on person specification, which was 'Education to degree level or equivalent in an appropriate environment based subject (geography, sustainability, environmental studies, environmental science or environmental management)'. When the HR office confirmed receipt of Complainant's application they were advised that 'Appointing officers will provide feedback to unsuccessful applicants on request'. If Complainant had taken the offer to obtain feedback on their first application they would have learned why the application did not progress to interview. In relation to the second application, the first essential criteria requirement remained the same.	None required.

Quarter 1 Report on Freedom of Information (FOI) and Environment Information Regulation Enquiries (EIR)

Quarter	No. of FOI Enquiries dealt with	No. of EIR Enquiries dealt with	No. of Enquiries dealt within time (20 days)	No. of late Enquiry responses	No. of Enquiries still being processed	No. of referrals to the Information Commissioner
Q1	8	10	18	0	2	0
Q2	3	4	7	0	2	0
Q3	5	10	15	0	2	0
Q4						
Cumulative	16	24	40	0	6	0

10. DEFRA PEATLAND RESTORATION FUND PROJECT (MSC)

1. Purpose of the report

The Peak District National Park Authority proposes to retain a leading role in moorland/peatland restoration work through the practical delivery of capital works under the Peatland Restoration Fund (PRF). This is being granted to the Authority by the Department for Environment, Food & Rural Affairs (Defra) and is proposed to be managed and delivered by Moors for the Future Partnership (MFFP). The delivery of this project will account for up to 50% of the national fund available for peatlands and will place the Authority in an influential position with Defra through being a key part of the delivery of their national soil and carbon strategies.

We are seeking approval to undertake the Defra Peatland Restoration Project which is to be fully funded by the Defra Capital Grant Scheme for the Restoration of Peatland in England. There will be no cost to the PDNPA. At the time of submitting this report confirmation has not been received from Defra on the success of the Authority's application (we have been advised that we will be informed of this on, or near to 19th January). Accordingly this report is written on the basis of the Authority's bid being successful. The purpose of this report is therefore to request authority to proceed with this project in anticipation of a successful outcome.

This will constitute a significant project, with an estimated capital works cost of £4.83 million over a three year period. These works are designed to include the restoration of the most extensive areas of bare peat remaining within the National Park that have defied attempts in recent years by MFFP to secure funding for restoration, and two key areas in the newly designated West Pennine SSSI and Rossendale. The inclusion of sites outside the national park now provides an opportunity to extend the Authority's skills, working beyond our boundaries with experience and reputation as an exemplar in this field, and to extend the positive influence of the PDNPA through the support of areas adjacent to the national park by championing peatland restoration through MFFP.

Key issues

- The project is to deliver Defra funded peatland restoration on land in the Peak District and West Pennines which until the creation of the Peatland Restoration Fund (PRF) has not been possible to restore due to lack of a viable funding mechanism.
- The authority limit requested is for the Authority to accept the management and delivery of up to £4.83m of bare peat revegetation work over eight separate sites between 2018 and 2021.
- All works are characterised as immediate peatland habitat recovery works and for the avoided losses of carbon associated with the sites in their present degraded states.
- The acceptance of this project represents a significant opportunity to secure a viable means of addressing eight remnant bare peat sites without funding through agri-environment schemes or MoorLIFE 2020. This will make a valuable contribution to completing the immediate restoration work needed to put the Peak District moorlands into recovering condition at a landscape scale.

This project is in line with the Business Model, in the Moors for the Future Partnership Business Plan, approved by this Committee.

Recommendation

- 2.
- 1 **That the Audit Resources and Performance Committee approves this request to deliver the project.**
 - 2 **That the Audit Resources and Performance Committee supports the application to undertake the Peatland Restoration Project and accepts the grant from Defra of up to £4.83 million to deliver the project.**
 - 3 **That the contracting details with Defra will be signed by the CEO in consultation with the Head of Programme Delivery, Moors for the Future Partnership, the Chief Finance Officer and the Head of Law.**
 - 4 **That the Authority may, subject to compliance with its procurement standing orders, enter into contracts for the delivery of the project.**

How does this contribute to our policies and legal obligations?

3. **This project will support all 7 special qualities and will directly benefit the strategic outcomes of this Authority; contributing to National Park Management Plan 2012-17 Objectives: DL1/ DL3.1 / DL 3.4 / DL 3.5 / DL 4.2.1 / WI 4.3 / WI 4.5 / ES1**

Further details on the strategic fit of the project within the Peak District National Park Management Plan (2012-17) delivery aims and objectives are outlined in Appendix 2.

This project will also build upon the Authority's good engagement with several major partners (Severn Trent, United Utilities, Yorkshire Water, RSPB, National Trust, Environment Agency and Natural England) who have significant influence over the management of the moorland landscape. Within this partnership, significant positive changes to the nature of the South Pennine Moors Special Area of Conservation have been achieved and will continue to be delivered.

4. Background

In 2017 Defra released a peatland restoration fund of £10m for peatlands in England. Bidding for this fund was opened in July 2017 and the Authority's submission was made by the deadline of 20 November 2017. The funds will be awarded as part of a competitive tender for avoided losses of carbon through addressing bare peat erosion, and will principally be awarded based on the cost (£) per tonne of avoided carbon loss.

Moors for the Future Partnership (MFFP) have produced eight capital works plans for remnant bare peat sites. Six of these are within the Peak District National Park boundary, in addition to one in the newly designated West Pennines and another in the so called Rossendale Gap.

Both the sites that are outside the park boundary are within the landscape of the southern Pennines and are areas of key interest for MFFPs partner organisations as valuable sites for a range of ecosystem services including Natural Flood management (NFM), as well as being part of the home range of the bird species for which the Dark Peak SSSI and South Pennine Moors SPA were designated. All sites are within and feeding into water catchments for Environment Agency priority communities at risk of flooding. The works proposed will emulate the work delivered by MFFP on other degraded peatland sites over the past 15 years and includes the use of methods and techniques that the partnership has a great deal of experience in delivering.

No match funding is required as part of this project, though Defra will take into consideration any complementary funding invested on other relevant projects that offer opportunity to increase the positive benefits and influence of the works. In the context of the Peak District the ongoing MFFP program of restoration works has been highlighted as part of the bid, demonstrating the very significant investment that has already been attracted by the Moors for the Future partners into the landscape. At the time of the bid submission no specific agreements were in place for offers of complimentary funding, though a number of MFFP partner organisation gave letters of support that will be followed up in the event of the bid being successful.

The works proposed are essential to bring the moorland landscapes within which the remnant bare peat is located into a recovering condition. In this way the capital works will address critical gaps in the ecological connectivity of the restored landscapes, and should be regarded as a continuation project, being the next logical step to completing the initial restoration of peatlands in the Dark Peak and adjoining areas.

The plans have a combined works cost value of £4.83m which is also the maximum value that Defra may award the Authority. These works will be for delivery between April 2018 and March 2021. Defra may also award any of the eight sites funding as individual projects rather than as part of a portfolio. All costings were calculated on an individual site basis in the bid stages to ensure the ability to deliver the individual sites as standalone projects as required.

Authority staff have been consulted on this proposal and a recommendation to ARP to approve the proposed project was given at RMM in December 2017.

Responsibilities

The Project will be managed by Matt Scott-Campbell, Conservation and Land Management Project Manager (Moors for the Future), within the current Moors for the Future programme. Overall supervision will be provided by Matt Buckler, Moors for the Future Conservation and Land Management Programme Manager

Timescale

The project will be implemented over a 3 year period (2018-21), with capital works expected to commence in Autumn/Winter 2018. In the event of authority being granted, Defra staff time on works planning will commence in April 2018.

Budgetary Limits

The maximum budgetary engagement with Defra will be for capital works up to the value of £4.83 million over 3 years. The exact budget will agreed between Defra and the Authority at the point of award.

Reporting Requirements

Claims for completed capital works will be made to Defra every six months with project reporting being on the same basis. A full schedule of dates for both claims and reporting has been defined and formed part of the Authority's bid application.

5. Are there any corporate implications members should be concerned about?

A number of the sites included in the bid have complicated land ownership and stakeholder scenarios. This will require significant Officer input to manage and secure the necessary agreements from all parties. This exercise will be funded through the Defra grant and undertaken on a site by site basis, and there is a residual risk that the necessary approvals from all parties may not be achievable for reasons that are not visible to the Authority at the time of bidding.

During the application writing stage MFFP made contact with the key stakeholders for each of the sites included in the bid and we received a great deal of support and help with the preparation of the capital works plans. The key stakeholders for each site have indicated their full support of the proposed works, given an outline of what level of wider stakeholder engagement is anticipated to be required, and have pledged to be involved with this and facilitate all necessary dialogue to agree the works proposals.

The Defra grant award is made subject to MFFP having all the necessary consents and approvals in place to deliver the works. In the event that any consents are withheld, thus stopping the works on any given site, no grant for that site will be awarded by Defra.

6. Financial:
Cash Flow

There will be large cash flow amounts for the Authority to incorporate. Funds for individual contract items would be required from the Authority in advance prior to claiming this back from Defra. An anticipated profile of spending has been defined for the whole project and has been submitted to the PDNPA Head of Finance for review.

The value of the project will be up to £4.83m. A cash flow forecast is attached as Appendix 1. Note there is no financial input requested from the Authority. The project will be funded by Defra and grant claims will be made every six months.

7. Risk Management

Health and Safety

All projects will be managed as currently, in discussion with the Authority's Health and Safety Officer. This includes use of the Construction Design and Management Regulations (CDM 2015), where applicable.

Practical Delivery

The large scale restoration works proposed within this project are within the expertise of MFFP. As such the risk of the work not delivering the required results is considered to be low.

As part of this recommendation the MFFP Programme Management team has assessed the resource requirements of this new project. This has been in consultation with the MFFP team and Head of Programme Delivery. Following this assessment the availability of capacity within MFFP to deliver this project is confirmed. The continuation of adequate capacity in light of ongoing commitments on other projects will remain the responsibility of the MFFP Programme Managers.

All projects will be planned and managed using the Moors for the Future Project Management Toolkit. This includes using Gantt chart techniques to define the critical path for project delivery and the use of a RID Log (Risks, Issues & Dependencies) to identify and manage risks to project delivery.

A project delivery schedule will be defined at the start of the project based on MFFPs operational capability and agreed with Defra. This schedule will be base-lined and continually monitored to assess project progress and to anticipate potential delivery issues. The project will also be managed under change control with the funders and be re-baselined as may be required in the event of changes. MFFP have considerable experience of project management for works of this nature, and the risks to success stemming from MFFP's proposed management of this project are low.

Material and Contractor Availability

It is recognised that the capacity of the contractor community will be stretched during the next few years as MFFP enter key capital delivery years for the MoorLIFE 2020 project and the ongoing Private Lands Portfolio of works funded by Natural England. All projects will be delivered in tandem with one another to manage the risk of contractor capacity and to drive efficiencies and economies of scale in procurement. MFFP has existing and established framework contracts in place that will be sufficient to procure all the proposed works. These will be fully integrated into MFFP's wider programme of works.

There is also a risk area around the supply of materials in particular heather brash, for which there is a substantial requirement as part of the proposed project. The Conservation & Land Management Team at MFFP will source additional brash supplies to meet the demands and manage the requirements of all projects. Initial efforts for this have begun and further brash supply contacts are already in development. With the introduction of NE's recent guidance on the withdrawal of burning as a management tool it is anticipated that new areas for heather brash cutting will be forthcoming to meet the project demands.

General Management

The new project will be managed by a project group in the same manner as with the other MFFP projects. The remit of this group is to provide project steering and would be made up of, the MFFP Programme Management team, representatives from Defra and the Project Manager. There is also a monitoring function through the line management structure of the Authority including the MFFP Conservation and Land Management Programme Manager, Head of Programme Delivery and the Director of Conservation and Planning. The Project Manager is responsible for monitoring the budget but this is overseen by the MFFP Programme Office Manager working closely with the PDNPA Chief Finance Officer.

Sustainability

The proposed project aims to deliver avoided carbon losses which is the primary function of the Defra grant, but the process of revegetating bare and eroding peat will also deliver significant multiple benefits with regard to ecosystem services.

In addition to the avoided loss of carbon the works will also ultimately result in carbon sequestration over a wide area. Additionally this project can also be expected to deliver benefits to water quality and Natural Flood Management, associated with improved hydrological integrity over the areas of restoration.

Placing this within the context of the NPMP (2012-17) the ability of this project to deliver the environmental benefits highlighted, places this project directly in line with Action DL3.4.1

8. Background papers (not previously published) – None

Appendices –

1. Form of Application
2. National Park Management Plan Objectives met through the project
3. Cash Flow Forecast
4. Project working area map

Report Author,

Matt Scott-Campbell, Conservation and Land Management Project Manager,
Moors for the Future Partnership, 11 January 2017

ANNEX A: Form of Agreement

FORM OF APPLICATION (Print, Sign, Scan and Upload to Bravo)

To be submitted as part of the application by 12:00 GMT (UK time) on 20th November 2017.

APPLICATION FOR THE: Capital Grant Scheme for the Restoration of Peatland in England.

Tender Ref: 24141

-
1. We have examined the invitation to apply and its appendices set out below (the ITA) and hereby offer to deliver the project specified in the ITA and in accordance with the attached documents to the Authority commencing 1st April 2018 for the period specified in the ITA.
 - Response Particulars (Section 1)
 - Specification of Requirements (Section 3)
 - Form of Application (Annex A)
 - Authority's Conditions of Agreement (Annex B)
 2. If this Application is accepted, we will execute the Agreement and any other documents required by the Authority within 10 days of being asked to do so.
-
3. We agree that:
 - a. before executing the Agreement substantially in the form set out in the ITA, the formal acceptance of this application in writing by this Authority or such parts as may be specified, together with the documents attached shall comprise a binding agreement between the Authority and us;
 - b. pursuant to EU Directive 1999/93/EC (Community Framework for Electronic Signatures) and the Electronic Communications Act 2009, the Agreement may be executed electronically using the Authority's electronic tendering and contract management system;
 - c. we are legally bound to comply with the confidentiality provisions set out in the ITA;
 - d. any other terms or conditions or any general reservation which may be provided in any correspondence sent by the Authority in connection with this grant shall not form part of this application without the prior written consent of the Authority;
 - e. the Application shall remain valid for 120 days from the closing date for Responses specified in the ITA; and
 - f. the Authority may disclose our information and documents (submitted to the Authority during the grant making process) more widely within Government for the purpose of ensuring effective cross-Government procurement processes, including value for money and related purposes.

4. We confirm that:



- a. there are no circumstances affecting our organisation which could give rise to an actual or potential conflict of interest that would affect the integrity of the Authority's decision making in relation to the award of the Agreement; or
- b. if there are, or may be such circumstances giving rise to an actual or potential conflict of interest we have disclosed this in full to the Authority.
- c. the funding applied for is NOT for works for which our organisation has already been compensated for and,
- d. we have not received and will not receive duplicate funding for work funded by the Authority if this Application is accepted.

5. We undertake and it shall be a condition of the Agreement that:

- a. the amount of our application has not been calculated by agreement or arrangement with any person other than the Authority and that the amount of our application has not been communicated to any person until after the closing date for the submission of applications and in any event not without the consent of the Authority;
- b. we have not canvassed and will not, before the evaluation process, canvass or solicit any member or officer, employee or agent of the Authority or other contracting authority in connection with the award of the Agreement and that no person employed by us has done or will do any such act; and
- c. made arrangements with any other party about whether or not they may submit an application except for the purposes of forming a joint venture.

6. I warrant that I am authorised to sign this application and confirm that we have complied with all the requirements of the ITA.

7. The statements made in paragraphs 2 and 3(a) above are subject to approval of our relevant committee under our Standing Orders. Please see attached letter.

Signed	
Print Name	
Date	20 NOVEMBER 2017
In the capacity of	DIRECTOR OF CONSERVATION AND PLANNING
Authorised to sign the application for and on behalf of	PEAK DISTRICT NATIONAL PARK AUTHORITY

Appendix 2 – (Strategic Fit)

The strategic fit of the project is highlighted relevant to the Peak District National Park Management Plan (2012-17) delivery aims and strategies.

Corporate Delivery Aims for 2012-17:

DL1: A Diverse Working and Cherished Landscape:

-The diverse national park landscape will respond to challenges whilst retaining their special qualities and natural beauty.

Delivery Aim 1.2: Deliver conservation on a landscape scale through a diverse range of models, in keeping with Landscape Character Assessment and supporting adaptation to climate change.

- **Action 1.2.2:** Continue to develop conservation, research and awareness raising projects across the South Pennine Moors Special Protection Area, particularly in the Dark Peak and to the south of the Calder Valley, to counteract the extreme damage caused by past human activity.

The proposed project is focused on Dark Peak moorlands and is specifically aimed at developing and delivering on opportunities to counteract the historic legacy of moorland degradation in the region.

- **Action 1.2.4:** Ensure further moorland conservation through Moors for the Future Partnership by supporting bidding work to secure further landscape scale projects beyond 2015.

The proposed project is directly aligned with this action in seeking support from the PDNPA to ensure the continuation of moorland conservation under the delivery management of Moors for the Future past 2015. The proposed project is anticipated to run until 2018.

- **Action 1.2.5:** Deliver further landscape scale conservation on public and private lands.

The proposed project is for the delivery of landscape scale moorland restoration works on privately owned lands.

Delivery Aim 1.4: Support farms and other rural businesses to achieve national park purposes.

- **Action 1.4.1** Provide an integrated service (PDLMAS) to help farmers and land managers through the complexities of accessing advice and reward payments to support conservation on farmland.

See ES1 below.

DL3: A Diverse Working and Cherished Landscape:

-The richness of the natural environment will be conserved, restored and enhanced so wildlife can thrive, ecological systems remain healthy and its diverse geology is retained and valued.

Delivery Aim 3.1: Conserve and enhance biodiversity by continued action for priority habitats, sites and species within the national park in line with the Biodiversity Action Plan.

- **Action 3.1.6:** Build on improvements in Site of Special Scientific Interest (SSSI) condition to date by moving SSSI land from Recovering to Favorable condition.

As part of the project, a range of works are proposed as follow-on treatments that have been specifically tailored to compliment the achievements to date on specific sites to further direct SSSI land towards Favorable condition. This positions the authority as an innovator and exemplar of leadership on SSSI recovery.

Delivery Aim 3.4: Focus on the natural environment, ecosystem services and the part we play in these systems, through integrated action and fostering greater understanding.

- **Action 3.4.1:** Integrate delivery of ecosystems services such as water quality, carbon sequestration and flood alleviation into existing and new sustainable land management and farming partnership and projects alongside other economic and environmental benefits.

The proposed project aims to fully integrate and deliver multiple benefits with regard to ecosystem services through the application of a bespoke suite of moorland restoration techniques individual to the requirements of each project site.

Delivery Aim 3.5: Manage river water quality and supply within the national park.

As part of the anticipated multiple benefits associated with the improvement of moorland hydrological systems, water quality within river catchments can be expected to experience a reduction of dissolved organic carbon (amongst other inputs) from the moorland environment.

DL4: A Diverse Working and Cherished Landscape:

-Greenhouse gas emissions will be reduced and a healthy national park will adapt to the effects of climate change.

Delivery Aim 4.2: Promote low carbon land management practices within the national park as appropriate to a protected landscape.

- **Action 4.2.1:** Protect and enhance the storage of carbon through blanket bog stabilization and restoration

The principal aim of the proposed project is the stabilisation and restoration of healthy blanket bogs in the Dark Peak.

WI 4: A Welcoming and Inspiring Place:

-Accessible and diverse recreation opportunities will be available for all, encouraging healthy living, enjoyment of the landscape and a sense of adventure.

Delivery Aim 4.3: Working together to minimise damage and disturbance on unsealed routes.

The proposed capital works in this project will provide sustainable walking surfaces along popular routes identified in the HLS plans that do not constitute Public Rights of Way. The need for re-surfacing is identified on the routes included in acknowledgement of the significant erosion that is locally self evident, and in response to the degradation of the surrounding habitats caused by sustained visitor pressure.

Delivery Aim 4.5: Enhance recreational opportunities and management at key sites through joint partner approaches

- **Action 4.5.1:** Identify key recreation sites around the national park where recreational experiences and impacts need to be managed.

The proposed pathworks whilst not at 'Key Sites' can be expected to enhance the access opportunities on what are very popular walking routes; whilst also introducing essential visitor management at these locations to protect the adjacent moorland habitats from the impacts of degradation as a result of trampling.

ES1: An Enterprising and Sustainable Economy

-Profitable farming, through food production, land management and farm based business, will promote and contribute to the special qualities of the national park, and is recognised as essential to its character and health.

Delivery Aim 1.1: Enable more farmers and land managers to access advice and reward payments.

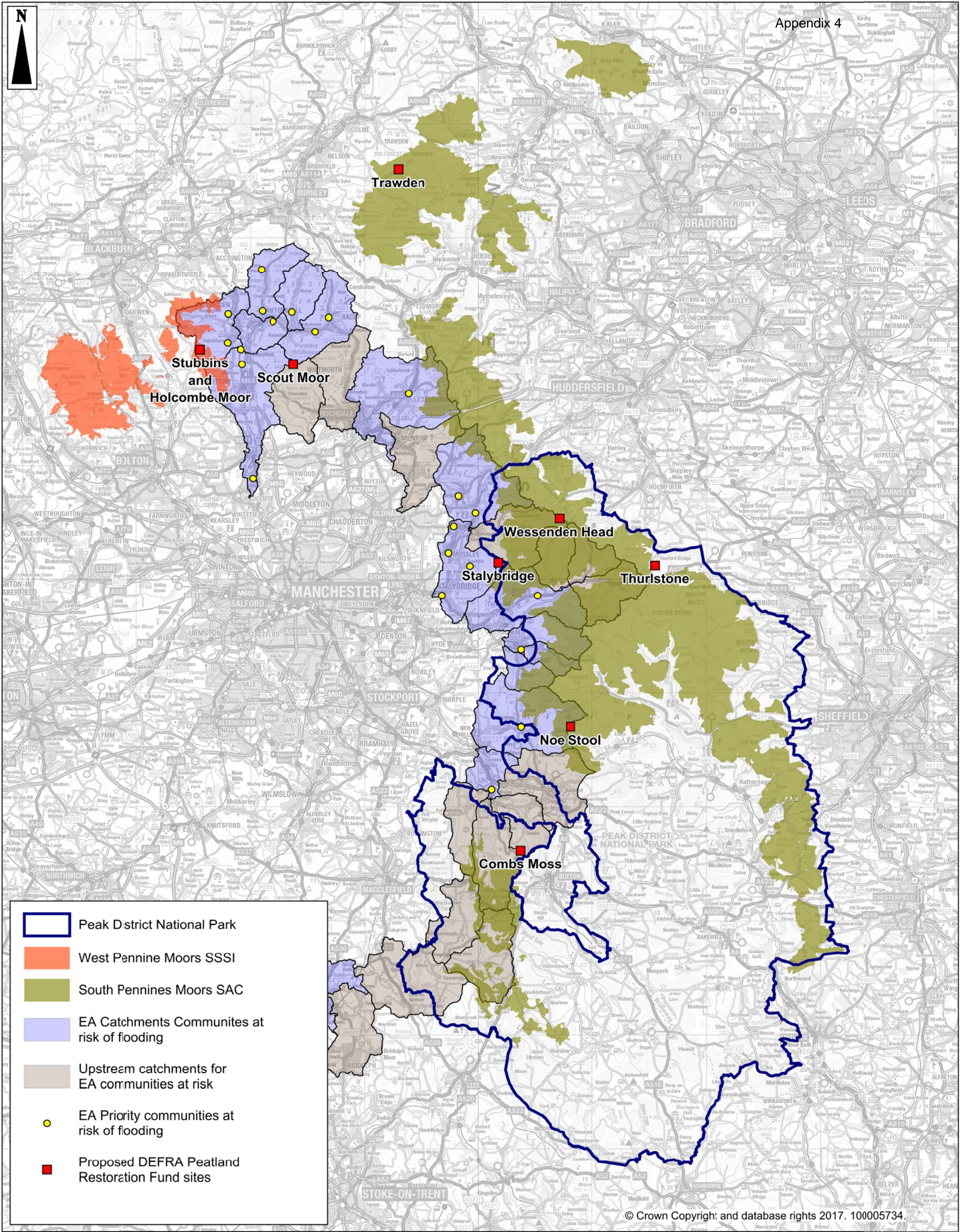
- Action 1.1.1 Provide an integrated service (PDLMAS) to help farmers and land managers through the complexities of accessing advice and reward payments to support conservation on farmland.

The proposed project offers the Authority further opportunity to work collaboratively with external partners through the Moors for the Future Partnership and the PDLMAS to develop and deliver HLS capital works plans on private land in support of national park conservation aims (as DL1.4).

Defra Peatland Capital Restoration Project
Cash Flow forecast

Defra Capital Grant Scheme for the Restoration of Peatland in England fund - cash flow forecast														
ELEMENT	TOTAL		2018 19				2019 20				2020 21			
	BUDGET		Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
EXPENDITURE														
Capital Works														
Wessenden Head	1,608,935					1,040,400	206,625			226,535				135,375
Noe Stool	285,575					194,208	34,075			34,967				22,325
Stalybridge / Alphin Pike	478,068					305,184	44,225			99,684				28,975
Thurlstone	6,240					3,468	1,188			792				792
Combs Moss	5,546					2,774	1,188			792				792
Trawden	98,813						8,700			84,413				5,700
Scout Moor / Cowpe Moss	1,265,260						221,125			899,260				144,875
Stubbins and Holcombe Moor	951,763						87,725			806,563				57,475
Other costs														
Staff costs (PM, SCWO, CWO)	94,557		4,000	6,000	12,000	20,000	15,000	1,500	1,500	20,000	1,500	1,500	1,557	10,000
Staff travel	10,000		500	1,500	2,000	2,000	1,250	100	100	1,250	150	150	150	850
Managing the Project - Partnership Manager, Programme Manager time	10,000			2,000	2,000	2,000	500	500	500	500	500	500	500	500
Corporate Overhead	18,010			1,069	1,070	1,070	2,096	2,096	2,097	2,097	2,138	1,069	1,069	2,139
Total expenditure	4,832,767		4,500	10,569	17,070	1,571,104	623,697	4,196	4,197	2,176,853	4,288	3,219	3,276	409,798
Cumulative expenditure				15,069	32,139	1,603,243	2,226,940	2,231,136	2,235,333	4,412,186	4,416,474	4,419,693	4,422,969	4,832,767
INCOME														
Defra					20,000		2,210,425		35,000		2,144,520		35,000	387,822
Total income for the period					20,000	0	2,210,425	0	35,000	0	2,144,520	0	35,000	387,822
Cumulative income					20,000	20,000	2,230,425	2,230,425	2,265,425	2,265,425	4,409,945	4,409,945	4,444,945	4,832,767
Balance					-12,139	-1,583,243	3,485	-711	30,092	-2,146,761	-6,529	-9,748	21,976	0

This page is intentionally left blank



Moors for the Future Partnership

The Moorland Centre
Fieldhead
Eedale
Hope Valley
S33 7ZA

Tel: 01629 816581
Email: moors@peakdistrict.gov.uk

www.moorsforthefuture.org.uk

Moors for the Future Partnership:

DEFRA Peatland Restoration Fund
proposed sites

This page is intentionally left blank

11. STRATEGIC ASSET MANAGEMENT AND OPERATIONAL FINANCIAL PERFORMANCE OF THE PROPERTY ASSETS (2017/18) (CBM)

1. Purpose of the report

Following the Members Forum on Asset Management on 1st December 2017, this report informs Members who were not able to be present regarding the proposed approach to Asset Management and seeks formal approval for it. It also updates Members who were not present on the operational financial performance of the property assets.

Key Issues

- **The Authority owns & manages an extensive property portfolio with significant opportunities as well as liabilities**
- **The portfolio supports many of our services and objectives and is a key component of our overall business strategy and needs to be resourced and managed accordingly**
- **It is proposed that a refreshed short-term and longer term Asset Management process (including the production of a new Asset Management Plan) will take place over the next 3 years**
- **The process will challenge each of our Services to review what property they need and can manage well within their resources**
- **Where ownership of property assets is not necessary, or is discretionary, financial objectives may be set to minimise or eliminate the cost of ownership**
- **These financial objectives may also be set for certain services which are discretionary and are capable of income recovery**

2. Recommendations

- 1. Members to note and approve proposed approach to strategic asset management and the production of a refreshed Asset Management Plan over the next 3 years.**
- 2. Members to note current operational financial performance of the property assets**

How does this contribute to our policies and legal obligations?

3. Corporate Strategy 2016- 2019

Cornerstone 1 –Our Assets: Clear plan for the standards needed for our assets for maintenance, environmental performance and visitor experience.

Cornerstone 3- Our Organisation: Develop key business processes underpinning the Corporate Strategy.

Directional Shift 3- Visitor experiences that inspire and move –provide a quality experience for anybody that visits our property

Corporate Priority 17/18

‘We will have an updated Asset Management Plan which aligns with the Corporate Strategy and sets out the need and scope for improvements in a targeted way’ (SDM agreement that we are not ready for full scale Asset Management Review)

Revised Corporate Priority 18/19

‘We will have all the relevant information (in particular condition surveys of all our properties), plans and resources to undertake a review of the Asset Management Plan’.

Although there is no legal obligation on the Authority to have an Asset Management Plan it is regarded as ‘good practice’ within the public sector. Value for money in the use of assets for the provision of public services cannot be managed or measured without some form of explicit asset management plan.

Background Information

1. Please see Appendix 1 and 2

Proposals

2. Please see Appendix 1 and 2

Are there any corporate implications members should be concerned about?

Financial:

3. Please see Appendix 1 and 2

Risk Management:

4. Please see Appendix 1 and 2

Sustainability:

5. Our properties are managed in accordance with Authority policy on Sustainability

Equality:

6. Our properties are managed in accordance with Authority policy on Equality

7. **Background papers (not previously published)**

As below

8. **Appendices**

Appendix 1 - Copy of presentation by the Authority’s Corporate Property Officer on Asset Management to Members Forum on Friday 1st December 2017.(The presentation includes an update on the Woodland Disposal Project 2015-2018)

Appendix 2 - Copy of presentation by the Authority’s Chief Financial Officer on the operational financial performance of the property assets to Members Forum on Friday 1st December 2017

Report Author, Job Title and Publication Date

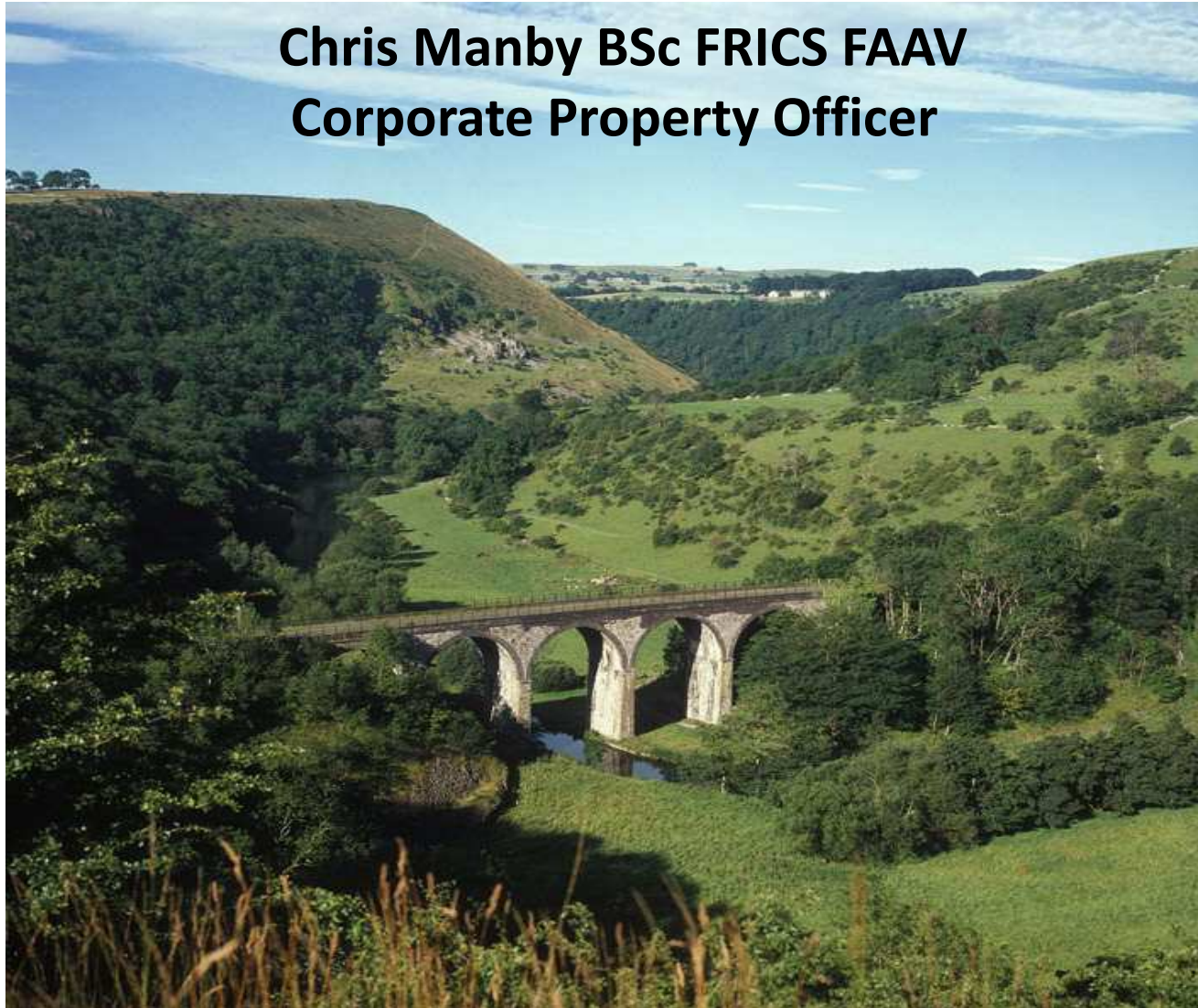
Chris Manby, Corporate Property Officer, 11th January 2018

APPENDIX 1 : Members Forum

1st December 2017

Asset Management

Chris Manby BSc FRICS FAAV
Corporate Property Officer





Aims of Forum

- Corporate Property Officer role
- Our property portfolio
- The Strategic Asset Management process
Financial performance (Philip Naylor)
- Key point resume and discussion
- Woodlands disposal project

Role

- One year post ending in May 2018 and with the possibility of extension
- 15 days per year allocation
- Concentrate on strategic asset management and plan
- Directly responsible to Senior Leadership Team



Quiz !

How many separate 'sites' do we manage ?

200

How many buildings and structures do we manage ?

350

How many staff work in our properties?

275

How many peoples live in our properties?

80

How many tenancies and licences are granted to use our land and buildings?

150

How much would our property be worth on the open market ?

£30 million

Deliver our services from

- Aldern House
- Fieldhead (MFF)
- 16 Ranger Briefing centres, workshops and storage
- New base for Countryside Maintenance and Projects Team
- Educational – Bottoms Classroom
- Community use - Langsett Barn
- Volunteer bases at Brunts Barn and Marsh Farm





Our Property portfolio

Service delivery and income raising platforms

- 4 Visitor centres
- 4 Cycle Hire centres
- 43 Car Parks
- 18 Toilets
- 15 Refreshment concessions and café
- 4 Trails
- North Lees and Fieldhead campsites



Make our direct contribution to the 7 special qualities of the National Park

- Warslow Moors Estate
- North Lees /Stanage Estate
- 21 Minor properties
- 124 Woodlands (under management)





Our Property portfolio

Working in partnership for landscape scale delivery – our indirect contribution to the special qualities

- Eastern Moors Estate
- Roaches Estate



Strategic Property Asset Management

It is the process which aligns business and property strategies, ensuring the optimisation of an organisations property assets in a way which best supports its key services and the business goals and objectives

Property Management

Property management relates to the day-to-day work that keeps land and building operating.



Key messages

- The strategic property asset management function must embrace and be supported by the whole organisation
- A successful organisational culture, therefore, will see the use of property assets as a corporate issue and the efficiency and effectiveness of property asset use, as a corporate responsibility

The 'classic' Asset Management Plan is part of the wider process

Stage 1- Preparing for property asset planning

Stage 2- Property Asset Management strategy

Stage 3- The Property Asset Management Plan

Stage 4- Property Asset Programme and delivery

Stage 5- Delivery review

Stage 6- Structure to Deliver



Stage 1 of the process

The following components need to be in place before we embark on the process and move on to the next stages.

1. Political/organisational appetite for the task and change
2. Up to date condition surveys of all our properties
3. Capacity to deliver to deliver the whole process

Political/organisational appetite for the task and change

- **Corporate Priority 17/18**

‘We will have an updated Asset Management Plan which aligns with the Corporate Strategy and sets out the need and scope for improvements in a targeted way’

- **SDM agreement that we are not ready for full scale Asset Management Review**

- **Revised Corporate Priority 18/19**

We will have all the relevant information (in particular condition surveys of all our properties), plans and resources to undertake a review of the Asset Management Plan.

- **Revised Corporate Priority agreed by Members**

- **Members Asset Management Forum**



Stage 1

Up to date condition surveys – started 2016

- High Priority – completed 2016/17 (about 30% of properties)
- Medium Priority – currently underway 2017/18
- Low Priority – to be undertaken in 2018/19 if sufficient staff resources are available

Estimated costs of addressing defects within High Priority properties:

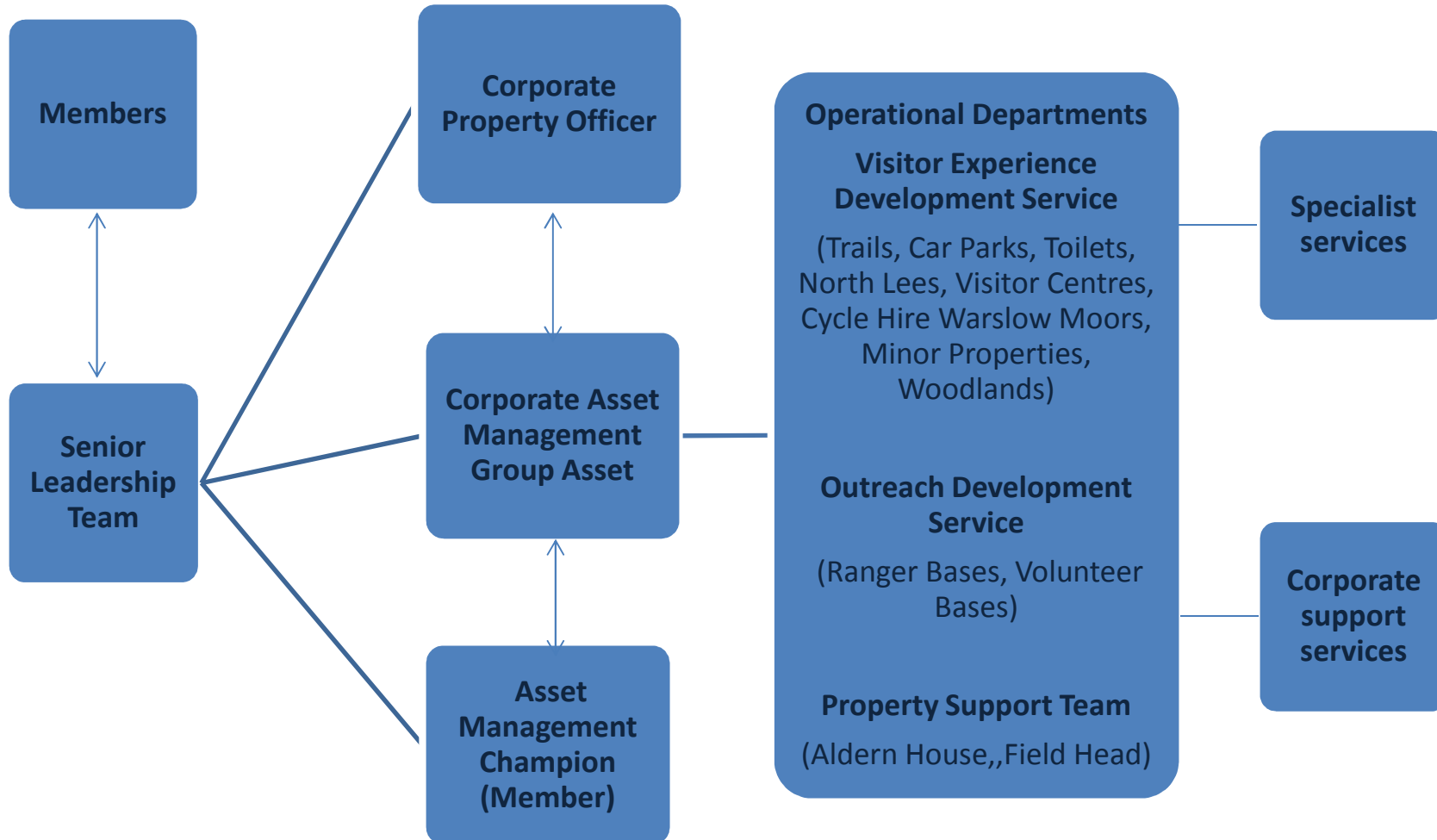
- Urgent works £500,000 (advised to be undertaken within 12 months)
- Non-urgent works £300,000 (advised to be undertaken within 2-5 years)
- Estimated cyclical maintenance costs of £35,000 pa once backlog dealt with.

Governance, structure and capacity to deliver the whole process over the next 3 years

- Existing operational service delivery via Directorates
- Senior manager for property asset management
- Corporate property asset management group
- Property asset champion (Tony Favell)
- Report to Senior Leadership Team
- Regularly involve and update Members



Stage 1



What's next?

- We have revised our existing Action Plan with clear distinction between Strategic and Property Management actions
- We re-establish Integrated Property Board as Corporate Asset Management Group to only deal with Strategic actions
- We complete the Condition Surveys in 18/19
- We then re-consider the need for and capacity to undertake a 'classic' Strategic Asset Management Plan in 19/20
- We design a timetable including Member involvement at key stages



Summary

- The Authority owns & manages a superb property portfolio with significant opportunities as well as liabilities
- The portfolio supports many of our services and objectives and is a key component of our overall business strategy and resourced and managed accordingly
- It is proposed that a refreshed short-term and longer term Asset Management process will commence
- The process will challenge each of our Services to review what property they need and can manage well within their resources
- Where ownership of property assets is not necessary, or is discretionary, financial objectives may be set to minimise or eliminate the cost of ownership
- These financial objectives may also be set for certain services which are discretionary and are capable of income recovery



Woodland Disposal Project 2015



By Sarah McKay, Rural Surveyor
Presented by Chris Manby, Corporate Property
Officer



Background

DTZ/SG-Strategic Review of Property (2013)

- Important for Authority still to own woodland as 'it is important to 'do' as well as to 'advise' as this has greater impact with farmers and landowners'. However, recognised that 'co-ordinating management over a large number of small blocks is difficult and costly'
- Significantly reduce number of woodlands under management so that it 'would be an easier amount of woods to manage.... but still be large enough that the Authority is a major woodland owner in the National Park'.
- Recommended that the woodland portfolio should be reduced by a half. 12 woodlands on the Eastern Moors and Roaches Estates were leased out before and around that time.

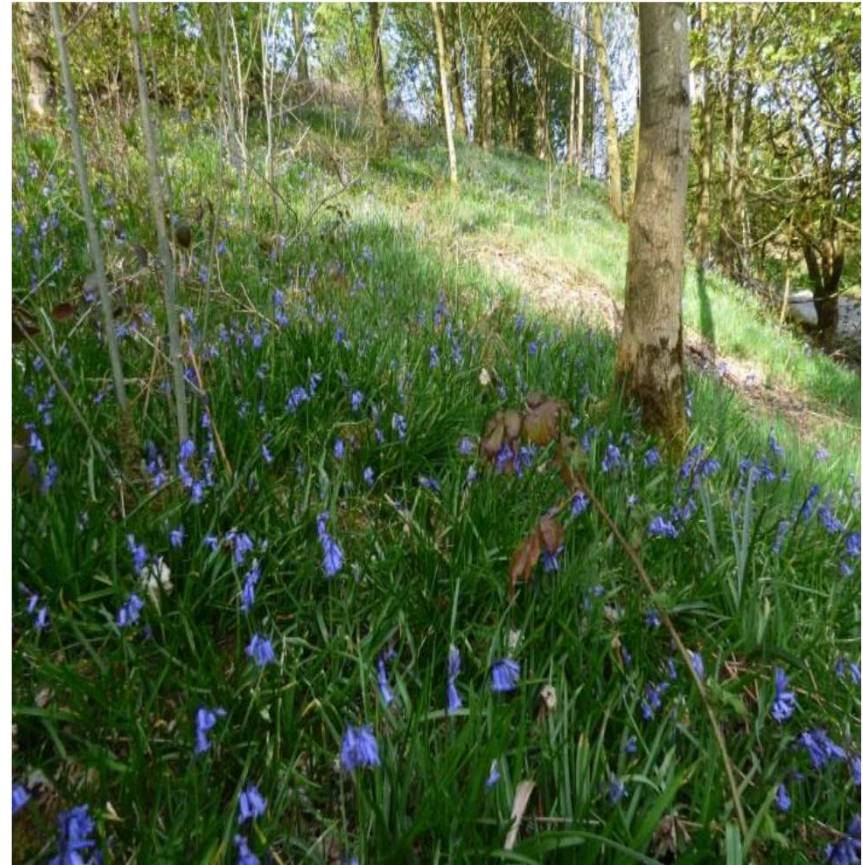
Background

- The Authority managed **124** woods at the start of the project in 2015.
- Four tenures - 80 freehold, 38 leasehold, 4 management agreements and 2 unregistered
- Woodlands were assessed for disposal against a select list of criteria including biodiversity, access and recreation, landscape
- Woodlands categorised into 3 categories. Category 1 for disposal, category 2 possible disposal and category 3 not to be disposed
- Members approved the disposal by freehold sale of 17 woodlands in category 1 and a further 28 woods in category 2.



Process

- 2015 Tenders invited from agents to sell woodlands in Phases 1 and 2.
- Fisher German appointed.
- 2016 Tenders invited from agents to sell Phases 3 and 4 woodlands.
- Bagshaws appointed.
- Spring 2018 Phase 5 to be launched



Freehold sales Phase 1 and 2

Phase 1					
Name of wood	Location	Area (ha)	Area (acre)	Guide price	Sold price
Coronation Plantation	Near Hathersage, Derbyshire	1.14	3.09	£14,000	£16,135
Nabb's Quarry Wood	Wildboardclough, Cheshire	0.44	1.09	£8,000	£12,321
Newhaven Plantation	Newhaven, Derbyshire	1.8	4.45	£15,000	£27,777
Shay Bends Wood	Calver, Derbyshire	0.9	2.22	£3,000	£3,940
Slack Hall Wood	Chapel-en-le-Frith, Derbyshire	3.1	7.41	£13,000	£15,000.33
Wetton Wood	Wetton, Derbyshire	0.16	0.39	£5,000	£8,580
	Total	7.54	18.65	£58,000	£83,753

Phase 2					
Name of wood	Location	Area (ha)	Area (Acre)	Guide price	Sold price
Blore Pasture Wood	North of Ilam, Staffordshire	0.65	1.6	£8,000	£15,566
Bonsall Lane Wood	South of Winster, Derbyshire	0.12	0.3	£7,000	£7,100
Lamb Quarry Wood	North of Chinley, Derbyshire	4.37	10.79	£32,000	£37,120
Rakes Farm Wood	Monyash, Derbyshire	0.37	0.91	£8,000	£12,400
Worm Wood	Bakewell, Derbyshire	6.52	16.11	£20,000	£25,000
Long Gallery Wood	Middleton-By-Youlgreave, Derbyshire	1.66	4.1	£15,375	£15,375
	Total	13.69	33.81	£90,375	£112,561



Freehold sales Phases 3 and 4

Phase 3					
Name of wood	Location	Area (ha)	Area (Acres)	Guide price	Sold price
Bradshaw Edge	North west of Eyam, Derbyshire	2.12	5.23	20,000	£20,000
Heathfield Nook Wood	South of Buxton, Derbyshire	1.96	4.84	20,000	20,000
Smalldale Plantation	South of Peak Forest	2.66	6.57	30,000	36,000
Stonepit Plantation	North west of Peak Forest	0.68	1.68	Offers invited	2,750
	Total	7.42	18.32	70,000	£78,750

Phase 4					
Name of wood	Location	Area (ha)	Area (Acres)	Guide price	Sold price
Cotesfield Plantation	North of Parsley Hay	2.09	5.16	20,000	£36,000
Jackson's Plantation	Peak Forest	1.98	4.89	20,000	26,550
	Total	4.07	10.05	40,000	£62,550

Freehold

- 18 woodland sales completed and 5 sold subject to contract - £389,714
- Phase 5- a further 5 woods at an estimated value around £50,000 will be put on the market next Spring
- Total predicted gross capital receipts **£ 440,000**
- Range of prices £1,550 per acre to £23,666 per acre
- Adjusted average per acre of sold woods **£5,250** (about what was expected)
- Receipts added to Capital Fund for re-investment subject to Business Cases



Resume

Leasehold

- 9 leasehold woods have come to the end of the lease and have not been renewed
- Further reduction in the number of leasehold woods are currently being considered and a report to ARP will be presented early next year.
- However many of these leases are for long periods and the owners may not be prepared to accept early termination by the Authority

Summary

- By end of 2018, it is hoped that the Authority will have reduced the managed portfolio of woods from **124** to **88**, a reduction of **33**.
- Medium to longer term reduction in woodlands annual revenue cost of £57,000.

Who is buying the woodlands?

A grandfather looking to leave a legacy for his grandchildren



An individual hoping to use his woodland as a forest school for young people in the local area



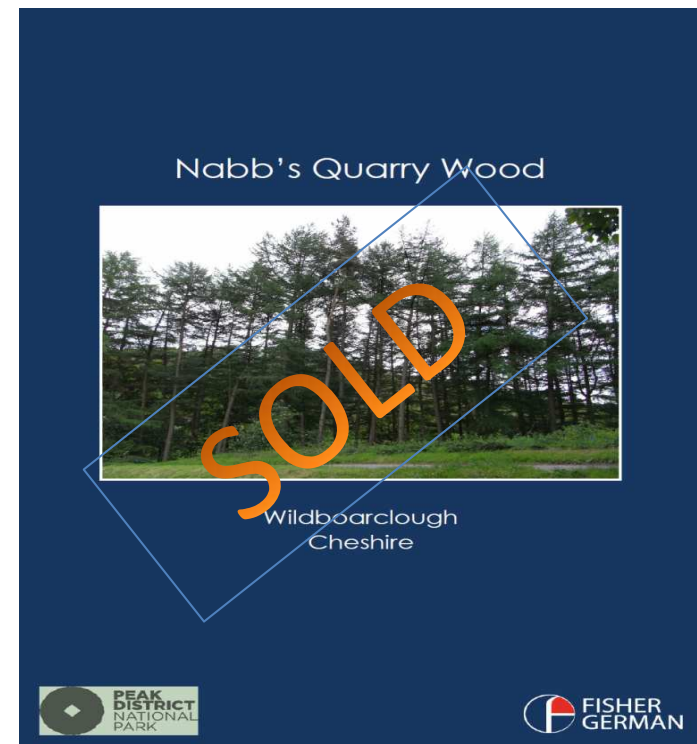
A couple seeking to own a woodland to enjoy with their two young children

A hobby conversationalist passionate about wildlife





Significant surveyor and legal time committed over sustained period





This page is intentionally left blank

APPENDIX 2

Asset Management

Operational Financial Performance

Philip Naylor (CFO)

1st December 2017



Local Authorities, Accountants and CIPFA

- Value for money in the use of assets for the provision of public services cannot be managed or measured without some form of explicit asset management plan.
- Public sector assets must be commissioned to meet needs, be well used and managed, and be as flexible as possible to maximise their utility and eventual residual value.
- The reported costs of individual services should include on a consistent and comparable basis , a measure of the cost of the fixed assets used.
- The charge to service revenue accounts for the cost of fixed assets should be linked directly to the amounts at which the assets are included in the balance sheet.
- Assets which do not contribute to objectives should be disposed of.

Accounting for Property Costs

- All running costs of owning property are allocated to specific property or service cost centres (rent, rates, maintenance, cleaning, utilities etc) together with any related income arising from use of the property (Eg rents, charges etc)
- In the Authority's final accounts, added to the costs above is a depreciation charge against the service using the asset (depreciation charge = the allocation of the cost of using the asset for one year representing the decrease in value of the asset over that period) to allow a true measure of total resources used to be understood.
- Most property is shown on the Authority's balance sheet at its replacement cost in existing use and this is what the depreciation charge is based on.
- The other important cost to understand is the opportunity cost of using the property. Any business case for continuing to use a property asset (and especially at the disposal stage) should understand what the alternative use value of the asset is.



Accounting for Property Costs continued

- Property costs may be incidental to the provision of the service (e.g. a Ranger briefing centre, Ashbourne Cycle Hire centre), they may be incidental but still a major cost (e.g. Aldern House or Edale Centre) or may be the raison d'être itself (North Lees, Warslow, Eastern Moors, Hard Rake etc)
- Owning property assets is not necessary for the achievement of national park purposes, but Members may decide that ownership is the best approach to certain important properties for conservation or recreation purposes (eg Warslow, Trails, North Lees)
- Where ownership of property assets is not necessary, or is discretionary, financial objectives may be set to minimise or eliminate the cost of ownership
- These financial objectives may also be set for certain services which are discretionary and are capable of income recovery

Budgeting for Property Costs

- Where property is owned for conservation and or recreation purposes Members will decide what net cost they are prepared to allocate to this to achieve National Park purposes.
- This may be full cost recovery (100%) or a lower percentage of full cost recovery, depending on the National Park purposes they wish to achieve, or may just be an amount considered to be affordable in any given year or years.
- Property which forms an incidental part of a service will be managed according to value for money and efficiency criteria alongside any other supplies and services supporting that activity, within the agreed budget.
- There will always be a tension in a trading service or full cost recovery service between asset condition and affordability within the financial objective.
- Members should try to give “strategic certainty” and a sensible planning horizon for important assets to support value for money and long term decisions.



Conservation & Recreation Purposes £,000

Property	Income	Expenditure	Net Direct Cost	Support Recharges	Full Cost	Full Cost %
Warslow	(327)	273	(54)	54	0	100
North Lees	(196)	173	(23)	38	15	93
Car Parks & Toilets	(142)	166	24	32	56	72
Minor Properties	(33)	31	(2)	16	14	70
Trails	(192)	323	131	59	190	50
Eastern Moors	(21)	46	25	2	27	44
Woodlands	(9)	56	47	10	57	14

“Incidental” Property £,000

Property	Income	Expenditure	Net Direct Cost	Support Recharges	Full Cost	Full Cost %
Aldern House	(50)	261	211	0	211	-
Ranger Briefing Centres	(?)	39	39	?	39	(Approx 6% of service budget)

“Trading” Services £,000

Service	Income	Expenditure	Property Cost	Net Direct Cost	Support Recharges	Full Cost	Full Cost %
Cycle Hire	(304)	249	16	(39)	58	19	94
Visitor Centres	(583)	666	60	143	110	253	70

This page is intentionally left blank

12. WOODLAND DISPOSAL PROJECT – PROPOSED EARLY RELINQUISHMENT OF LEASEHOLD INTERESTS IN WOODLANDS (BR)

1. Purpose of the report

This report seeks approval to (where possible) negotiate the relinquishment of leasehold interests in woodlands

Key Issues

1. Leasehold woodlands run for a finite period subject to any statutory right to extension of terms
2. Leasehold woodlands cost significant sums each year and also subject to risk management issues.
3. Relinquishment of leases meets corporate strategy to rationalize property ownership
4. Alternatives to relinquishment to owner there may be assignment or subletting
5. Owners of the woods may not wish the leases to terminate
6. Residual value of the leases may have to be foregone
7. Where possible protection measures for the special amenity of woods may be negotiated where not designated.

2. Recommendation

To authorise the Director of Commercial Development and Outreach in consultation with the Chair and Vice Chair of this committee Head of Finance and Head of Law to surrender, assign or sublet leases of woodlands where possible in relation to the 10 leasehold woods identified in Appendix 1(coloured orange) and the remaining leasehold woodlands shown in Appendix 1(coloured yellow) if they become identified for disposal in similar manner.

3. How does this contribute to our policies and legal obligations?

The Strategic Review of property undertaken by DTZ in November 2013 (section 3.10) recommended the disposal of woodlands which were no longer required to meet Authority objectives, expensive to manage and also on the basis that revenue from disposal could be utilised to secure the conservation of woodlands retained or improve woodland resource. Cautious disposal could be considered to ensure protection of the woods from any future potential for amenity damage in order to uphold the Vision Framework of the PDNPA Management Plan.

This recommendation for reduction of the woodland portfolio is reflected in Our Corporate Strategy as Cornerstone 1 Our Assets Item 1. Reducing the size of our property portfolio.

4. Background Information

The Audit, Resource and Performance meeting of 22nd January 2016 agreed the disposal of 28 freehold identified subject to any future disposals at undervalue to be approved by Head of Finance and Director of Conservation and Planning in consultation with Chair and Vice Chair of ARP (Minute No 4/16).

Members received a presentation on progress with the Woodlands Disposal Project at the Members Forum on Asset Management on 1st December 2017. This presentation is included in the report on Asset Management at today's meeting. Progress so far has concentrated on the disposals of freehold woodlands. This report concentrates on leasehold woodlands.

The ARP report referred to above stated that 'a separate review of existing leases in categories 1 and 2 will be carried out to look in more detail how best to approach the landlords about the early termination of these leases'. This wording did not however make it specifically clear that Members gave approval to leasehold disposals as well as freehold ones. Advice from the Head of Law has therefore been obtained as follows:

'The Authority's Asset Disposal Procedure requires that any disposal other than by way of open market sale must be approved by ARP. A surrender of an assignable lease to the landlord would be a disposal to a single party, and therefore would require ARP approval. Given that ARP have not given specific approval to the surrender of these woodlands, some of which are not within the original categories 1 and 2, and given that the earlier disposal programme focused on freehold woodland disposals, it would be prudent to bring these leasehold woodlands specifically to Members' attention before proceeding with early termination of the leases, some of which still have significant time left to run'.

5. Proposals

It is now proposed to negotiate the early relinquishment of leasehold interests in 10 woodlands identified coloured orange at Appendix 1 attached and marked on the plan at Appendix 2. These woodlands have been assessed as 'least' meeting the Authority's objectives.

Negotiations for the early to relinquishment of further leasehold woodlands, coloured yellow on Appendix 1, may also be entered into at a later date subject to further detailed assessment of their value in meeting objectives and when any outstanding works recommended by the Woodland Manager have been completed.

Negotiations will endeavour to relinquish leases back to the freeholders without payment and where feasible with assurances as to future woodland conservation and enhancement.

Where the owner is not interested in accepting the surrender of the lease, there is a very small possibility that the lease could be assigned or sublet to third parties.

Are there any corporate implications members should be concerned about?

6. Financial:

There is some residual value to the Authority in the remaining years of the respective leases if they ran on to their full term. These values have been assessed by the District Valuer but are relatively modest amounts totalling under £7,000 for the 10 leaseholds currently identified for relinquishment.

It has been assessed that the non-pay net cost saving to the Authority on disposal would be in the region of £1800 per annum with regard to the 10 leaseholds identified and therefore the value stated above would be recouped in a short time.

It is also accepted that the owners of the woods would be highly unlikely to accept the surrender of the Authority's leasehold interest if they had to pay and it is therefore recommended that any such value is waived.

7. Risk Management:

- Detrimental PR through disposal of Authority managed woodland
- Owners unwilling to release leaseholds
- Owners requiring an 'endowment' on relinquishment
- Terms of release failing to secure Authority objectives
- No third party interest
- Significant amount of staff time involved without any guarantee of a successful outcome
- The Authority may continue to handle any future land compliance issues

8. Sustainability:

No issue

9. Equality:

No issues

10. Background papers (not previously published)

None

Appendices

Appendix 1 - Leasehold woodland schedule

Appendix 2 - Leasehold woodland plan

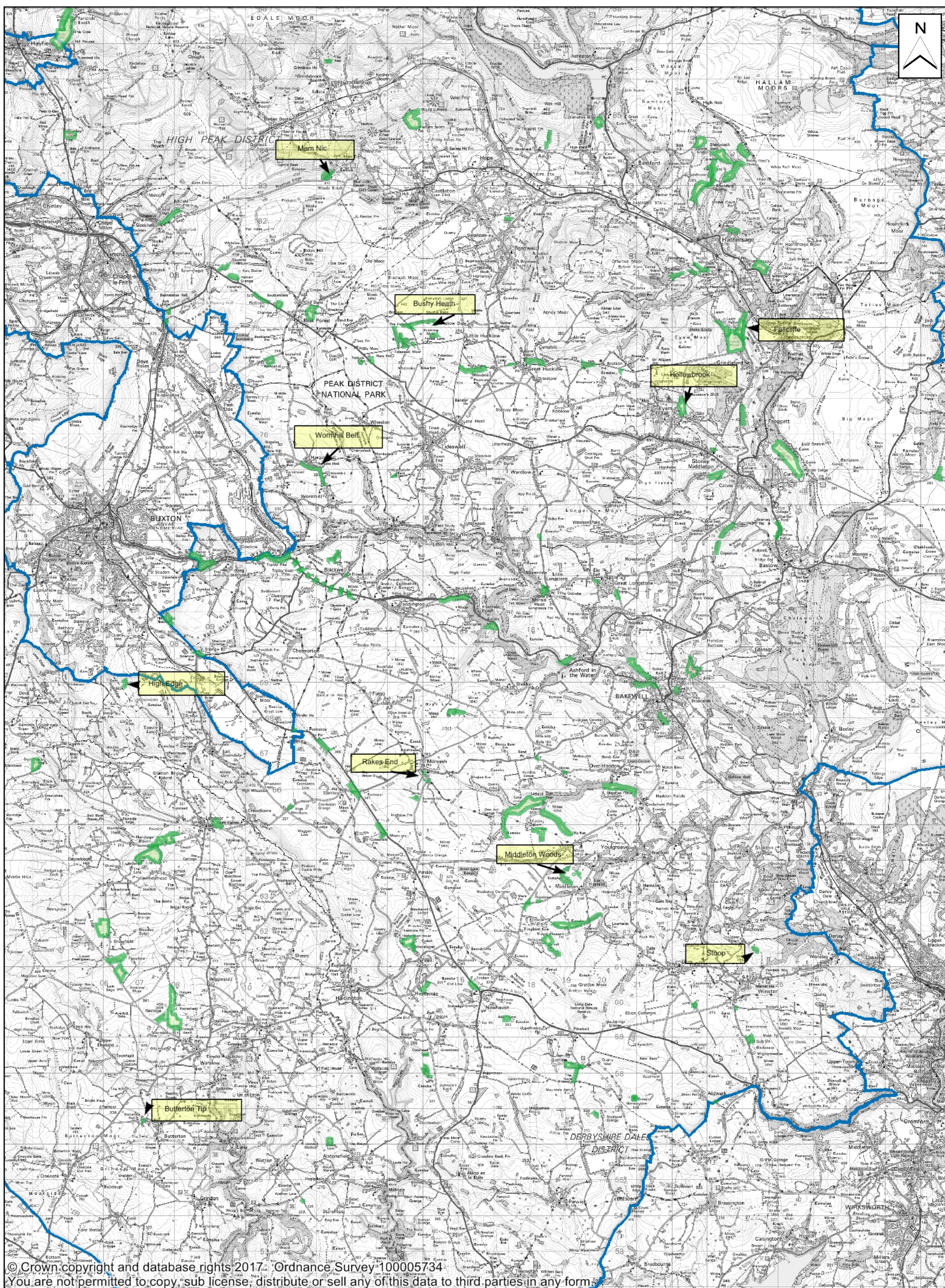
Report Author, Job Title and Publication Date


Bill Robinson, Rural Surveyor, 10 January 2018

This page is intentionally left blank

Appendix 1				
5th December 2017				
Description				
	Date of Lease	Start of Lease	Term	End Date
Aldwark Tip				
Aleck Low Woodland				
Bank Wood North				
Bank Wood South				
Bretton Tip				
Bushey Heath Woodland	6th June 1983	29th September 1981	99 years	28th September 2080
Butterton Tip	4th August 1980	date of lease	99 years	3rd August 2079
Chapel Plantation				
Cobblersnook Plantation				
Crossdale Quarry				
Fallcliffe Wood (part of Leam Woods)	31st January 1978	25th December 1971	99 yrs	24th December 2070
Great Hucklow Wood	31st January 1978	25th December 1971	99 yrs	24th December 2070
Harratt Grange Wood				
Hartington Moor - Compt 1				
Hartington Moor - Compt 2				
High Edge Woodland	15th October 2007	15th October 2007	10 yrs	14th October 2017
Hollowbrook Wood	17th October 2005	date of lease	99 yrs	16th October 2104
Home Wood (Leam Hall)				
Kenslow Wood				
Lime Avenue Woodland, Tissington				
Mam Nick Woodland/ Rushop Edge	23rd December 2003			28th September 2023
Minninglow Hill Woodland				
Monsal Head Woodland				
Rake End Tip	20th July 1976	1st February 1976	42 yrs	31st January 2018
Scratta Tip				
Sherriff Wood				
Stoop Plantation	20th April 1999	date of lease	99 yrs	19th April 2098
Torr Farm - Compt 1				
Torr Farm - Compt 2				
Wormhill Belt	16th December 1974	29th September 1973	99 yrs	28th September 2072
Middleton Woods	24th March 2003	23rd March 2018	15yrs	23rd March 2018

This page is intentionally left blank



Drawn by:	Robinson Bill	Title:	Leasehold Woodland Disposal Phase 6 - Tranche 1	 PEAK DISTRICT NATIONAL PARK
Date:	09 January 2018			
Drawing No:	Appendix 2			
Scale:	1:100000 at A3			

This page is intentionally left blank