Public Document Pack

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

Our Ref: A.1142/2718

Date: 13 May 2021

NOTICE OF MEETING

Meeting: **National Park Authority**

Date: **Friday 21 May 2021**

Time: **10.00 am**

Venue: **Cliff College, Calver, S32 3XG**

                (Venue location plan attached.)

SARAH FOWLER
CHIEF EXECUTIVE

HANDS   FACE   SPACE
FRESH AIR

Link to meeting papers:

https://democracy.peakdistrict.gov.uk/ieListDocuments.aspx?CId=129&MId=2718&Ver=4

AGENDA

1. **Roll Call of Members Present, Apologies for Absence and Members' Declarations of Interest**

2. **Minutes of previous meeting of 19th March 2021** *(Pages 7 - 12)*   5 mins

3. **Urgent Business**

4. **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.

5. **Chair's Announcement**   5 mins

6. **Chief Executives Report (SLF)** *(Pages 13 - 20)*   5 mins
Appendix 1

FOR DECISION

7. **External Audit 2020/21 Audit Strategy (JW)** *(Pages 21 - 58)*   10 mins
Appendix 1

8. **Internal Audit Block 2 (JW)** *(Pages 59 - 80)*   10 mins
Appendix 1

Appendix 2

Appendix 3

9. **Internal Audit 2020/21 Annual Report** *(Pages 81 - 92)*   10 mins
Appendix 1

10. **2020/21 Outturn Report (JW)** *(Pages 93 - 112)*   30 mins
Appendix A

Appendix B

Appendix C

Appendix D

Appendix E

11. **Treasury Management Policy Statement and Annual Management and Investment Strategy (A1327/JW)** *(Pages 113 - 158)*   10 mins
Appendix 1

Appendix 2

Appendix 3

ITEMS FOR INFORMATION

19. **Exempt Information S100(A) Local Government Act 1972**
The Committee is asked to consider, in respect of the exempt item, whether the public should be excluded from the meeting to avoid the disclosure of Exempt Information.

Draft motion:

That the public be excluded from the meeting during consideration of agenda item 20 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).

PART B

20. **Exempt Minutes of the Meeting held on 19th March 2021** *(Pages 327 - 328)* 5 mins

Duration of Meeting

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

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

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

Agendas and reports

Copies of the Agenda and Part A reports are available for members of the public before and during the meeting. These are also available on the website 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 on the Authority's website.

Public Participation and Other Representations from third parties

In response to the Coronavirus (Covid -19) emergency our head office at Aldern House in Bakewell has been closed. However as the Coronavirus restrictions ease the Authority is preparing to return to physical meetings but within current social distancing guidance. Therefore meetings of the Authority and its Committees may take place at venues other than its offices at Aldern House, Bakewell. Public participation is available and anyone wishing to participate at the meeting under the Authority's Public Participation Scheme is required to give notice to the Head of Law 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 816352, 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. During the period May 2020 to April 2021, due to the Covid-19 pandemic situation, Authority meetings were broadcast via Youtube and these meetings are also retained for three years after the date of the meeting.

General Information for Members of the Public Attending Meetings

In response to the Coronavirus (Covid-19) emergency our head office at Aldern House in Bakewell has been closed. The Authority is now preparing to return to physical meetings but within current social distancing guidance. Therefore meetings of the Authority and its Committees may take place at venues other than its offices at Aldern House, Bakewell. Also due to current social distancing guidelines there may be limited spaces available for the public at meetings and priority will be given to those who are participating in the meeting. It is intended that the meetings will be audio broadcast and available live on the Authority's website.

This meeting will take place at Cliff College, Calver. 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 there is no refreshment provision available.

To: Members of National Park Authority:

Chair: Cllr A McCloy
Deputy Chair: Mr J W Berresford

	Cllr J Atkin
Cllr W Armitage	Cllr P Brady
Cllr M Chaplin	Cllr D Chapman
Cllr C Farrell	Cllr C Furness
Cllr A Gregory	Prof J Haddock-Fraser
Mr Z Hamid	Ms A Harling
Cllr A Hart	Cllr Mrs G Heath
Mr R Helliwell	Cllr I Huddlestone
Cllr B Lewis	Cllr C McLaren
Cllr Mrs K Potter	Cllr V Priestley
Cllr K Richardson	Miss L Slack
Mr K Smith	Cllr P Tapping
Cllr R Walker	Mrs C Waller
Cllr G D Wharmby	Ms Y Witter
Cllr B Woods	

Constituent Authorities
Secretary of State for the Environment
Natural England

This page is intentionally left blank

Location Plan

1:5000
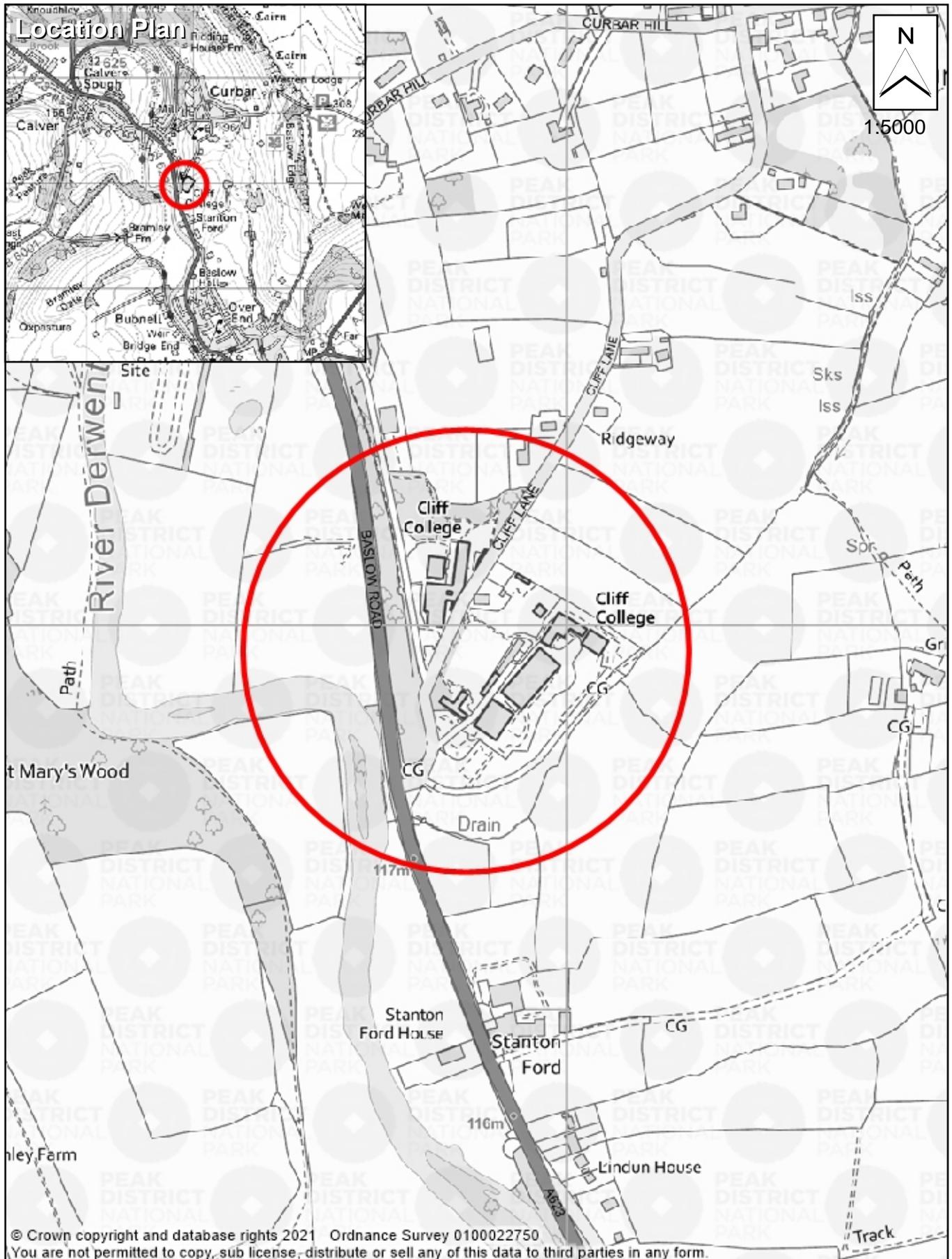
Committee Date:	Friday 21st May	**Title:** Cliff College Calver Hope Valley S32 3XG	
Grid Reference:	SK248740		PEAK DISTRICT NATIONAL PARK

This page is intentionally left blank

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

MINUTES

Meeting:	**National Park Authority**
Date:	Friday 19 March 2021 at 10.00 am
Venue:	Webex - Virtual Meeting
Chair:	Cllr A McCloy
Present:	Mr J W Berresford, Cllr J Atkin, Cllr W Armitage, Cllr P Brady, Cllr M Chaplin, Cllr D Chapman, Cllr C Farrell, Cllr C Furness, Cllr A Gregory, Prof J Haddock-Fraser, Mr Z Hamid, Ms A Harling, Cllr A Hart, Cllr Mrs G Heath, Mr R Helliwell, Cllr I Huddlestone, Cllr C McLaren, Cllr Mrs K Potter, Cllr V Priestley, Cllr K Richardson, Mr K Smith, Cllr P Tapping, Cllr R Walker, Mrs C Waller, Cllr G D Wharmby, Ms Y Witter and Cllr B Woods
Apologies for absence:	Cllr B Lewis and Miss L Slack.

13/21   ROLL CALL OF MEMBERS PRESENT, APOLOGIES FOR ABSENCE AND MEMBERS' DECLARATIONS OF INTEREST

The Chair advised that Cllr Chapman would be late to the meeting.

Item 8

Mr Hamid declared that he was one of the Member appointees to the board of the Peak District National Park Foundation.

14/21   MINUTES OF PREVIOUS MEETING HELD ON 19 FEBRUARY 2021

The minutes of the National Park Authority meeting held on the 19 February 2021 were approved as a correct record.

15/21   URGENT BUSINESS

There was no urgent business.

16/21   PUBLIC PARTICIPATION

No members of the public had given notice to make representations to the Committee.

17/21   AUTHORITY CHAIR'S REPORT

The Chair reported the following :

- The Peak District National Park Foundation had exceeded its fund raising target of £70,000 to mark the 70th anniversary of the National Park, and had raised £130,000. The Foundation had paid out over £100,000 in grants to a variety of good causes.
  The Chair offered his thanks to all Officers involved, and in particular Sarah Slowther, Fundraising Development Manager.

- The Moors for the Future Partnership had been announced as the runner up in the Peak Protector Awards, organised by the Campaign for Rural England. The Chair offered his congratulations to the MFFP Team.

- The government had announced that the Hope Valley railway line will receive an investment of £137 million, to improve its services.   Work will begin in 2022 and be finished in 2023.

- The government had not yet made an announcement with regards to its response to the Landscape Review

18/21   CHIEF EXECUTIVE'S REPORT

Members noted the Chief Executive's report that included updates to Members on key items since the previous Authority meeting, including:

- Roadmap to cautiously ease lockdown restrictions
- Meeting of the All Party Parliamentary Group (APPG) for National Parks
- Parishes Bulletin 39

RESOLVED:

To note the report.

19/21   INTERNAL AUDIT REPORT BLOCK 1 2020/21

The report was introduced by Ian Morton (Internal Auditor), Veritau, who confirmed that the Authority had received the highest level of Substantial Assurance and that there were no formal findings or management actions required. The three areas audited were, Payroll, Information Governance and Creditors. It was noted that the work had been carried out remotely and Mr Morton thanked the staff involved.

The Chair congratulated Officers on a positive report.

A motion to support the recommendations was proposed and seconded, put to the vote and carried.

RESOLVED:

1. **That the Internal Audit reports for the three areas covered under Block 1 for 2020/21 (in appendices 1 to 3 of the report – Payroll, Information Governance and Creditors be received and the Substantial Assurance opinion with the requirement of no management actions noted.**

20/21   COMMERCIAL STRATEGY 2019-24 (AKB)

The report was introduced by the former Director of Commercial Development and Engagement, who underlined that as well as being a strategy for the Authority it was also a strategy for the place, i.e. the National Park. He thanked the Officers who had contributed to the Strategy.

In response to Member's queries, Officers advised:

- The term "excluding charges" on page 45 of the report referred to internal visitor services back office charges.

- Following the launch in July 2020, online sales had remained strong throughout the pandemic. The Director did not have figures to hand but confirmed that they would be provided by the Visitor Experience Development Manager.

- Regarding Pillar 3 and the target of diversification of the portfolio, the Authority will aim to generate income, to support for example net zero with nature projects

- The list of skills gaps and challenges will be addressed through training and support for existing staff and consideration of future capacity/capability needed will form part of the medium term financial plan .

An amendment to the Strategy, in "Core Principles" to include cultural heritage in the definition of ecosystem services was requested and agreed.

A motion to approve the recommendation was moved and seconded.

Members asked how the strategy will be monitored and were advised that it will be reported on via the KPIs in the Corporate Strategy.

The motion was voted on and carried.

RESOLVED

To endorse and confirm the Commercial Strategy with responsibility for delivery delegated to the Heads of Engagement and Asset Management in consultation with the Head of Finance.

21/21   CLIMATE CHANGE MEMBER TASK GROUP ANNUAL REPORT

The report was introduced by the Head of Information and Performance Management and Professor Haddock-Fraser, the Chair of the Task Group.

Members agreed that the Group had developed an in depth understanding of the issues, and thanks and congratulations were offered to members of the Group and the Officers supporting it.

A motion to approve the recommendation was proposed.

The motion was seconded, voted on and carried.

RESOLVED:

1. **To note the achievements of the Climate Change Member Task Group to date and that the current members of the group are: Cllr Chapman, Cllr Farrell, Cllr Furness, Prof Haddock-Fraser, Ms Slack and Mr Smith.**

2. **To approve the updated terms of reference for the Climate Change Member Steering Group at Appendix 1 of the report.**

3. **To approve the Climate Change Member Steering Group's priorities for 2021/22.**

4. **To confirm that attendance at meetings of the Steering Group is an approved duty for the purpose of claiming travel and subsistence allowances.**

The meeting adjourned for a short break at 11.30 and reconvened at 11.40. It was noted that Cllr Hart would have to leave at 12 noon and Cllr Woods at 12.30.

22/21   **SOUTH WEST PEAK LANDSCAPE PARTNERSHIP (SWPLP) RESTORATION OF TWO FIELD BARNS**

The report was introduced by the South West Peak Landscape Partnership Programme Manager

It was noted that the matter had come to Members due to the amount of the grant to be offered exceeding the delegation threshold.

A motion to approve the recommendation was moved.

Members requested clarification of the meaning of "provisional sums" and were advised that these are contingencies on quotes from contractors and have been scrutinised.

The motion to approve the recommendation was seconded.

Members asked what provisions had been made to ensure that the barns were used for agriculture and not converted for residential use. Officers confirmed that it is a requirement of the grant that the barn is maintained in low key agricultural use for a minimum of 10 years. The project is monitored by the SWPLP Cultural Heritage Officer and the build is managed by a Conservation Architect. No grant payment will be made until each stage of the process is signed off by the Conservation Architect.

The motion was voted on and carried.

RESOLVED

To approve the offer and payment of the SWPLP grants for the restoration of the two field barns Hobcroft Barn (£74,675) and Cundy Green Barn (£33,660).

23/21   **DERBYSHIRE STRATEGIC PLANNING FRAMEWORK MEMBER UPDATE**

The report was introduced by the Head of Planning

Members discussed where the decisions regarding strategic cooperation between authorities are taken, and were advised that this takes place at the D2N2 Board for Economic Prosperity. The Chair of the Authority is not a part of this Board at present but will explore with the Head of Planning whether the Authority should have a representative on this Board.

A motion to support the recommendation was proposed and seconded.

Members requested clarification of how the National Park Authority engages with other local authorities outside Derbyshire on strategic planning cooperation, and were advised that there are formal mechanisms for this non statutory process at local plan level and via statements of common ground.

The motion was voted on and carried.

RESOLVED

1. **To note the progress made in developing the Strategic Planning Framework (SPF) to date as set out in Appendix 1 of the report**

2. **To endorse the continued participation of Planning Officers in developing the Strategic Planning Framework.**

24/21   EXEMPT INFORMATION S100(A) LOCAL GOVERNMENT ACT 1972

RESOLVED

That the public be excluded from the meeting during consideration of Item 13 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)"

SUMMARY

The following item was considered in the exempt part of the meeting:

25/21 Exempt Minutes of the Meeting held on 19 February 2021

The meeting ended at 12.20 pm

This page is intentionally left blank

6. CHIEF EXECUTIVE'S REPORT (SLF)

1. Purpose of the report

To up-date members of key items since the previous Authority meeting

2. Recommendation

1. **For members to note the report**

3. Key Items

Celebrating Peak District National Park's 70th Birthday. April 2021 saw us celebrate our 70th Birthday, with our official birthday on 17th April 2021. We made the decision to pare back any celebration in the week before and on the day of our birthday in respect of the sad passing of HRH the Duke of Edinburgh at the age of 99 and because the Duke's funeral took place on 17th April. We instead recognised our 70th birthday the following week and on the weekend of the 24 April – coinciding with the events of the Mass Trespass, a pivotal event in national park history in its own right. A number of news channels broadcast our 70th Anniversary and we launched Chapter 3 of Voices from the Peak which can be heard here.

Easing of lockdown up-date. As the government continues to progress through the four-step roadmap to cautiously ease lockdown restrictions in England, we are planning our operational activity appropriately. We continue to put the wellbeing and care of our staff, volunteers and members at the forefront of our approach. Under the government roadmap it is not until stage 3 and 4 that workplace measures are anticipated to change. We're once again surveying staff to check how everyone is getting on and how people's preferred working arrangements may have changed since our last survey. Alongside this, Heads of Service are identifying how factors such as combined home and office working may impact on our operations across the services. The data from both of these insights will help us in our plans as we return to the workplace over the coming weeks and months, which we'll undertake in liaison with Staff Committee and Unison. We've also received approval for the Authority to offer a collect from the workplace home testing service and distribution and this will be distributed to staff when it is available. We continue to work closely with a wide range of partners to collaborate across the National Park to the easing of the lockdown restrictions. We are taking a cross park approach to consistent messaging as well as an area management approach in particularly critical areas where a multi-agency approach is required. We're supporting a community ambassador scheme for litter picking and set up pop engagements to promote the countryside code. The most recent Parishes Bulletin 39 can be seen at appendix 1 and we are currently working on Bulletin 40.

National Park Grant confirmed for 2021-22. In early April I received notification of the National Park Grant (NPG) we'll get from Defra for 2021/22. The National Park Grant for 2021/22 is £6,698,847.00. This represents a flat cash rollover of the budget we received in 2020/21 and includes the funding that was earmarked in 2020/21 specifically for biodiversity outcomes (and for 2021/22 this has not been ring-fenced to biodiversity). Defra have noted that "given other funding pressures across the department, we believe this represents a fair and affordable settlement." We planned for a reasonable worst case scenario for the 2021/22 budget of a flat cash NPG settlement without the biodiversity fund. This notification that the biodiversity fund has been baselined into our budget for 2021/22 is positive news. It means the cuts we made last year to secure a balanced budget this year gives us some breathing space for this year and possibly into 2022/23, however further work is anticipated to be required from 2023/24 onwards. We will use this confirmation of our grant for 2021/22 to refresh our medium term financial plan and share this with members over the autumn to inform any

future decisions on spend. The 2021-22 Budget report to members at the February Authority meeting highlighted the 'Farming in Protected Landscapes' transition proposal which is intended to provide funding to farmers via National Park Authorities and Areas of Outstanding National Beauty bodies. Suzanne Fletcher, alongside staff in other National Parks and AONBs, has been advising Defra as they have developed this proposal for delivery. While details of this scheme have not yet been released, we are hoping to hear imminently and any funding to be made available shortly, which will be ring-fenced for this initiative only.

Progress at Brosterfield. In 1998, the Authority gave planning permission for what was intended to be a touring caravan site at Brosterfield. This permission was subsequently contested by the then owner who argued that static homes could be sited there. The Authority challenged this interpretation, however after appeal the Authority's case was lost and the Authority accepted the permission could allow the presence of static homes. In 2012 the Authority, with the support of the community, purchased the site for £650,000, in order to protect the landscape and prevent it becoming an unconditional static caravan site, with the fully disclosed shared intention of reverting it to a touring caravan site. In February 2020 the Authority's planning committee granted planning permission to allow for plans that were in line with those intended from the original 1998 permission at Brosterfield caravan site. In February 2021, the Authority considered options for the site and agreed to sell the site to the Foolow Community at an agreed price, with exchange of contracts by 28 February 2022, subject to gateway reviews being passed by the Foolow Community proposals. The first gateway being the submission of a robust business plan by the community. In April the Brosterfield Officers Working Group reviewed the business plan presented to it by the Foolow Community (now called the Foolow Wildwood Project Community Team – 'The Team') and have confirmed this has passed the first gateway review in accordance with the National Park Authority Committee minute (Minute No 7/21). The Team have been informed and has launched wider fund raising campaign including a web site. The Team has agreed to provide regular updates to the Brosterfield Officers Working Group on their progress.

All Party Parliamentary Group for National Parks meeting on 27 April 2021: National Parks at the Heart of Nature Recovery –This meeting was supported by National Parks England (NPE). As the lead National Park Officer for nature recovery across England I provided an overview of National Parks England's Wildlife Delivery Plan, explained National Parks aspiration to be beacons for nature recovery, and made the argument for how, with our expertise, knowledge and convening power, Protected Landscapes can deliver effective landscape-scale nature recovery. Howard Davies, Chief Executive, National Association for Areas of Outstanding Natural Beauty gave a brief talk to illustrate how initiatives delivered collaboratively by National Park Authorities and Areas of Outstanding Natural Beauty can deliver nature recovery objectives more effectively. Neil Heseltine, Chair of Yorkshire Dales National Park Authority and a fourth generation farmer provided a personal perspective on how farmers in protected landscapes can be helped to make the sort of transformation that will be needed to deliver nature recovery and other public goods as part of viable future farm businesses.

National Parks Experience Collection. In January 2020, the Programme and Resources Committee gave approval to submit a bid to round five of the Visit England Discover England Fund (DEF) to further develop the English National Parks Experience Collection. In considering the report Members asked for feedback about how successful the previous project had been and suggested that the next stage should consider sustainable tourism particularly encouraging domestic overnight visitors. After some delay due to the pandemic we were successful in securing funding from Visit England. The initial phase of the project ran from in January 2018 to September 2019, with the latest phase starting in October 2020 and running to April 2021. The COVID-19 pandemic has impacted bookings and trade interest. In summary the full project has delivered in three key areas:

- • **_Business support and product development_**: the initial phase delivered 72 new visitor experiences along with 85 accommodation providers curated into a new branded travel-trade focussed 'National Park Experience Collection' showcasing the unique offer of England's National Parks; a model for delivering ranger experiences in 6 National Parks: supporting over 150 businesses across the nine national parks with help from newly created toolkits and research and we held 250 training workshops for businesses. In this later phase we have supported the creation of 33 new experiences for domestic consumers with a total (to date) of 79 experiences bookable to the domestic consumer across all 10 National Parks and 13 new businesses entering the collection. We anticipate this number to grow, and having added the New Forest to the Collection in this phase we are already on boarding a business from Pembrokeshire Coast.
- • **_International market_**: new marketing collateral created for the international travel trade, with a focused website and buyers guide, which has been updated with the revised Collection.
- • **_Domestic market_**: a new consumer booking platform hosted by the UK National Parks website (www.nationalparks.uk), with the booking powered by a third party, showcasing 79 experiences across all 10 English National Parks
- • **_A sustainable legacy solution_** for on boarding new businesses and managing this collection in the future. Welsh and Scottish Parks are now actively considering the opportunity to join the collection.

4. Appendices

Appendix 1: Parishes Bulletin 39

Report Author, Job Title and Publication Date

Sarah Fowler, Chief Executive, 13 May 2021

This page is intentionally left blank

Parishes Bulletin 39

11 March 2021

Preparing for Summer

Welcome to this latest Parishes Bulletin, which arrives as we anticipate the start of returning to a life more familiar to us all in the coming weeks as the road map out of lockdown progresses.

As a result of the further relaxation of restrictions during April and May, we are expecting a significant increase in visitors. This is likely due to several factors; including the new found appreciation of our natural environment and a lack of opportunities along with a delay in the influence of leisure time and holidays abroad. This presents many opportunities as well as challenges as we work together to make sure that this happens in a way that supports the special qualities of the National Park.

We recognise the important role that the Peak District National Park has for the communities that live in, and around it, to provide breathing spaces and a place for quiet recreation that supports their physical and mental wellbeing. After a very difficult 12 months we need to work together to ensure everyone has a chance to benefit from what our protected landscapes have to offer.

The Authority is a relatively small organisation and much of our work is in partnership with the many agencies, landowners and communities who also work to look after the landscape of the National Park, such as the Parishes Forum.

The Authority will continue to monitor and patrol the National Park, with particular emphasis on the busiest visitor locations. Our focus continues to be on providing information to visitors and managing certain locations to prevent issues such as traffic congestion, wild camping and fire risk amongst others. Our staff do not have powers to enforce regulations and laws but work closely with agencies such as the police that do.

We are already working closely with those who have responsibilities for supporting visitor engagement and management in the Peak District. We have set up multi-agency coordination groups across both visitor planning and communications, to help us prepare for the easing of lockdown so we can collectively work to mitigate impacts and welcome people who come to enjoy the countryside with respect. We are also liaising regularly with National Parks across the UK who share many of the same challenges and this provides a chance to recognise and where viable, employ good practice from other regions.

The management of visitors will continue throughout the summer and as last year we would like to hear from the parishes about the partnership measures in place and whether these have alleviated some of the pressures communities may have felt. If you have any points you wish to raise, please email policy@peakdistrict.gov.uk

Visitor management

Car parks and toilet provision

All our carparks and toilets continue to be open (unless contained within a building restricted by wider Covid-19 measures, e.g. shops/visitor centres). We are working to increase litter collections as needed.

Public-participation events on Authority-managed property

The authority will not be granting permission for public participation events to run on its own property during March. A decision on whether this restriction will be maintained into April will be informed by visitor numbers observed during March.

Transport across the National Park/Car Parking

This year due to Covid-19 restrictions and reduced confidence in public transport we are expecting many people to travel to the Peak District by car. Last year we saw the issues this caused and have worked with the highways authorities to manage this by providing car park information, implementing double yellow lines where appropriate in areas like the Upper Derwent, Upper Padley and Thorpe/Dovedale   Linked to this the police and highways have been actively enforcing parking restrictions.

The highways authorities are again looking at other areas where temporary double yellow lines could be deployed and are already planning to actively enforce these at busy times. Officers are in regular contact with the colleagues in the police and highway authorities about traffic management.

To provide an alternative to the car and boost confidence in public transport we are in discussion again with Stagecoach and actively planning to bring back the Hope Valley Explorer visitor bus. We have protected our funding for the service and aim to see the service return during the summer holiday period and through to October this year. This will again link up the sites in the Upper Derwent down to the Hope Valley and through to Castleton and the Blue John Mine. We still believe that well connected and integrated travel options can help both promote great experiences but also mitigate some of the impact of private car use and encourage a better way forward in future.

Pop up Car Parks and Camp sites

One way to ease the demand for car parking has been to provide pop up car parks using the extended 56 day rule. We will be providing some best practice guidance around this and hope that you as Parish Councils will work with us and consider any suitable sites you are aware of that could be used in this way.

In a similar way the 56 day rule can be used to provide extra camping provision which again we know is in high demand. We will also be producing some best practice guidance around this.

#PeakDistrictProud (#PDP)

We await the government's anticipated re-launch of the 'Countryside Code' in spring 2021, and see this underpinning the sustainable visitor 'ask' for the National Park. This is expected to come with a set of national resources, to be confirmed. Locally with all of our stakeholders and partners, #PeakDistrictProud will be how we embed and encourage these behaviours. This will be through communications and supporting the hospitality industry to share good practice with guests and customers.

Community Action

We know partners and resident communities have pitched in to help with litter collections to compliment the work that rangers, gamekeepers and other land managers have been undertaking and that is welcomed. Whilst we welcome and engage with new visitors and collectively work to build understanding of both rights and responsibilities through our #Peak District Proud messages we know that challenges with litter will continue. We would welcome connecting up with litter champions in our village communities.

We have had several communities coming to us and offering to volunteer. We are looking at ways we can support groups and individuals to do this safely. One action we are working on is supporting litter picking as individuals and groups. We are building kits which will include physical resources and guidance including health and safety information. Our own teams are working with district councils to arrange for safe disposal of any litter collected. If your parish would be interested in this scheme and maybe hosting a litter collection kit please get in touch with Rachel.Mora-Bannon@peakdistrict.gov.uk We will be following up with a parish survey to ask questions about what support Parishes need.

Face to face resources

Our Rangers continue to be out and about carrying on with duties as much as possible under government guidance. This includes putting out 'dogs on leads' to protect stock, especially during lambing season, and the protection of ground nesting birds.

As lockdown eases we are working with our ranger and volunteer teams to have as many people as we can in visitor hot spots to engage, educate and encourage positive visitor behaviour. This can only take place within our existing capacity, and must recognise the health and wellbeing impacts on our staff that this work can have.

Planning Liaison Officer

From the 1 April 2021 David Marsden will be taking up the role of Planning Liaison Officer. Dave has previously worked within the Policy and Communities team and takes over from Fiona Todd who has moved full time into the Monitoring and Enforcement team. Dave's email address is david.marsden@peakdistrict.gov.uk

For any queries about this bulletin, please email policy@peakdistrict.gov.uk

This page is intentionally left blank

7.   EXTERNAL AUDIT - 2020/21 AUDIT STRATEGY (JW)

1.   **Purpose of the report**

This report asks Members to consider the 2020/21 External Audit Strategy Memorandum from our External Auditors, Mazars. Tom Greensill, Audit Manager at Mazars will be at Authority to present the Memorandum and to answer any questions.

Key Issues

- **The External Auditor presents the Strategy for auditing the financial statements and value for money arrangements at this time every year.**

- **Achieving an unqualified value for money opinion from the External Auditor is a corporate performance indicator – KPI 29.**

2.   **Recommendations**

1.   That the 2020/21 External Audit Strategy Memorandum 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 ambition in the Corporate Strategy to be an agile and efficient organisation. Achieving unqualified opinions from the External Auditor is a corporate performance indicator (KPI 29 – To have best practice governance, risk and performance management arrangements in place).

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. Following changes made as a result of the governance review, consideration of the External Auditor's Strategy is currently a matter reserved to the Authority.

Proposals

5.   The External Audit Strategy Memorandum for 2020/21 is given at Appendix 1. The Strategy outlines the scope of the work proposed and the External Auditor's assessment of audit risks and key judgement areas for the audit of financial statements and the value for money conclusion for 2020/21.

Are there any corporate implications members should be concerned about?

Financial:

6.   The planned fees for the External Audit of £10,209 are funded from the existing Finance budget. For 2019/20, as per the Audit Letter presented to Members in February 2021, the Auditors charged additional fees of £3,518 for additional testing on Property, Plant and Equipment and the Pension Scheme and £2,454 for additional costs relating to material uncertainty (covid-19 impact), audit risk assessments, going concern, and continuing impacts of the McCloud and Goodwin pension changes.

7.   The Auditors have notified the Authority that fees are likely to increase in 2020/21 due to enhanced expectations to audit requirements notably around increased work on Property, Plant and Equipment (PPE) and Pensions (£3,518 as in 2019/20) and an estimate of £2,454 for other work, likely to relate to the enhanced Value for Money requirements. This is accounted for in the 2021/22 budget. Any proposed increases to the fee to address, for example, changes to the identified risks or other additional required work will be discussed with the Head of Finance before approval is sought from PSAA.

Risk Management:

8.   The scrutiny and advice provided by External Audit is part of our governance framework. The External Auditor's work is based on an assessment of audit risk as explained in Appendix 1.

Sustainability:

9.   There are no issues to highlight.

Equality:

10.   There are no issues to highlight.

Climate Change

11.   There are no issues to highlight.

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

None

13.   **Appendices**

Appendix 1 - 2020/21 External Audit Strategy Memorandum

Report Author, Job Title and Publication Date

Justine Wells, Head of Finance, 13 May 2021

Audit Strategy Memorandum

Peak District National Park Authority

Year ending 31 March 2021

mazars

Contents

mazars

mazars

Peak District National Park Authority

Mazars LLP
Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Aldern House
Baslow Road
Bakewell
Derbyshire
DE45 1AE

Dear Sirs / Madams

Audit Strategy Memorandum – Year ending 31 March 2021

We are pleased to present our Audit Strategy Memorandum for Peak District National Park Authority for the year ending 31 March 2021. The purpose of this document is to summarise our audit approach, highlight significant audit risks and areas of key judgements and provide you with the details of our audit team. As it is a fundamental requirement that an auditor is, and is seen to be, independent of its clients, section 8 of this document also summarises our considerations and conclusions on our independence as auditors. We consider two-way communication with you to be key to a successful audit and important in:

• reaching a mutual understanding of the scope of the audit and the responsibilities of each of us;

• sharing information to assist each of us to fulfil our respective responsibilities;

• providing you with constructive observations arising from the audit process; and

• ensuring that we, as external auditors, gain an understanding of your attitude and views in respect of the internal and external operational, financial, compliance and other risks facing Peak District National Park Authority which may affect the audit, including the likelihood of those risks materialising and how they are monitored and managed.

With that in mind, we see this document, which has been prepared following our initial planning discussions with management, as being the basis for a discussion around our audit approach, any questions, concerns or input you may have on our approach or role as auditor. This document also contains an appendix that outlines our key communications with you during the course of the audit,

Client service is extremely important to us and we strive to provide technical excellence with the highest level of service quality, together with continuous improvement to exceed your expectations so, if you have any concerns or comments about this document or audit approach, please contact me on mark.surridge@mazars.co.uk

Yours faithfully

Mark Surridge

Mazars LLP

01

Section 01:

Engagement and responsibilities summary

1. Engagement and responsibilities summary

Overview of engagement

We are appointed to perform the external audit of Peak District National Park Authority (the Authority) for the year to 31 March 2021. The scope of our engagement is set out in the Statement of Responsibilities of Auditors and Audited Bodies, issued by Public Sector Audit Appointments Ltd (PSAA) available from the PSAA website: https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/. Our responsibilities are principally derived from the Local Audit and Accountability Act 2014 (the 2014 Act) and the Code of Audit Practice issued by the National Audit Office (NAO), as outlined below.

Audit opinion
We are responsible for forming and expressing an opinion on the financial statements. Our audit does not relieve management or the Authority, of their responsibilities.

Going concern
The Authority is required to prepare its financial statements on a going concern basis by the Code of Practice on Local Authority Accounting. The section 151 officer is responsible for the assessment of whether is it appropriate for the Authority to prepare it's accounts on a going concern. basis As auditors, we are required to obtain sufficient appropriate audit evidence regarding, and conclude on the appropriateness of the section 151 officer's use of the going concern basis of accounting in the preparation of the financial statements and the adequacy of disclosures made.

Fraud
The responsibility for safeguarding assets and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with both those charged with governance and management. This includes establishing and maintaining internal controls over reliability of financial reporting.

As part of our audit procedures in relation to fraud we are required to enquire of those charged with governance, including key management and Internal audit, as to their knowledge of instances of fraud, the risk of fraud and their views on internal controls that mitigate the fraud risks. In accordance with International Standards on Auditing (UK), we plan and perform our audit so as to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. However, our audit should not be relied upon to identify all such misstatements.

Value for money
We are also responsible for reaching a conclusion on the arrangements that the Authority has in place to secure economy, efficiency and effectiveness in its use of resources. We discuss our approach to Value for Money work further in section 5 of this report.

Reporting to the NAO
We report to the NAO on the consistency of the Authority's financial statements with its Whole of Government Accounts (WGA) submission.

Electors' rights
The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Authority and consider any objection made to the accounts. We also have a broad range of reporting responsibilities and powers that are unique to the audit of local authorities in the United Kingdom

Engagement and responsibilities summary | Your audit engagement team | Audit scope, approach and timeline | Significant risks and key judgement areas | Value for money | Fees for audit and other services | Our commitment to independence | Materiality and misstatements | Appendices

Page 29

mazars

5

02

Section 02:

Your audit engagement team

2. Your audit engagement team

- Your external audit service continues to be led by Mark Surridge.

Who	Role	E-mail
Mark Surridge	Engagement Lead	mark.surridge@mazars.co.uk
John Pressley	Engagement Manager	john.pressley@mazars.co.uk
James Sutton	In-charge	james.sutton@mazars.co.uk

Page 31

| Engagement and responsibilities summary | Your audit engagement team | Audit scope, approach and timeline | Significant risks and key judgement areas | Value for money | Fees for audit and other services | Our commitment to independence | Materiality and misstatements | Appendices |

mazars

7

03

Section 03:

Audit scope, approach and timeline

3. Audit scope, approach and timeline

Audit scope

Our audit is designed to comply with all professional requirements.

Our audit of the financial statements will be conducted in accordance with International Standards on Auditing (UK), relevant ethical and professional standards, our own audit approach and in accordance with the terms of our engagement. Our work is focused on those aspects of your business which we consider to have a higher risk of material misstatement, such as those impacted by management judgement and estimation, application of new accounting standards, changes of accounting policy, changes to operations or areas which have been found to contain material errors in the past.

Audit approach

Our audit approach is a risk-based approach primarily driven by the risks we consider to result in a higher risk of material misstatement of the financial statements. Once we have completed our risk assessment, we develop our audit strategy and design audit procedures in response to this assessment.

If we conclude that appropriately designed controls are in place then we may plan to test and rely upon these controls. If we decide controls are not appropriately designed, or we decide it would be more efficient to do so, we may take a wholly substantive approach to our audit testing. Substantive procedures are audit procedures designed to detect material misstatements at the assertion level and comprise: tests of details (of classes of transactions, account balances, and disclosures); and substantive analytical procedures. Irrespective of the assessed risks of material misstatement, which take into account our evaluation of the operating effectiveness of controls, we are required to design and perform substantive procedures for each material class of transactions, account balance, and disclosure.

Our audit will be planned and performed so as to provide reasonable assurance that the financial statements are free from material misstatement and give a true and fair view. The concept of materiality and how we define a misstatement is explained in more detail in section 8.

The diagram on the next page outlines the procedures we perform at the different stages of the audit.

Engagement and responsibilities summary | Your audit engagement team | Audit scope, approach and timeline | Significant risks and key judgement areas | Value for money | Fees for audit and other services | Our commitment to independence | Materiality and misstatements | Appendices

mazars

9
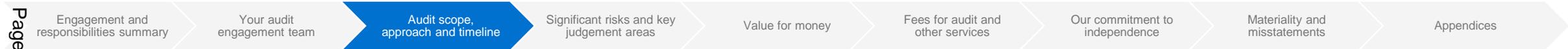
Audit scope, approach and timeline

Planning January - February 2021

- Planning visit and developing our understanding of the Authority
- Initial opinion and value for money risk assessments
- Considering proposed accounting treatments and accounting policies
- Developing the audit strategy and planning the audit work to be performed
- Agreeing timetable and deadlines
- Preliminary analytical review

Interim March 2021

- Documenting systems and controls
- Performing walkthroughs
- Interim controls testing including tests of IT general controls
- Early substantive testing of transactions
- Reassessment of audit plan and revision if necessary

Completion September 2021

- Final review and disclosure checklist of financial statements
- Final partner review
- Agreeing content of letter of representation
- Reporting to the Authority
- Reviewing subsequent events
- Signing the auditor's report

Fieldwork August 2021

- Receiving and reviewing draft financial statements
- Reassessment of audit plan and revision if necessary
- Executing the strategy starting with significant risks and high risk areas
- Communicating progress and issues
- Clearance meeting

| Engagement and responsibilities summary | Your audit engagement team | Audit scope, approach and timeline | Significant risks and key judgement areas | Value for money | Fees for audit and other services | Our commitment to independence | Materiality and misstatements | Appendices |

mazars
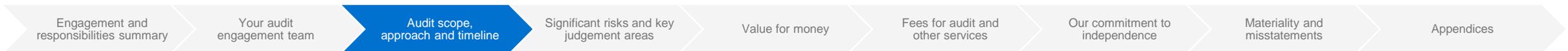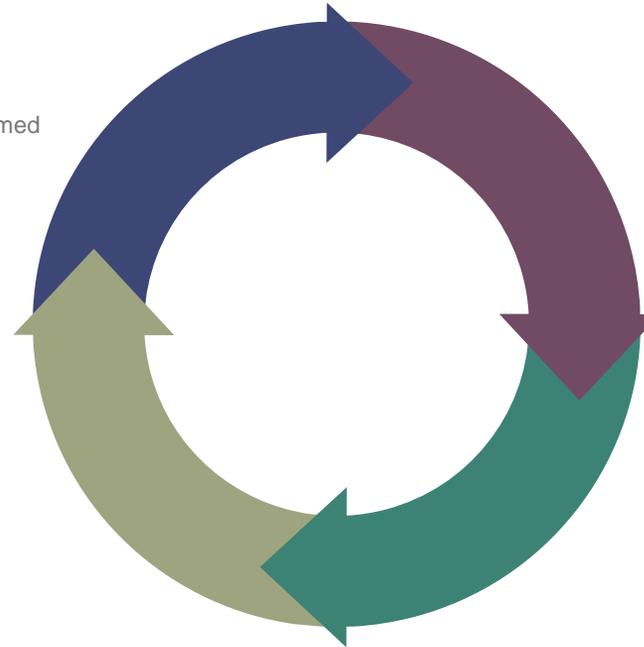
3. Audit scope, approach and timeline

Reliance on internal audit

We will liaise with internal audit to discuss the progress and findings of their work prior to the commencement of our controls evaluation procedures.

Management's and our experts

Management makes use of experts in specific areas when preparing the Authority's financial statements. We also use experts to assist us to obtain sufficient appropriate audit evidence on specific items of account.

Item of account	Management's expert	Our expert
Property Plant and Equipment	District Valuer Services	Third party evidence provided by Gerald Eve via the NAO to support our challenge of valuation assumptions.
Pensions	Hymans Robertson	PWC (Consulting actuary appointed by the NAO)

Page 35

Engagement and responsibilities summary | Your audit engagement team | Audit scope, approach and timeline | Significant risks and key judgement areas | Value for money | Fees for audit and other services | Our commitment to independence | Materiality and misstatements | Appendices

mazars

11
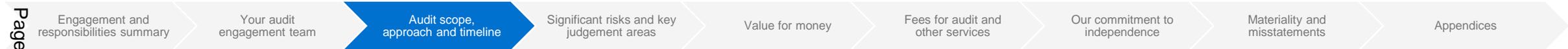
04

Section 04:

Significant risks and other key judgement areas

4. Significant risks and other key judgement areas

Following the risk assessment approach discussed in section 3 of this document, we have identified relevant risks to the audit of financial statements. The risks that we identify are categorised as significant, enhanced or standard. The definitions of the level of risk rating are given below:

Significant risk

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's judgment, requires special audit consideration. For any significant risk, the auditor shall obtain an understanding of the entity's controls, including control activities relevant to that risk.

Enhanced risk

An enhanced risk is an area of higher assessed risk of material misstatement ('RMM') at audit assertion level other than a significant risk. Enhanced risks require additional consideration but does not rise to the level of a significant risk, these include but may not be limited to:

• key areas of management judgement, including accounting estimates which are material but are not considered to give rise to a significant risk of material misstatement; and

• other audit assertion risks arising from significant events or transactions that occurred during the period.

Standard risk

This is related to relatively routine, non-complex transactions that tend to be subject to systematic processing and require little management judgement. Although it is considered that there is a risk of material misstatement (RMM), there are no elevated or special factors related to the nature, the likely magnitude of the potential misstatements or the likelihood of the risk occurring.

Page 37

| Engagement and responsibilities summary | Your audit engagement team | Audit scope, approach and timeline | Significant risks and key judgement areas | Value for money | Fees for audit and other services | Our commitment to independence | Materiality and misstatements | Appendices |

mazars

13
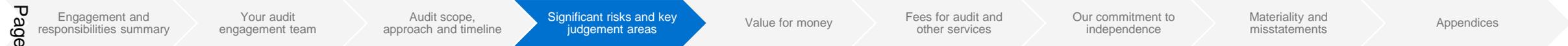
Significant risks and other key judgement areas

Summary risk assessment

The summary risk assessment, illustrated in the table below, highlights those risks which we deem to be significant and other enhanced risks in respect of the Authority. We have summarised our audit response to these risks on the next page.

1   Management override of controls

2   Net defined benefit liability valuation

3   Valuation of property, plant and equipment

Key: ● Significant risk   ● Enhanced risk / significant management judgement

| Engagement and responsibilities summary | Your audit engagement team | Audit scope, approach and timeline | Significant risks and key judgement areas | Value for money | Fees for audit and other services | Our commitment to independence | Materiality and misstatements | Appendices |

mazars

14

4. Significant risks and other key judgement areas

Specific identified audit risks and planned testing strategy

We have presented below in more detail the reasons for the risk assessment highlighted above, and also our testing approach with respect to significant risks. An audit is a dynamic process, should we change our view of risk or approach to address the identified risks during the course of our audit, we will report this to the Authority.

Significant risks

	Description	Fraud	Error	Judgement	Planned response
1	**Management override of controls** This is a mandatory significant risk on all audits due to the unpredictable way in which such override could occur. Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits.	●	-	-	We plan to address the management override of controls risk through performing audit work over accounting estimates, journal entries and significant transactions outside the normal course of business or otherwise unusual.

Page 39

Engagement and responsibilities summary | Your audit engagement team | Audit scope, approach and timeline | Significant risks and key judgement areas | Value for money | Fees for audit and other services | Our commitment to independence | Materiality and misstatements | Appendices

mazars

15

Significant risks and other key judgement areas

Significant risks

	Description	Fraud	Error	Judgement	Planned response
2	**Net defined benefit liability valuation** The defined benefit liability relating to the Local Government pension scheme represents a significant balance on the Authority's balance sheet. The Authority uses an actuary to provide an annual valuation of these liabilities in line with the requirements of IAS 19 Employee Benefits. Due to the high degree of estimation uncertainty associated with this valuation, we have determined there is a significant risk in this area.	-	●	●	We plan to address the risk by: • critically assess the competency, objectivity and independence of the Derbyshire Pension Fund's Actuary; • liaise with the auditors of the Derbyshire Pension Fund to gain assurance that the controls in place at the Pension Fund are operating effectively. This will included the processes and controls in place to ensure data provided to the Actuary by the Pension Fund for the purposes of the IAS 19 valuation is complete and accurate; • review the appropriateness of the Pension Asset and Liability valuation methodologies applied by the Pension Fund Actuary, and the key assumptions included within the valuation. This will include comparing them to expected ranges, utilising information by the consulting actuary engaged by the National Audit Office; and • agree the data in the IAS 19 valuation report provided by the Fund Actuary for accounting purposes to the pension accounting entries and disclosures in the Authority's financial statements

Engagement and responsibilities summary | Your audit engagement team | Audit scope, approach and timeline | Significant risks and key judgement areas | Value for money | Fees for audit and other services | Our commitment to independence | Materiality and misstatements | Appendices

mazars

16

4. Significant risks and other key judgement areas

Significant risks

	Description	Fraud	Error	Judgement	Planned response
3	**Valuation of property, plant and equipment** Land and buildings are a significant balance on the Authority's balance sheet. The valuation of land and buildings is complex and is subject to a number of management assumptions and judgements. Due to the high degree of estimation uncertainty associated, we have determined there is a significant risk in this area This risk covers: • Investment properties • Other PPE related assets.	–	●	●	We plan to address this risk by: • critically assessing the Authority's valuer's scope of work, qualifications, objectivity and independence to carry out the required programme of revaluations; • Considering whether the overall revaluation methodologies used by the Authority's valuer are in line with industry practice, the CIPFA code of practice and the Authority's accounting policies; • assessing whether valuation movements are in line with market expectations by considering valuation trends; • critically assessing the treatment of the upward and downward revaluation movements in the Authority's financial statements with regards to the requirements of the CIPFA code of practice. • Critically assessing the approach that the Authority adopts to ensure that assets that are not subject to revaluation in 2020/21 are materially correct, including considering the robustness of that approach in light of the valuation information reported by the Authority's valuers.

Engagement and responsibilities summary | Your audit engagement team | Audit scope, approach and timeline | **Significant risks and key judgement areas** | Value for money | Fees for audit and other services | Our commitment to independence | Materiality and misstatements | Appendices

mazars

17
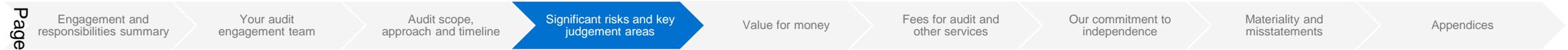
05

Section 05:

Value for Money

5. Value for Money

The framework for Value for Money work

We are required to form a view as to whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out in order to form our view, and sets out the overall criterion and sub-criteria that we are required to consider.

The new Code of Audit Practice (the Code) has changed the way in which we report our findings in relation to Value for Money (VFM) arrangements from 2020/21. Whilst we are still required to be satisfied that the Authority has proper arrangements in place, we will now report by exception in our auditor's report where we have identified significant weakness in those arrangements. This is a significant change to the requirements under the previous Code which required us to give a conclusion on the Authority's arrangements as part of our auditor's report.

Under the new Code, the key output of our work on VFM arrangements will be a commentary on those arrangements which will form part of the Auditor's Annual Report.

Specified reporting criteria

The Code requires us to structure our commentary to report under three specified criteria:

1. **Financial sustainability** – how the Authority plans and manages its resources to ensure it can continue to deliver its services
2. **Governance** – how the Authority ensures that it makes informed decisions and properly manages its risk
3. **Improving economy, efficiency and effectiveness** – how the Authority uses information about its costs and performance to improve the way it manages and delivers its services

Our approach

Our work falls into three primary phases as outlined on the following page. We need to gather sufficient evidence to support our commentary on the Authority's arrangements and to identify and report on any significant weaknesses in arrangements. Where significant weaknesses are identified we are required to report these to the Authority and make recommendations for improvement. Such recommendations can be made at any point during the audit cycle and we are not expected to wait until issuing our overall commentary to do so.

Page 43

Engagement and responsibilities summary | Your audit engagement team | Audit scope, approach and timeline | Significant risks and key judgement areas | Value for money | Fees for audit and other services | Our commitment to independence | Materiality and misstatements | Appendices

mazars

19
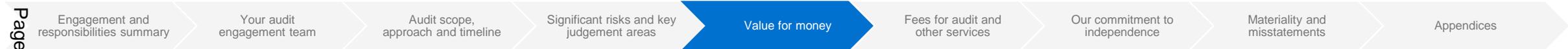
Value for money conclusion

Our Approach

Our work will follow the structure as shown in the following table and will be kept under continuous review.

Planning	Obtaining an understanding of the Authority's arrangements for each specified reporting criteria. Relevant information sources will include:
	• We will perform a detailed risk assessment, drawing from a variety of sources, including, but not limited to:
	   • Meetings with management and a management self-assessment
	   • Views of the Authority
	   • Supporting guidance from the National Audit Office, including indicators of significant weaknesses
	   • Sector developments and any local issues
	   • Authority & Committee reports
	   • The Annual Governance Statement and Annual Report
	   • The work of internal audit
	   • Risk registers and risk management reporting
	   • The work of regulators and inspectorates.

Additional risk-based procedures and evaluation	Where our initial assessment identifies a risk that there may be a significant weakness in arrangements, we will apply our professional judgement in determining what additional procedures are required.
Reporting	We will provide a summary of the work we have undertaken and our judgements against each of the specified reporting criteria as part of our commentary on arrangements. This will form part of the Auditor's Annual Report (details on the following page). Our commentary will also highlight: • Significant weaknesses identified and our recommendations for improvement • Emerging issues or other matters that do not represent significant weaknesses but still require attention from the Authority.

Engagement and responsibilities summary | Your audit engagement team | Audit scope, approach and timeline | Significant risks and key judgement areas | **Value for money** | Fees for audit and other services | Our commitment to independence | Materiality and misstatements | Appendices

mazars

5. Value for money conclusion

Under the 2020 Code, we are required to structure our commentary on the Authority's 'proper arrangements' under three specified reporting criteria, which are expanded in the supporting guidance notes produced by the National Audit Office:

Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services

- how the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them

- how the body plans to bridge its funding gaps and identifies achievable savings

- how the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities

- how the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system

- how the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Governance: how the body ensures that it makes informed decisions and properly manages its risks, including

- how the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

- how the body approaches and carries out its annual budget setting process

- how the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed

- how the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance.

- how the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests).

Improving VFM: how the body uses information about its costs and performance to improve the way it manages and delivers its services

- how financial and performance information has been used to assess performance to identify areas for improvement

- how the body evaluates the services it provides to assess performance and identify areas for improvement

- how the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve

- where the body commissions or procures services, how the body ensures that this is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits.

Page 45

Engagement and responsibilities summary | Your audit engagement team | Audit scope, approach and timeline | Significant risks and key judgement areas | **Value for money** | Fees for audit and other services | Our commitment to independence | Materiality and misstatements | Appendices

mazars

Value for Money

The NAO's guidance requires us to carry out work at the planning stage to understand the Authority's arrangements and to identify risks that significant weaknesses in arrangements may exist.

Due to the late release of the NAO's Auditor Guidance Note and supporting information to auditors, we have not yet fully completed our Value for Money planning and risk assessment work. On completion of our risk assessment, we will report any risks of significant weaknesses in arrangements identified to the Authority. For the 2020/21 financial year, we have however identified the issues detailed in the table below that we will consider further in our VFM risk assessment.

We recognise there is uncertainty regarding the extent of the future funding to be given to national park authorities by central government. However, we are also aware of the importance afforded the national park authorities by central government. Against this backdrop and the relatively sound financial position of the Peak District National Park Authority we have not identified a significant VFM risks at this stage of our work.

Engagement and responsibilities summary | Your audit engagement team | Audit scope, approach and timeline | Significant risks and key judgement areas | Value for money | Fees for audit and other services | Our commitment to independence | Materiality and misstatements | Appendices

mazars

22
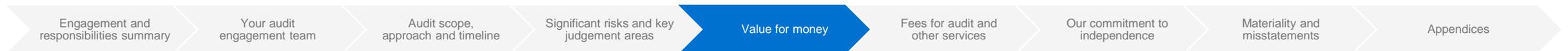
06

Section 06:

Fees for audit and other services

6. Fees for audit and other services

Fees for work as the Authority's appointed auditor

Details of the 2019/20 actual and planned 2020/21 fees are set out below:

Area of work	2020/21 Fees	2019/20 Actual Fee
Scale audit fee	£10,209	£10,209
Fee variations:		
Additional Testing on Property, Plant & Equipment and Defined Benefit Pensions Schemes as a result of changes in regulatory expectations	£3,518 [1]	£3,518
Additional testing as a result of the implementation of new auditing standards: ISA 220 (Revised): Quality control of an audit of financial statements; ISA 540 (Revised): Auditing accounting estimates and related disclosures; ISA570 (Revised) Going Concern; and ISA 600 (Revised): Specific considerations – audit of group financial statements	£2,000 [2]	-
Other additional costs	TBC	£2,454 [3]
Sub-total		
Additional work arising from the change in the Code of Audit Practice	£4,000 [4]	-
Total	£19,727 [5]	£16,181

[1] As previously reported to you, the scale fee has been adjusted to take into account the additional work required as a result of increased regulatory expectations in these areas.

[2] For 2020/21, new auditing standards have been introduced which will lead to additional audit work not reflected in the scale fee. The implementation of IFRS 16 Leases is deferred to the financial year 2021/22.

[3] The additional audit cost in 2019/20 will be disclosed within our Annual Audit Letter. This mainly relates to additional testing and reporting of uncertainties in key estimates as a result of Covid-19.

[4] As explained in section 5, the revised Code of Audit Practice will lead to a substantial amount of additional audit work to support the new value for money conclusion and the changes in reporting requirements. Our review of the Code and supporting guidance notes shows that the additional fee impact at all public sector entities is expected to be at circa 20% of the Audit Fee. The final fee will take into account the extent and complexity of any significant weaknesses in arrangements we identify.

[5] This is a proposed fee for 2020/21 at the point of the issue of our ASM. This figure is subject to change and additional costs will be discussed with management.

PSAA have issued a consultation on the 2021/22 audit fee scale. We will revisit our fee proposal in line with the outcome of this consultation to ensure we are consistent with sector wide changes.
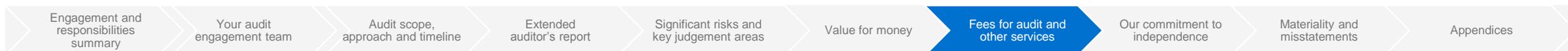
Section 07:

Our commitment to independence

7. Our commitment to independence

We are committed to independence and are required by the Financial Reporting Council to confirm to you at least annually in writing that we comply with the FRC's Ethical Standard. In addition, we communicate any matters or relationship which we believe may have a bearing on our independence or the objectivity of the audit team.

Based on the information provided by you and our own internal procedures to safeguard our independence as auditors, we confirm that in our professional judgement there are no relationships between us and any of our related or subsidiary entities, and you and your related entities creating any unacceptable threats to our independence within the regulatory or professional requirements governing us as your auditors.

We have policies and procedures in place which are designed to ensure that we carry out our work with integrity, objectivity and independence. These policies include:

• All partners and staff are required to complete an annual independence declaration;

• All new partners and staff are required to complete an independence confirmation and also complete computer based ethical training;

• Rotation policies covering audit engagement partners and other key members of the audit team; and

• Use by managers and partners of our client and engagement acceptance system which requires all non-audit services to be approved in advance by the audit engagement partner.

We confirm, as at the date of this document, that the engagement team and others in the firm as appropriate, Mazars LLP are independent and comply with relevant ethical requirements. However, if at any time you have concerns or questions about our integrity, objectivity or independence please discuss these with Mark Surridge in the first instance.

Prior to the provision of any non-audit services Mark Surridge will undertake appropriate procedures to consider and fully assess the impact that providing the service may have on our auditor independence.

Any emerging independence threats and associated identified safeguards will be communicated in our Audit Completion Report.
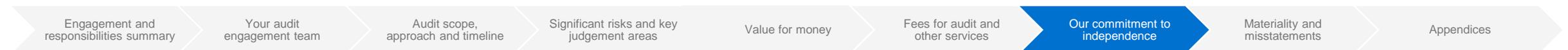
Section 08:

Materiality and other misstatements

Materiality and misstatements

Summary of initial materiality thresholds

Threshold	Initial threshold £'000s
Overall materiality	350
Performance materiality	260
Specific materiality - Officers' remuneration	5
Specific materiality - Members' allowances and expenses	15
Specific materiality - External audit costs	4
Trivial threshold for errors to be reported to those charged with governance:	11

Materiality

Materiality is an expression of the relative significance or importance of a particular matter in the context of financial statements as a whole.

Misstatements in financial statements are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgements on materiality are made in light of surrounding circumstances and are affected by the size and nature of a misstatement, or a combination of both. Judgements about materiality are based on consideration of the common financial information needs of users as a group and not on specific individual users.

The assessment of what is material is a matter of professional judgement and is affected by our perception of the financial information needs of the users of the financial statements. In making our assessment we assume that users:

- Have a reasonable knowledge of business, economic activities and accounts;

- Have a willingness to study the information in the financial statements with reasonable diligence;

- Understand that financial statements are prepared, presented and audited to levels of materiality;

- Recognize the uncertainties inherent in the measurement of amounts based on the use of estimates, judgement and the consideration of future events; and

- Will make reasonable economic decisions on the basis of the information in the financial statements.

We consider materiality whilst planning and performing our audit based on quantitative and qualitative factors.

Whilst planning, we make judgements about the size of misstatements which we consider to be material and which provides a basis for determining the nature, timing and extent of risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature, timing and extent of further audit procedures.

The materiality determined at the planning stage does not necessarily establish an amount below which uncorrected misstatements, either individually or in aggregate, will be considered as immaterial.

We revise materiality for the financial statements as our audit progresses should we become aware of information that would have caused us to determine a different amount had we been aware of that information at the planning stage.

Our provisional materiality is set based on a benchmark of Gross revenue expenditure. We will identify a figure for materiality but identify separate levels for procedures design to detect individual errors, and also a level above which all identified errors will be reported to those charged with governance,

We consider that the Gross revenue expenditure. remains the key focus of users of the financial statements and, as such, we base our materiality levels around this benchmark.

| Engagement and responsibilities summary | Your audit engagement team | Audit scope, approach and timeline | Significant risks and key judgement areas | Value for money | Fees for audit and other services | Our commitment to independence | Materiality and misstatements | Appendices |

mazars

28

8. Materiality and misstatements

Materiality (continued)

We expect to set a materiality threshold at 2% of gross revenue expenditure. Based on prior year financial statements we anticipate the overall materiality for the year ending 31 March 2021 to be in the region of £350k (£353k in the prior year).

After setting initial materiality, we continue to monitor materiality throughout the audit to ensure that it is set at an appropriate level.

Performance Materiality

Performance materiality is the amount or amounts set by the auditor at less than materiality for the financial statements as a whole to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Our initial assessment of performance materiality is based on low inherent risk, meaning that we have applied 80% of overall materiality as performance materiality.

Misstatements

We accumulate misstatements identified during the audit that are other than clearly trivial. We set a level of triviality for individual errors identified (a reporting threshold) for reporting to those charged with governance that is consistent with the level of triviality that we consider would not need to be accumulated because we expect that the accumulation of such amounts would not have a material effect on the financial statements. Based on

our preliminary assessment of overall materiality, our proposed triviality threshold is £11,000 based on 3% of overall materiality. If you have any queries about this please do not hesitate to raise these with Mark Surridge.

Reporting to those charged with governance.

The following three types of audit differences will be presented to Governance and Audit Board:

- summary of adjusted audit differences;

- summary of unadjusted audit differences; and

- summary of disclosure differences (adjusted and unadjusted).

Page 53

| Engagement and responsibilities summary | Your audit engagement team | Audit scope, approach and timeline | Significant risks and key judgement areas | Value for money | Fees for audit and other services | Our commitment to independence | Materiality and misstatements | Appendices |

29

mazars

A
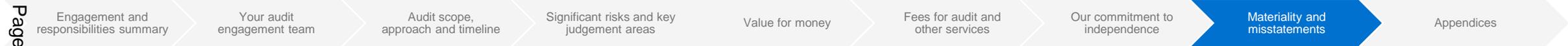
Appendix: Key communication points

Appendix: Key communication points

We value communication with Those Charged With Governance as a two way feedback process at the heart of our client service commitment. ISA 260 (UK) 'Communication with Those Charged with Governance' and ISA 265 (UK) 'Communicating Deficiencies In Internal Control To Those Charged With Governance And Management' specifically require us to communicate a number of points with you.

Relevant points that need to be communicated with you at each stage of the audit are outlined below.

Form, timing and content of our communications

We will present the following reports:

*   Our Audit Strategy Memorandum;

*   Our Audit Completion Report; and

*   Auditor's Annual Report

These documents will be discussed with management prior to being presented to yourselves and their comments will be incorporated as appropriate.

Key communication points at the planning stage as included in this Audit Strategy Memorandum

*   Our responsibilities in relation to the audit of the financial statements;

*   The planned scope and timing of the audit;

*   Significant audit risks and areas of management judgement;

*   Our commitment to independence;

*   Responsibilities for preventing and detecting errors;

*   Materiality and misstatements; and

*   Fees for audit and other services.

Key communication points at the completion stage to be included in our Audit Completion Report

*   Significant deficiencies in internal control;

*   Significant findings from the audit;

*   Significant matters discussed with management;

*   Our conclusions on the significant audit risks and areas of management judgement;

*   Summary of misstatements;

*   Management representation letter;

*   Our proposed draft audit report; and

*   Independence.

| Engagement and responsibilities summary | Your audit engagement team | Audit scope, approach and timeline | Significant risks and key judgement areas | Value for money | Fees for audit and other services | Our commitment to independence | Materiality and misstatements | Appendices |

Appendix: Key communication points

ISA (UK) 260 'Communication with Those Charged with Governance', ISA (UK) 265 'Communicating Deficiencies In Internal Control To Those Charged With Governance And Management' and other ISAs (UK) specifically require us to communicate the following:

| Required communication	Where addressed
Our responsibilities in relation to the financial statement audit and those of management and those charged with governance.	Audit Strategy Memorandum
The planned scope and timing of the audit including any limitations, specifically including with respect to significant risks.	Audit Strategy Memorandum
With respect to misstatements: • Uncorrected misstatements and their effect on our audit opinion; • The effect of uncorrected misstatements related to prior periods; • A request that any uncorrected misstatement is corrected; and • In writing, corrected misstatements that are significant.	Audit Completion Report
With respect to fraud communications: • Enquiries of those charged with governance to determine whether they have a knowledge of any actual, suspected or alleged fraud affecting the entity; • Any fraud that we have identified or information we have obtained that indicates that fraud may exist; and • A discussion of any other matters related to fraud.	Audit Completion Report and discussion at relevant meetings. Audit Planning and Clearance meetings

| Engagement and responsibilities summary | Your audit engagement team | Audit scope, approach and timeline | Significant risks and key judgement areas | Value for money | Fees for audit and other services | Our commitment to independence | Materiality and misstatements | Appendices |

mazars

Appendix: Key communication points

Required communication	Where addressed
Significant matters arising during the audit in connection with the entity's related parties including, when applicable: • Non-disclosure by management; • Inappropriate authorisation and approval of transactions; • Disagreement over disclosures; • Non-compliance with laws and regulations; and • Difficulty in identifying the party that ultimately controls the entity.	Audit Completion Report
Significant findings from the audit including: • Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures; • Significant difficulties, if any, encountered during the audit; • Significant matters, if any, arising from the audit that were discussed with management or were the subject of correspondence with management; • Written representations that we are seeking; • Expected modifications to the audit report; and • Other matters, if any, significant to the oversight of the financial reporting process or otherwise identified in the course of the audit that we believe will be relevant to those charged with governance in the context of fulfilling their responsibilities.	Audit Completion Report
Significant deficiencies in internal controls identified during the audit.	Audit Completion Report
Where relevant, any issues identified with respect to authority to obtain external confirmations or inability to obtain relevant and reliable audit evidence from other procedures.	Audit Completion Report

| Engagement and responsibilities summary | Your audit engagement team | Audit scope, approach and timeline | Significant risks and key judgement areas | Value for money | Fees for audit and other services | Our commitment to independence | Materiality and misstatements | Appendices |

mazars

33

Appendix: Key communication points

Required communication	Where addressed
Audit findings regarding non-compliance with laws and regulations where the non-compliance is material and believed to be intentional (subject to compliance with legislation on tipping off) and enquiry of those charged with governance into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that those charged with governance may be aware of.	Audit Completion Report and Governance and Audit Board meetings
With respect to going concern, events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: • Whether the events or conditions constitute a material uncertainty; • Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements; and • The adequacy of related disclosures in the financial statements.	Audit Completion Report
Reporting on the valuation methods applied to the various items in the annual financial statements including any impact of changes of such methods	Audit Completion Report
Indication of whether all requested explanations and documents were provided by the entity	Audit Completion Report

Engagement and responsibilities summary | Your audit engagement team | Audit scope, approach and timeline | Significant risks and key judgement areas | Value for money | Fees for audit and other services | Our commitment to independence | Materiality and misstatements | Appendices

mazars

34
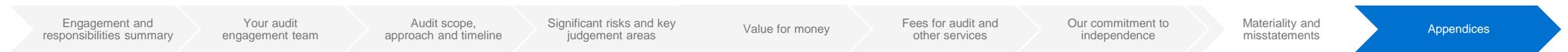
Mark Surridge

mark.surridge@mazars.co.uk

Mazars

Park View House

58 The Ropewalk,

Nottingham

NG1 5DW

Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 90 countries and territories around the world, we draw on the expertise of 40,400 professionals – 24,400 in Mazars' integrated partnership and 16,000 via the Mazars North America Alliance – to assist clients of all sizes at every stage in their development.

*where permitted under applicable country laws.

mazars

This page is intentionally left blank

8.   <u>INTERNAL AUDIT REPORT BLOCK 2 (JW)</u>

1.   Purpose of the report

The report presents to Members' the internal auditors' recommendations for the second block of the 2020/21 audit and the agreed actions for consideration. The Internal Auditors will be present at the meeting to answer any questions relating to the audit report or process as usual.

Key Issues

- **The auditors give an opinion based on four grades of assurance (Substantial Assurance, Reasonable Assurance, Limited Assurance and No Assurance). Two of the areas audited Budget Management and Cyber Security are of Substantial Assurance and the vehicles audit is of Reasonable Assurance.**

- **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 five priority 3 actions.**

2.   Recommendations(s)

1. **That the internal audit reports for the three areas covered under Block 2 for 2020/21 (in appendices 1-3) be received 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 Information

4.   The Accounts and Audits 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. The internal audit plan for 2020/21 was approved by the Authority meeting in July 2020.

Proposals

5.   Managers have carefully considered the internal auditors' recommendations and the agreed actions are set out in the audit reports in appendices 1 to 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 the priority rating of recommendations is important as this has to be managed with 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.

Equality:

9.   There are no implications to identify.

Climate Change

10.   There are no implications to identify.

11.   Background papers (not previously published)

None

12.   Appendices

Appendix 1 - Vehicles Final Report

Appendix 2 - Cyber Security Final Report

Appendix 3 - Budget Management Final Report

Report Author, Job Title and Publication Date

Justine Wells, Head of Finance, 13 May 2021

PDNPA Vehicles 2020-21

Peak District National Park Authority

Internal Audit Report 2021/22

Business Unit: All
Responsible Officer: Strategic Leadership Team
Service Manager: Head of Engagement
Date Issued: 23 April 2021
Status: Final
Reference: 69187/003.bf

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

Veritau

Summary and Overall Conclusions

Introduction

The Peak District National Park Authority (PDNPA) maintains a fleet of thirty three vehicles, of which fifteen were upgraded in 2020. Vehicles are for use around the park by rangers and pool cars for staff members travelling on PDNPA business. All vehicles are maintained and serviced through Service Level Agreements with Derbyshire County Council and ATS tires, with PDNPA maintaining oversight.

The authority also has a number of heavy duty vehicles for maintenance of the park, trailers and other items of operational equipment. The operational availability of vehicles and equipment should be monitored by the use of vehicle and inventory management systems to ensure appropriate usage. Regular, planned maintenance of this equipment ensures that they are fit for purpose and safe for staff use.

The monitoring of fuel and maintenance expenses ensures that the organisation can judge whether it remains cost effective to retain a vehicle or piece of equipment or if it is no longer fit for purpose and should be disposed of.

A vehicles and equipment audit was carried out in 2018/19 by Veritau. The findings from this audit identified inconsistent vehicle maintenance records and log sheets without manager sign off. A follow up will be carried out as part of this audit.

Objectives and Scope of the Audit

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

- Contracts in place for vehicle and equipment maintenance are up to date and monitored.
- Vehicles and equipment are only used for appropriate purposes.
- Fuel costs are effectively managed and monitored.

As we were unable to carry out physical reviews onsite due to home working, the audit did not include a review of the physical security of assets.

Key Findings

Contracts in place for vehicle and equipment maintenance are with Derbyshire County Council (DCC), ATS and All Star. Appropriate key contacts were identified for each supplier to ensure there is a consistent dialogue between The Authority and the external provider. We found the main contract for maintenance with DCC and ATS was agreed in 2009. It is stated in the agreement that it is up to the customer to review the contract. However, the Authority has not initiated a review in 12 years. Furthermore, one contract relating to fuel card purchases via Allstar could not be identified, although this service is set for a review in 2022. Allstar are on the Crown Commercial Services (CCS) Framework RM6000 to March 2022. CCS is the largest public procurement organisation in the UK. They vet and review suppliers regularly to check their reliability and find competitive prices to save UK public sector organisations time. Therefore, the risks related to not identifying the actual contact during the audit are low. Additionally, the Authority are registered online with Allstar so most account information and transaction data is available from the online portal.

There is appropriate oversight to ensure the MOT and services of vehicles and equipment are carried out in a timely manner. Overarching oversight lies with the Finance Team who receive monthly maintenance reports from DCC stating when MOTs, services and maintenance checks are due for vehicles

and for equipment. Day to day responsibilities remain with different managers across the Peak District who must ensure vehicles and equipment are taken in. They are also responsible for repairs and other circumstances which require a reactive approach. In the previous audit we found there was no central record stating each vehicle or equipment's maintenance schedule, this is now being incorporated into the Master Vehicle and Equipment list.

There are multiple policies and procedures in place to ensure officers understand how to book a vehicle and how to use the vehicle. There is also information available if in the event of an unfortunate circumstance, including a breakdown or accident. Policies and procedures explicitly outline when vehicles can and cannot be used, and reiterates they must not be used for personal use. This information is provided throughout a staff induction; available online and is re-sent when a problem is identified.

To ensure vehicles and equipment are used by authorised personnel only, keys are stored in the main office or bases across the PDNPA in pin secured lockers. Only members of the Authority have access to these areas, and there is CCTV and security on site to ensure only authorised personnel have access. However, the pins for the lockers should be regularly changed to reduce the risk that vehicles and equipment can be used by officers without prior authorisation or for personal use. For authorisation of vehicle use there is a record on the Outlook calendar and in vehicle mileage logs. For equipment there is a full inventory list that states who the responsible officer is for each piece of equipment. Although there is no central log to identify who is using what equipment when, the responsible officer listed in the full inventory has this information.

Vehicle mileage logs are maintained by the drivers and journeys are to be authorised by managers on a monthly basis. We found all vehicle mileage logs included the odometer figures for the start and end of each journey, and were signed by each driver for all journeys. However, we found an inconsistency across the types of vehicle mileage logs maintained. 2 of 5 in our sample did not have the space for an authoriser signature. Of the 20 months tested across 5 vehicles, 2 months were not authorised by a manager and 9 months had vehicle mileage logs that did not have space for manager authorisation. This was also a finding in the previous audit carried out in 2019 which has not been addressed.

Fuel costs are effectively managed and monitored. All fuel cards have corresponding vehicles and a list of all details is available to Finance Team. Fuel costs are monitored per vehicle. Large discrepancies are easily identifiable on reports, no discrepancies were found in the sample of fuel cards reviewed.

Overall Conclusions

There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited. Our overall opinion of the controls within the system at the time of the audit was that they provided Reasonable Assurance.

1 Contracts

Issue/Control Weakness	Risk
Contracts in place for MOT, services and maintenance have not been reviewed for 12 years.	Agreed terms and conditions may no longer be fit for purpose. The Authority are not receiving best value or service for money.

Findings

Best practice states contracts should be reviewed on a regular basis to ensure terms and conditions still apply to current circumstances.

The Authority have an agreement with Derbyshire County Council for the MOT, servicing and maintenance of vehicles and equipment. The agreement was made in 2009 and signed by The Head of Finance and the Deputy Area Team Manager from PDNPA and the Operations Manager and Office Manager at Derbyshire County Council. The contracts stated the following: 'This agreement will commence on the 9th May 2009 and will continue under terminated by the customer by notice'.

It is also stated in the contract that 'inflation indexing is subject to the agreement and will be applied 1st April each year'. However the process for increasing prices in line with inflation remains unclear within the Authority.

The Derbyshire County Council contract has not been reviewed for 12 years. Therefore, there is a risk that they are not obtaining the best value for money or best service from this supplier. Contracts should be reviewed regularly to ensure they are adapted to changing business needs and responsibilities are clearly understood by both parties.

Agreed Action 1.1

The DCC contact will become part of a review cycle and legal will be consulted throughout the contract review.	Priority	3
	Responsible Officer	Head of Finance
	Timescale	31 March 2022

Veritau

4

2 Vehicle mileage logs

Issue/Control Weakness	Risk
Vehicle mileage logs are not signed to confirm they have been checked by a manager and journeys made have been authorised as appropriate.	Vehicles could be misused or used and not accounted for by managers, resulting in incorrect recharges to departments.

Findings

Vehicle mileage logs should be completed by each driver to record all journeys undertaken on behalf of the Authority. This should include the date, details of the journey and the start and end mileage. The log sheets should be signed by a manager and returned to the Finance Team for filing and to administer recharge costs to the correct department.

A sample of vehicle mileage logs for 5 vehicles in 2020/21 were reviewed. For each journey, the correct details were inputted by the driver in all instances, including start and end odometer readings which showed no gaps in mileage. However, of the 20 months tested across the 5 vehicles, only 9 included managers sign off. We also found the layout of vehicle mileage logs was inconsistent. For two vehicles, the mileage log did not have space for a managers' signature to approve the appropriateness of the journeys.

Managers not signing the vehicle mileage logs could result in inappropriate use of vehicles not being identified and appropriately resolved, causing recharges to departments to be inaccurate. This was also a finding in the previous audit carried out in 2019. The agreed action was to issue reminders to ensure managers signed completed log sheets to approve travel. Although this action was agreed for completion in July 2019, we continue to identify issues around this control.

Agreed Action 2.1

Vehicle mileage logs will be reviewed and updated to include manager signature section and previous week's mileage information. Managers will be reminded to sign the logs consistently. The CBS team have started to scan and upload all mileage logs to create an online filing system.	**Priority**	3
	Responsible Officer	Head of Engagement
	Timescale	March 2022

Audit Opinions and Priorities for Actions

Audit Opinions

Our work is based on using a variety of audit techniques to test the operation of systems. This may include sampling and data analysis of wider populations. It cannot guarantee the elimination of fraud or error. Our opinion relates only to the objectives set out in the audit scope and is based on risks related to those objectives that we identify at the time of the audit.

Our overall audit opinion is based on 4 grades of opinion, as set out below.

Opinion	Assessment of internal control
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

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.

Veritau

This page is intentionally left blank

Veritau

Cyber Security

Peak District National Park Authority

Internal Audit Report 2020/21

Business Unit: ICT
Responsible Officer: Head of Information Management
Service Manager: IT Manager
Date Issued: 19 April 2021
Status: Final
Reference: 69200/001.bf

	P1	P2	P3
Actions	0	0	1
Overall Audit Opinion	Substantial Assurance		

PEAK DISTRICT NATIONAL PARK

Summary and Overall Conclusions

Introduction

Organisations such as the Peak District National Park Authority (PDNPA) are increasingly reliant on technology to store and use data. Therefore it is essential that there are comprehensive security measures in place that help ensure data, systems and assets are protected from damage, unauthorised access, loss and misuse.

Ransomware has recently become significantly more prevalent. Since August 2020, the National Cyber Security Centre (NCSC) has investigated an increased number of ransomware attacks in the UK. Implementing secure email security controls and access controls is a way of reducing the risk of ransomware along with other types of malware.

The security of applications is a growing concern as these are used to store sensitive data and facilitate some key functions. It is key to ensure there are management controls in place to ensure data held within the applications is secure.

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:
• Arrangements are in place to ensure that the required security configuration will be applied to email communications and other security measures, such as the checking of email authenticity, are in place and operating effectively.
• Access controls are appropriately authorised and monitored.
• Applications configurations have been hardened, changes to applications go through strict change management controls and actions are logged.

Key Findings

We compared the PDNPA's emails security configuration with the NCSC's malicious email strategies guidance. The guidance split their recommendations in to four categories; minimal, average, good and excellent security effectiveness. The Authority has a strong email security configuration in place and complied with all the recommendations apart from a couple of areas within the excellent category.

The Authority has a blacklist of prohibited file types, but does not have a whitelist of acceptable file types. The NCSCS recommend whitelisting as it is more proactive and thorough than blacklisting, and it ensures only specified file types can be received while others are blocked. However, currently the Authorities email system supplier does not allow for a whitelist. Email are from outside sources containing attachments are scanned for malicious content. A plugin on the anti-virus software decrypts messages scans them and encrypts it again. If the anti-virus software cannot decrypt the message it is then flagged as spam.

The Authority has a clear process within the starters and leavers policy to ensure that IT is updated when new members of the authority have joined and when individuals leave. Inactive user accounts are reviewed by IT. We verified that there was no individuals who have left the authority that still have access to the network. The active directory domain controller settings complied with ISACA's Active directory guidance.

Privileged user accounts are segregated from other user accounts and they are only used for administering purposes. Users are unable to login to the authority's network remotely on non PDNPA device. This greatly mitigates the risk of unauthorised gaining access to the network, although the current minimum password standards do not comply with the latest guidance.

Minimal changes to the authorities applications have been made during the year however all changes are logged. Applications are configured within a secure manner. The internal network undergoes periodic penetration testing following any changes to the network. The Authority have also commissioned penetration tests of their web applications. The authority has addressed the issues that was identified by the tests. All changes to applications are logged.

Overall Conclusions

A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited. Our overall opinion of the controls within the system at the time of the audit was that they provided Substantial Assurance.

PEAK
DISTRICT
NATIONAL
PARK

1 Passwords

Issue/Control Weakness	Risk
The authority's minimum password requirements does not meet best practice.	Unauthorised access to the network.

Findings
Password can easily be stolen by cyber criminals. The use of 2 factor authorisation provides additional security against cybercrime. There are a number of types of two factor authentication available. Authenticator applications that are synced with the users account can be installed on a user's phone and provides a separate code for each log in. Alternatively, the method used at the PDNPA is that the users PDNPA device is linked to their Active directory account. Access to their user account can only be gained if they are using their predetermined work provided device.

The NCSC recommends that organisations should implement a minimum password length but does not specify what the minimum length should be. Whereas the US National Institute of Standards and Technology (NIST) recommend password length should be a minimum of 8-64 Characters. Microsoft recommend keeping minimum password length of 8 as password length requirements (greater than about 10 characters) can result in user behaviour that is predictable and undesirable. For example, users who are required to have a 16-character password may choose repeating patterns like fourfourfourfour that meet the character length requirement but are not difficult to guess.

The authority's minimum password length is seven Characters in length This is below the NIST and Microsoft recommended minimum length

Agreed Action 1.1		
Password policy minimum password length to be changed to 8 characters.	Priority	3
	Responsible Officer	IT Manager
	Timescale	31 July 2021

PEAK DISTRICT NATIONAL PARK

Audit Opinions and Priorities for Actions

Audit Opinions
Our work is based on using a variety of audit techniques to test the operation of systems. This may include sampling and data analysis of wider populations. It cannot guarantee the elimination of fraud or error. Our opinion relates only to the objectives set out in the audit scope and is based on risks related to those objectives that we identify at the time of the audit. Our overall audit opinion is based on 4 grades of opinion, as set out below.

Opinion	Assessment of internal control
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

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.

PEAK DISTRICT NATIONAL PARK

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.

Veritau

Budget Management - Covid Consequences

Peak District National Park Authority

Internal Audit Report 2021/22

Business Unit: Finance
Responsible Officer: Chief Financial Officer
Date Issued: 16th April 2021
Status: Final
Reference: 69125/005

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

PEAK DISTRICT NATIONAL PARK

Summary and Overall Conclusions

Introduction

The budget sets out the financial plans to support the delivery of the Authority's current and future programmes and activities. The annual budget is approved by the full authority. The budget is the basis for monitoring the financial performance of the authority.

The Peak District National Park Authority has recently undergone steps towards a restructure of the authority due to the impacts of the COVID-19 pandemic, which has resulted in several senior management staff leaving at the end of the 2020-21 financial year and some budgets switching to different Heads of Service. There has also been a change in the budget process, including how it is monitored, with greater emphasis on Heads of Service being more responsible for their own budget areas instead of it being the sole responsibility of the Head of Finance.

Objectives and Scope of the Audit

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

- An effective budget setting process was followed and received appropriate authorisation.
- The budget was based on realistic and prudent assumptions relating to the Covid-19 Pandemic.
- Budgets were managed effectively and consistently across the authority with suitable training being offered.

Key Findings

The process for setting the budget was found to be suitable and in line with the Authority's Financial Regulation policy. All budgets during the financial year 2020-21 were reported to the correct senior management and authorised and approved appropriately by the Chief Executive Officer and members of the Authority. Suitable commentary was provided so that members can clearly see any changes or reasons behind in year changes to the budget.

The Covid-19 pandemic had a significant impact on the initial budget which was approved in February 2020. Quarterly meetings were carried out with the members to discuss the ongoing changes to the budget due to the impact from loss of income and furloughed staff throughout the 20-21 financial year. The authority, with support from the Department for Environment, Food and Rural Affairs (DEFRA), set up a COVID-19 reserve which would offset losses created by the pandemic, which was discussed and agreed with the Members in May 2020. Worst case scenarios were presented to the Members at each quarterly meeting and the impact it would have on the Authority's budget and whether further reserves would need to be considered.

For the annual budget for 2021-22, the authority made suitable assumptions to manage the recent income limitations with a return to income road-mapped for July 2021. When the budget was formed, the authority had to make a number of realistic decisions based on government advice and historical grant funding information as DEFRA had yet provide the information relating to the National Park Grant and the biodiversity fund. Due to the uncertainty of the funding, the budget was created without the inclusion of the £335k biodiversity fund, however a secondary budget outcome was provided to include in the eventuality that the Authority received the fund, giving the Authority a surplus of £327k. Significant savings were also made based upon the impact of COVID-19, with over £609k of savings calculated through a staff restructure, budget reductions and the closure of operational

sites. The annual budget was presented to Members in February 2021 for approval and scrutiny, with suitable breakdowns and commentary to provide clear understanding of the decisions made to the budget.

The senior management restructure has placed more emphasis on budget managers being responsible for monitoring their own budget. All budget management staff have access to the FRED database via Exchequer and use the information provided to support the Chief Financial Officer in making necessary amendments to the budgets due to any in year expenditure or savings. Suitable training has been provided for staff who may need support in managing their budget with a session being provided in November 2020. The authority also has a legal and finance workshop which provides appropriate training on approach and reasoning to managing their individual budgets. Ongoing support is provided by the Chief Financial Officer (CFO) as part of the process for monitoring and managing the budget. Providing training and suitable guidance helps to provide the skills required to effectively manage budgets but does not ensure that service managers will manage budgets effectively. Plans are in place to take a tailored approach to the management of individual budgets, with meetings between the CFO and budget managers scheduled on a frequency based upon the budget risk of the individual service area.

Overall Conclusions

A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited. Our overall opinion of the controls within the system at the time of the audit was that they provided Substantial Assurance.

PEAK DISTRICT NATIONAL PARK

Audit Opinions and Priorities for Actions

Audit Opinions
Our work is based on using a variety of audit techniques to test the operation of systems. This may include sampling and data analysis of wider populations. It cannot guarantee the elimination of fraud or error. Our opinion relates only to the objectives set out in the audit scope and is based on risks related to those objectives that we identify at the time of the audit.

Our overall audit opinion is based on 4 grades of opinion, as set out below. |

Opinion	Assessment of internal control
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

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.

PEAK DISTRICT NATIONAL PARK

PEAK DISTRICT NATIONAL PARK

This page is intentionally left blank

9.   <u>INTERNAL AUDIT 2020/21 ANNUAL REPORT (JW)</u>

1.   Purpose of the report

This report asks Members to consider the Internal Audit 2020/21 Annual Report.

Key Issues

- **The overall opinion of the Head of Internal Audit on the framework of governance, risk management and control operating in the Authority is that it provides Substantial Assurance. No reliance was placed on the work of other assurance bodies in reaching that opinion.**

- **There are no significant control weaknesses which, in the opinion of the Head of Internal Audit, need to be considered for inclusion in the Annual Governance Statement.**

- **However in giving the opinion, Head of Internal Audit note that Covid-19 has significantly affected the Authority over the last year, with a wide ranging impact on business operation and controls. While the work of Internal Audit is directed to the areas that are most at risk or provide most value for the Authority it is not possible to conclude on the full extent of the impact of Covid-19 on the operations of the Authority.**

- **Out of the 6 areas audited in 2020/21, 5 areas received an opinion of Substantial Assurance: Creditors, Information Governance, Payroll, Budget Management, Cyber Security and 1 Reasonable Assurance in relation to Vehicles which is reported elsewhere on the agenda.**

2.   Recommendations(s)

1.   **To note and accept the 2020/21 Annual Report from the Internal Auditors as set out in Appendix 1**

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.

The Internal Audit reports therefore make a significant contribution to the Authority as an agile and efficient organisation by assisting us in developing our organisation so we have a planned and sustained approach to performance at all levels by developing and maintaining appropriate standards of corporate governance and developing key business processes underpinning the Corporate Strategy.

Background Information

4.   The Accounts and Audit Regulations 2015 require that the Authority undertakes an adequate and effective system of internal audit and its accounting records and its system of internal control in accordance with proper practices.

Proposals

5.   Members are asked to consider the Internal Audit 2020/21 Annual Report. The report contains the Head of Internal Audit's overall assurance opinion, and a summary of the key findings in each area audited during the year.

Ian Morton, Assistant Director – Audit Assurance, Veritau will be at the meeting to present the report and answer any Members questions.

Are there any corporate implications members should be concerned about?

Financial:

6.   The cost of the Internal Audit Service contract 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.

Equality:

9.   There are no implications to identify.

10.   Climate Change

There are no implications to identify.

11.   Background papers (not previously published)

None.

12.   Appendices

Appendix 1 - Internal Audit Report 2020/21

Report Author, Job Title and Publication Date

Justine Wells, Head of Finance, 13 May 2021

Peak District National Park Authority

Internal Audit Annual Report

2020-21

Assistant Director –
Audit Assurance: Ian Morton
Head of Internal Audit: Max Thomas

Circulation List: Members of the National Park Authority
Head of Finance
Head of Law

Date: 21/5/2021

Background

1   The work of internal audit is governed by the Accounts and Audit Regulations
     2015 and the Public Sector Internal Audit Standards (PSIAS). In accordance
     with the PSIAS, the Chief Audit Executive (Head of Internal Audit) must provide
     an annual internal audit opinion and report that can be used by the organisation
     to inform its Annual Governance Statement. The annual internal audit opinion
     must conclude on the overall adequacy and effectiveness of the organisation's
     framework of governance, risk management and control.

2   During the year to 31 March 2021 the Authority's working practices have
     changed significantly as a result of the Covid pandemic. In addition to remote
     working staff in income generating areas have been furloughed. It has been
     necessary to revise the budget as result of changing budget assumptions
     following the closure and re-opening of activities within the park. This has
     impacted upon the risks faced by the authority, and audit work for the year
     reflects the impact of these changes.

3   The internal audit service was provided by Veritau Limited and for 2020/21 has
     been carried out remotely

Internal Audit Work Carried Out 2020/21

4   Internal audit work carried out during the year is detailed in Appendix A. During
     the year audit work has concentrated on areas where the pandemic has had a
     major impact particularly financial systems where controls have changed due to
     homeworking. Information systems have also been reviewed to ensure
     information is held securely when staff access information from home, and that
     suitable controls are in place to safeguard systems with increased remote
     access.

5   No special investigations were carried out during the year.

6   Appendix A summarises the internal audit work carried out during the year and
     the opinion given for each report. Appendix B provides details of the key
     findings arising from our internal audit work that was presented to the Authority
     in March 2021 with the remaining reports presented to this committee in full.
     Appendix C provides an explanation of our assurance levels and priorities for
     management action.

Professional Standards

6   In order to comply with Public Sector Internal Audit Standards (PSIAS) the Head
     of Internal Audit is required to develop and maintain an ongoing quality
     assurance and improvement programme (QAIP). The objective of the QAIP is to
     ensure that working practices continue to conform to the required professional
     standards. The results of the QAIP should be reported to senior management
     and the Audit and Review Committee along with any areas of non-conformance
     with the standards. The QAIP consists of various elements, including:

        (a) maintenance of a detailed audit procedures manual and standard
            operating practices;
        (b) ongoing performance monitoring of internal audit activity;

(c) regular customer feedback;

(d) training plans and associated training and development activities;

(e) periodic self-assessments of internal audit working practices (to evaluate conformance to the Standards).

7   External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. An external assessment was last carried out in November 2018.

8   The outcome of the previous QAIP demonstrated that the service conformed to the Public Sector Internal Audit Standards. The QAIP for 2021 is yet to be completed, but further details of the 2021 Quality Assurance and Improvement Action Plan will be provide to this committee when available.

Audit Opinion and Assurance Statement

9   In connection with reporting, the relevant professional standard (2450) states that the Chief Audit Executive (CAE)[1] should provide an annual report to the board[2]. The report should include:

(a) details of the scope of the work undertaken and the time period to which the opinion refers (together with disclosure of any restrictions in the scope of that work)

(b) a summary of the audit work from which the opinion is derived (including details of the reliance placed on the work of other assurance bodies)

(c) an opinion on the overall adequacy and effectiveness of the organisation's governance, risk and control framework (i.e. the control environment)

(d) disclosure of any qualifications to that opinion, together with the reasons for that qualification

(e) details of any issues which the CAE judges are of particular relevance to the preparation of the Annual Governance Statement

(f) details of any issues which the Head of Internal Audit judges to be of particular relevance to the preparation of the Annual Governance Statement.

10   The overall opinion of the Head of Internal Audit on the framework of governance, risk management and control operating in the Authority is that it provides **Substantial Assurance**. No reliance was placed on the work of other assurance providers in reaching this, and there are no significant control weaknesses which, in the opinion of the Head of Internal Audit, need to be considered for inclusion in the Annual Governance Statement.

11   The opinion given is based on work that has been undertaken directly by internal audit, and on cumulative knowledge gained through our ongoing liaison and planning with officers. However, in giving the opinion, we would note that Covid-19 has significantly affected the authority over the last year, with a wide ranging impact on business operations and controls. While the

---

[1] The PSIAS refers to the Chief Audit Executive. This is taken to be the Head of Internal Audit.

[2] The PSIAS refers to the board. This is taken to be the National Park Authority.

work of internal audit is directed to the areas that are most at risk, or provide most value for the authority it is not possible to conclude on the full extent of the impact of Covid-19 on the operations of the authority.

Table of 2020/21 completed audit assignments

Audit	Status	Assurance Level
Creditors	Completed	Substantial Assurance
Information Governance	Completed	Substantial Assurance
Payroll	Completed	Substantial Assurance
Budget Management	Completed	Substantial Assurance
Cyber Security	Completed	Substantial Assurance
Vehicles	Completed	Reasonable Assurance

Summary of Key Issues from completed audits not reported elsewhere on this agenda

System/Area	Opinion	Area Reviewed	Reported to Authority	Comments	Management Actions Agreed & Follow-Up
Creditors	Substantial Assurance	The audit reviewed the processes in place to control creditor payments and how this may have been impacted upon due to remote working.	March 2021	**Strengths** Email trails confirming and authorising payments have been retained and held on file for each purchase order. Clear records are retained of goods being received and subsequent authorisation for payments being completed by the budget managers. When there is a request to change supplier details suppliers are contacted directly using current contact numbers held on file to confirm that the request was made by the supplier. **Weaknesses** No areas for improvement were identified.	N/A

System/Area	Opinion	Area Reviewed	Reported to Authority	Comments	Management Actions Agreed & Follow-Up
Information Governance	Substantial Assurance	The audit reviewed the processes in place to ensure compliance with GDPR requirements and that these remained appropriate during home working.	March 2021	**Strengths** The Data Protection Policy was recently reviewed in September 2020. Guidance provided is comprehensive and additional guidance has been provided to staff since the beginning of the Covid-19 pandemic covering homeworking issues. All staff are required to complete a data protection training module via the ELMS e-learning system. Guidance documents are available for staff dealing with SAR's and FOI requests. A FOI and SAR Disclosure Report is created and published on the Authority's website quarterly. **Weaknesses** No areas for improvement were identified.	N/A

System/Area	Opinion	Area Reviewed	Reported to Authority	Comments	Management Actions Agreed & Follow-Up
Payroll	Substantial Assurance	The audit reviewed the processes in place for making changes to the payroll and how these processes have been applied during homeworking. The audit also reviewed the management of the furlough scheme.	March 2021	**Strengths** New starters, leavers and payroll adjustments are authorised electronically via email and relevant documents are saved to the employees file. In all cases reviewed, changes were authorised by the relevant Service Manager and the Head of HR. Checklists are in place for use by HR staff to ensure all required steps are taken when processing changes. Effective processes for calculating pay for furloughed staff were found to be in place for both contracted and casual staff. Advice was sought from HMRC and Tax specialists to confirm accuracy of these calculations. Appropriate processes relating to ending furlough were also found	N/A

System/Area	Opinion	Area Reviewed	Reported to Authority	Comments	Management Actions Agreed & Follow-Up
				to be in place. A decision tree outlining the approach to returning to the workplace and template for informing employees of this return was reviewed and approved by the Senior Leadership Team. **Weaknesses** No areas for improvement were identified.	

Audit Opinions and Priorities for Actions

Audit Opinions	
Our work is based on using a variety of audit techniques to test the operation of systems. This may include sampling and data analysis of wider populations. It cannot guarantee the elimination of fraud or error. Our opinion relates only to the objectives set out in the audit scope and is based on risks related to those objectives that we identify at the time of the audit Our overall audit opinion is based on 4 grades of opinion, as set out below.	
Opinion	**Assessment of internal control**
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

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.

10.   **2020/21 OUTTURN REPORT (JW)**

        Purpose of the Report

1.   This report explains the outturn for 2020/21 and seeks approval of the necessary appropriations to or from reserves, together with approval of unspent funds and overspends to be carried forward into the 2021/22 financial year.

        Key Issues

- The 2020/21 draft financial year accounts need to be signed by the Chief Finance Officer by the 31st July 2021; however, the Head of Finance plans to complete the draft accounts by 28th May 2021 as per the deadline prior to the coronavirus pandemic. This is so as not to extend the completion period unnecessarily, and allow External Auditors (Mazars) to being work on 7th June 2021, with audited accounts published by 30th September 2021.

- In order to meet the deadline for the accounts it is suggested that if Members feel unable to approve all the recommendations it is proposed that the sums affected should be allocated temporarily to the slippage reserve (or other reserve where appropriate), subject to Members' further decision.

- The final confirmation of the general reserve is subject to possible minor adjustments that may occur during the completion of the draft statements. However, the general reserve is protected at its minimum level of £300k and there is an overall surplus of £275k. It is recommended that this one off surplus be allocated to a new Resilience Reserve, with options for the use of this reserve to be brought back the Authority for approval at a meeting later in the year. It is important to note that this underspend is not a baseline budget saving.

- The National Park Grant for 2020/21 was held at the same level as 2019/20, with £355k specifically allocated as Biodiversity Funding.

- The coronavirus pandemic has had a significant impact on the trading services' income for 2020/21 see Appendix E. There has been a total loss in trading income against budget of £580k. This has been mitigated by pay and non-pay under spends totalling £862k in the affected services and includes, the receipt of furlough income of £175k and a reduction in business rates of £38k. Therefore, there has been no need to use the Covid-19 reserve. The Covid-19 reserve was established at the end of 2019/20 and the balance currently stands at £1.09m (£482k in 2019/20 and contributions of £605k approved in year) to carry forward to 2021/22.

- The Authority's reserve position is otherwise maintained at the levels shown in Appendix D for three main purposes:-

    1) allowing a degree of one-off resilience to cope with existing challenges and liabilities, to safeguard National Park policies without immediately requiring resources to be found from diminished revenue budgets.

    2) helping to underwrite the consequences of adverse variances against budget in times of greater uncertainties in trading income, and also uncertainty over National Park Grant for future years, especially given the fact that Defra have been unable to commit to inflation protection from 2020/21 onwards, leading to continued uncertainty over future years funding.

    3) acting as a mechanism for budget managers of key Authority properties to

meet their financial objectives over a period longer than 1 year, allowing for surpluses to be retained and deficits to be supported on an annual basis, within the context of meeting the financial objective on an averaged basis.

The Chartered Institute of Public Finance and Accountancy (CIPFA) publishes advice to Local Authorities (LAAP Bulletins) on what approach an Authority should take in its reserve policies to achieve its statutory finance responsibilities, and these considerations have informed the Authority's reserve structures and approach.

Recommendation

2.   **1.   That the outturn be noted, and the slippage requests and specific reserve appropriations shown in Appendix C be approved.**
        2.   The two new proposed reserves also shown in Appendix C be approved, with delegated authority given to the Chief Executive Officer to bring options back to Authority for the new Resilience Reserve.

How does this contribute to our policies and legal obligations?

3.   The Accounts and Audit Regulations 2015 require the Chief Finance Officer to sign the annual accounts by the 31st July. This report has been written therefore to allow the Authority to agree recommendations on the movement of funds to and from reserves, which will need to be incorporated into the annual accounts. The accounts are required to be audited and signed off by 30th September. The consequence of this is that the Chief Finance Officer will need to prepare and certify the accounts by 31st July, however External Audit will begin work on 7th June 2021, therefore the planned completion date is 28th May 2021.

4.   There were periodic budget monitoring meetings of the Senior Leadership Team with the Head of Finance together with the five appointed Budget Monitoring Members at key stages of the year. Variances from the agreed budget and forecasts are discussed during this meeting.

Background

5.   The 2020/21 budget was approved in February 2020 without having final confirmation of the National Park Grant (NPG) value, with savings options based on potential outcomes. Defra confirmed the level of National Park Grant in March 2020, as a 'flat cash' settlement of £6.699m of which £335k was designated as 'Biodiversity Funding'.

6.   The March 2020 Authority meeting approved the Chief Finance Officer's report under the Prudential Code for Capital Finance, setting prudent borrowing limits for the 2020/21 year of £2.5m. In August 2006, in accordance with Services Committee Minute 41/05, the Authority borrowed £697,000 to finance the Aldern House Project. This is the only <u>external</u> borrowing currently outstanding and the total outstanding external debt at 31st March 2021, after repayments to date, is now £392k. Repayments are made half yearly and are a fixed amount, with a proportion covering the interest payable, and the remainder, in increasing proportion over the repayment period, repaying the original capital sum. A number of further borrowing approvals have been agreed since then totalling £1.526m; these have all been financed internally from internal cash balances.

Those outstanding and hence current are:

Committee / RMT Minute	Date	Principal	Reason	Annual charge to budget	Ending
ARP 41/12	20/07/2012	£108,812	Aldern House Biomass boiler	£8,000	2032/33 (20 years)
RMT 63/12	31/07/2012	£98,506	Borrowing for landlord elements of Big Fernyford Farm refurbishment	£5,758	2037/38 (25 years)
ARP 11/15	23/01/2015	£57,886	Showers and camping facility improvements at North Lees campsite	£4,583	2030/31 (15 years)
ARP 18/16	04/03/2016	£348,608	Castleton Visitor Centre re-modelling	£21,754	2037/38 (20 years)
RMT 17/16	09/05/2016	£26,775	2 additional Camping Pods	£2,057	2030/31 (15 years)
RMT 42/16	01/11/2016	£21,277	Replacement vehicle for volunteer service	£2,715	2023/24 (7 years)
RMT 01/17	10/01/2017	£83,062	Tenancy Refurb. - 2 properties	£4,639	2041/42 (25 years)
RMM 32/17	01/08/2017	£127,363	Tenancy Refurb – 1 property	£6,924	2041/42 (25 years)
RMM 38/17	04/10/2017	£70,168	Pool car replacements	£10,064	2023/24 (7 years)
ARP 21/18	16/03/2018	£173,758	Millers Dale Refurbishment (to be finalised in 2021/22)	£11,507	2037/38 (20 years)
RMM 14/18	30/07/2018	£81,263	Tenancy refurbishment Warslow Estate	£5,384	2044/45 (25 years)
ARP 4/19	18/01/2019	£244,929	Vehicle replacements (to be finalised in 2021/22)	£36,804	2027/28 (7 years)
	Total	**£1,442,407**		**£120,189**	

The annual charge to the budget is based on the same principle as external debt. This means that the service is charged annually a fixed amount, with a proportion covering interest (based on the fixed rate from the Public Works Loan Board at the time the internal loan is made) and the remainder repaying the original capital sum, over a term based on the life of the asset. At some point external debt might need to be raised to cover any outstanding amounts but currently it is more cost effective to use internal funds.

7.   The Budget Monitoring Group met during the year, this included regular updates on the estimated income losses as a result lock down closures caused by the coronavirus pandemic. Estimates proposed in January 2021 were at £696k and this has proven to be relatively accurate following the third lockdown in January 2021 through to April 2021. Lost trading income due to the coronavirus pandemic trading income was £580k and lost interest (due to reduced interest rates) was £52k. This has been mitigated by an under spend of £862k in the affected services, which includes the receipt of furlough income of £128k and a reduction in business rates of £38k. Due to the high underspend in the services; it is proposed not to fund the lost income from the Covid-19 reserve.

The Covid-19 Reserve balance at year-end is £1.09m (£482k in 2019/20 and contributions of £605k approved in year) which is recommended to be carried forward to 2021/22. When this reserve was established, the outlook and expected impacts from the global pandemic was unknown, therefore the Authority took a very prudent approach to make sure it was financially resilient and in a sound financial position to overcome the challenges ahead. In addition, it was unknown whether there would be any financial support available, such as the furlough scheme, which the Authority has benefited from. Whilst, the outturn for 2020/21 shows an underspend, the impact into 2021/22 remains unknown as does the long term impact on the Authority such as future ways of working and how we will continue to operate post covid-19 (for example managing face to face Authority meetings). Therefore, it is recommended that the reserve continue to be held at the current level into 2021/22 with the use of this reserve reviewed during 2021/22 as part of the Medium Term Financial Plan. Any amounts no longer required will be returned to the reserves from which it was taken as per the July 2020 Authority report; however, it is not known when this reserve will no longer be required as impacts may still be felt into 2022/23.

Appendix E (i) shows the impact on trading income by service and compares these to their overall outturn position. Lost income of £580k becomes a much smaller loss of £36k, which can be absorbed by an overall underspend across the Authority, this is in part due to large underspends in pay and non-pay as well as the mitigation of furlough income. Appendix E (ii) shows the trend of the variances to income budgets over the four quarters of 2020/21. This shows how the timing of the national and local lockdowns have had a direct impact on trading income budgets throughout 2020/21.

Extract from App E (i) **Service Area**	**Income Variance Higher/ (Lower) than Budget £'000s**	**Overall Service Under/ (Over) Spend £'000s**	**Year-end Adjustments £'000s**	**Final Surplus (Deficit) - App A £'000s**
Warslow	(16)	29	(29)	(0)
North Lees	(15)	8	0	8
Trails	27	111	(117)	(6)
Other Car Parks	20	24	(22)	2
Other Concessions	(1)	(1)	(1)	(2)
Visitor Services	(462)	(85)	0	(85)
Engagement Rangers	(94)	50	(5)	45
Volunteers	(20)			
Planning	(20)	146	(145)	1
Totals	**(580)**	**282**	**(319)**	**(36)**

Appendix E (iii) shows how the forecast impact compares to the actual impact of the coronavirus pandemic which was forecast to be funded from the Covid-19 reserve. This table only shows selected elements of the budgets for the trading services, which had been used for forecasting, and not the whole budget, unlike the table above, which includes the total variances for pay and non-pay in column 3.

Extract from App E (iii)	Forecast Impact £'000s	Actual Impact £'000s	Difference £'000s
Lost Trading Income	(646)	(580)	66
Lost Interest Income	(50)	(52)	(2)
Reduction in Cost of Sales	150	156	6
Reduction in Business Rates	63	38	(25)
Net Trading Covid-19 Impact	**(356)**	**(263)**	**93**

The coronavirus pandemic has also had an impact on investment receipts in 2020/21. The Interest Base Rates were reduced to the lowest level ever in March 2020, to 0.1% and have remained at this level all year, therefore investment receipts have been at their lowest for some time. The actual interest rate earned decreased through the year from 0.83% at the beginning of the year to 0.19% at the end of the year. Interest earned was £25k (£71k last year) a loss of £52k against the budget (as mentioned above).

8.   Resource Management Meeting (RMM) discussed the outturn figures and slippage recommendations on the 4th May. These are detailed in Appendix C (i).

RMM also discussed the creation of two new specific reserves. It is recommended that these be created as part of the year-end process for 2020/21:

1. VAT Partial Exemption Reserve: the Authority now is a VAT registered entity and no longer part of Derbyshire County Council's registration. One of the key risks the Authority now has relates to reclaiming the VAT on exempt activity, also known as 'partial exemption'. In brief, the Authority can reclaim the VAT on exempt activity as long as the value remains immaterial, which is 5% of the total VAT reclaimed on expenditure. The VAT reclaimed on exempt revenue costs in year is around 3% of the total VAT. Therefore, when capital expenditure is incurred there is a risk that the Authority will breach the 5% threshold, as this tends to be higher in value. The 5% threshold was breached in 2019/20 and cost the Authority £59k. There is no breach expected for 2020/21. It is recommended that £60k of the unused contingency for 2021/21 be set aside to mitigate this risk in future years.

2. Resilience Reserve: the £275k underspend be set aside in a new resilience reserve. Instead of this amount being added to the general reserve (which, is currently deemed to be sufficient), this will allow the management team to establish a process to suggest options on how best to allocate the 2020/21 underspend to corporate priorities' of the Authority. Please note this is a one off source of funding. The CEO will then make recommendations to Authority later in the year to be approved.

9.   The main points in the appendices are summarised as follows:

Reserve Levels (Appendix D)

(a)   General Reserve: The General Reserve exists to accommodate unforeseen circumstances and is approximately £300,000.

The level of the General Reserve needs to take account of about 8 principal variable factors – contingent liabilities; the quality of budgetary control; loss of key staff, policy or delivery changes; the extent of demand-led services; unidentified

future budget savings; significant capital projects; and the availability of other reserves. Generally, the Authority only has one or two of the above factors to consider in any one year; however up to three are currently pertinent.

The external auditors consider the adequacy of the Authority's reserve levels as part of their overall audit opinion and it is an important component of their financial viability assessment.

(b) <u>Specific Reserves</u>: The level of specific reserves overall has increased due requests for underspends to be transferred to reserves for future use. There has also been no call on the Covid-19 reserve, again due to service underspends. The reserves are being operated in accordance with agreed policies, allowing services to draw from and add to their reserves in line with their longer term programmes. The new specific requests have been discussed above.

(c) <u>Capital Reserve</u>: The Capital Receipts reserve started the year at £1.293m and there has been expenditure of £412k in line with the approved capital programme. The reserve was used to support previously authorised Trails Structures work (Minute 51/16) totalling £256k, and capital works at Pump Farm of £156k (ARP Minute 13/18). Eighteen vehicles have been disposed in the year, as part of the fleet replacement programme with capital receipts of £110k, which have been used to contribute to the funding of the replacement programme, and therefore not added to the reserve.

(d) <u>Slippage Reserve</u>: This Reserve operates differently from the other reserves in the sense that the funds do not remain within the reserve, if they are required in the following year. The amount of slippage approved in Appendix C is temporarily held on the balance sheet on 31st March, and is then immediately allocated into the budgets upon committee approving the slippage amount if the funds are required in the next financial year. There is a balance between allowing sensible use of slippage between years to manage commitments prudently with due regard for value for money, and not allowing slippage to be too high with monies not being spent in-year. The level of slippage fluctuates year on year and the 2020/21 level is a little higher than last year partly because of interruptions to operations caused by the coronavirus pandemic.

(e) <u>Matched Funding Reserve</u>:
This reserve was created to protect funds committed to partnership projects. The Authority's annual contributions to these projects tend to be allocated on a straight-line basis across the years of the project to facilitate budget planning. The actual expenditure pattern is often very different between years. This, together with the accounting requirement to allocate partner income to expenditure proportionately to the contributions originally determined in the application means that unspent Authority funds committed to the projects in contracts with funding bodies need to be ring-fenced and carried forward to match expenditure, when required in future years, in order to fulfil the commitment. The reserve also contains the exchange rate earmarked contingency for the Moorlife 2020 project.

10.   <u>Revenue Account & Services</u>

Appendix A, Column F, shows the final budget surplus or deficit arising from each service, after appropriations to and from reserves and slippage requests have been taken into account, and is useful to refer to along with the comments below, which only pick out the larger variances. The final underspend after slippage requests and appropriations to and from reserves is £275k. The vacancy control process which was established in 2020/21 has also had an impact on the outturn with an overall underspend in pay across the Authority. This was created to give RMM oversight of all

vacancies during an uncertain year with both the impacts of the coronavirus pandemic and the future budget savings that were required.

(a)   The Planning Service has significant underspend of £146k because of a large number of vacant posts in the Monitoring and Enforcement and Minerals Teams. It is proposed to set aside £140k in a specific reserve to support delivery of the planning service in 2021/22 (see commentary above on new reserves).

(b)   The Moors for the Future core team achieved a £21k surplus, which it is proposed is carried forward to help balance the 2021/22 year's target.

(c)   The coronavirus pandemic has had a significant impact on service delivery of the Engagement Rangers resulting in a large underspend. It has been requested that this be slipped to 2021/22 to fund dilapidation costs from the ending of two leases.

(d)   There is an underspend on the Edale Centre premises costs of £34k of which, £24k is proposed to add to the Aldern House Reserve. It is also proposed that the reserve be renamed the Corporate Property Reserve to support ongoing maintenance on both properties. It is known that the Edale Centre will need works to the roof in the near future.

(e)   The Warslow estate drew funds down as planned from the capital reserve and the condition survey allocation) to support refurbishment of Reapsmoor Chapel and the conversion of the barn at Pump Farm to create an estate office. It is proposed to move the small underspend of £8k to the Warslow Moors Reserve.

(f)   The North Lees estate has a small underspend, despite loss of income from the campsite. This is due to increased car park income throughout the summer.

(g)   The woodlands service has benefited from higher than expected revenues from timber sales as well as reduced maintenance costs because of the coronavirus pandemic.

(h)   The trails service has had significantly higher income from car parking during the year as well as reduced expenditure because of covid-19 and as a result have proposed to put £107k into the trails reserve against future commitments.

(i)   The Visitor and Cycle Hire centres have been the hardest hit in terms of reduced income from trading with over spends of £17k and £68k respectively. This could be funded from the covid-19 reserve, however due to the overall underspend across the Authority it is proposed to fund this particular shortfall from the Authority underspend.

(j)   Marketing and communications has an underspend of £83k, this is due to vacancy savings, reduced expenditure on events and reduced printing costs. Non-pay reductions in costs are because of the coronavirus pandemic.

(k)   IT has an under spend of £39k in capital due to the delay in the planned replacement of the printers. The actual requirements for replacement printers will be reviewed in 2021/22 and therefore, the under spend has been retained in the ICT reserve.

(l)   Customer and Business Support has an underspend of £56k due to vacancy savings and reduced operating costs because of the coronavirus pandemic. With Aldern House being closed, recruitment to vacancies has been delayed, as there has been a reduced requirement to attend the office and be on Reception amongst other service reductions.

(m)   The Corporate Strategy team slippage requests are mainly for ring-fenced funds towards the climate change and carbon management projects. As well as carrying vacancy savings, giving rise to an overall under spend of £25k.

(n)   In the legal service there has been a one off income to the legal service from a successful prosecution and associate reclaim of legal costs. It is proposed to add this back into the Legal and Minerals reserve to allow the Authority to make strong responses in defence of its policies.

(o)   Committee and Members services also has an under spend of £23k due to a reduction in costs associated with face-to-face meetings. There is a request that this is slipped to 2021/22 to meet the estimated costs of Covid safe face to face meetings which are likely to be off site and incur additional costs.

(p)   Human Resources have made requests for slippage for committed costs, which will be funded from the corporate overhead fund. The corporate overhead fund holds budget for HR (and other corporate services) costs that are only allocated at year end if there is a need, as these costs are unavoidable these will be funded in accordance with the agreed use of this fund.

(q)   The corporate overhead recovery fund is managed by the Head of Finance and collects the agreed recharges levied against all externally funded projects based on staff in post, which supports the extra demands placed on Corporate Support Services (finance, legal, IT, HR, property) as a result of these activities (see HR comments above). The Head of Finance and commitments, currently funding temporary staffing and some smaller corporate costs from 2021/22 onwards, assess demands; hence, the proposed sum is requested as slippage to help meet the agreed demands in 2021/22 and beyond. It is in the nature of this fund that the charges to projects occur in advance of the supporting allocations so there is usually a timing difference between the income being received in the fund, and the subsequent expenditure.

(r)   The Projects in Appendix A are separately shown away from the "core" budgets as they all rely on either Partnership or external grant funding and are ring-fenced for those purposes. The expenditure on these projects can be substantial and the Authority's cash contribution – often small in relation to the grant funding - is shown in the budget, or may be represented by in-kind contributions. If a project is externally funded / has in-kind contributions, then the budget will show as zero – and the outturn position (i.e. net expenditure) will be zero, illustrating that the gross expenditure has been fully balanced by the external income. The comments section of Appendix A highlights the principal funder and the total expenditure of the larger projects.

11.   The current policy on under and overspends at year end is longstanding and was confirmed by the original Resources Committee on 19 July 2002 and is as follows (Appendix C):

•   overspends are carried forward and found from service budgets the following year unless there are extenuating circumstances, there are no requests in 2020/21.

•   For underspends or surpluses remaining at year-end, budget holders may bid for slippage (where commitments have already been made) or where specific reserves exist, for the balance to be appropriated to these reserves.

- All other underspends or surpluses are allocated to general reserve. Due to significant under spends across the Authority; it is proposed to create two new reserves, the VAT Partial Exemption Reserve and the Resilience Reserve.

12. RMM has reviewed the circumstances surrounding any overspends, and is content that where these have occurred, they are capable of being contained within overall service or divisional responsibilities, or dealt with corporately without impact on reserves, and no recommendations are put forward for these overspends to be carried forward and retrieved from next years' service budgets.

13. The following appendices are provided to give a full analysis of the outturn:

Appendix A
A variance analysis which highlights the individual service under or overspends, together with the impact of the proposed slippage and reserve requests on the overall figures – based on over and underspends from Appendix B. Column F shows the final balance of surpluses and deficits, with the total surplus or deficit at the bottom being the impact on the general fund. It should be noted that an "underspend" may arise from additional income earned above budget.

Appendix B
The outturn in the form in which budget responsibility is allocated and monitored during the year. This Annex is used as the basis for RMM decisions on over and underspends, as it reflects directorate and service head budget responsibilities. A full analysis of income and expenditure by service/function and by type of income and expenditure is available on request to the Head of Finance.

Appendix C
C (i) lists the recommended slippage requests put forward by service heads and Directors for carry forward of unspent funds into the 2021/22 budget. C (ii) lists the recommended appropriations to or from specific reserves. C (iii) contains the overspends proposed to be carried forward against the 2021/22 service or project budget, if any, however, this is nil for 2020/21.

Appendix D
Shows the level of the Authority's cash reserves, after all the above adjustments.

Appendix E
Shows the impact of the coronavirus pandemic on the trading income streams of the Authority.

14. There may be some late adjustments arising from final provisions and system reconciliations, any final changes in the figures between this report and the final position will be reported to Members in the accounts report.

Proposals

15. In terms of the Authority's overall financial position, the outturn for the 2020/21 is as presented, and the actions recommended in Appendix C are regarded as an appropriate way of managing the Authority's resources across financial years.

16. Reserve levels have been maintained at the levels required to meet statutory requirements, to provide a prudent level of provision for substantial asset liabilities, and to give strong support to our planning policies in the legal process. They represent limited and temporary one-off sources of funds, which allow the Authority to maintain stability of National Park outcomes into the medium term.

Are there any corporate considerations Member should be concerned about?

17.   **Financial:** The issues have been covered in the report.

18.   **Risk Management:**

The Chief Finance Officer has a statutory responsibility under Sections 25 – 28 of the Local Government Act 2003 to report to Members, the Monitoring Officer and external auditors on the robustness of the budget setting and monitoring process. They have an express duty to monitor the budget and underlying assumptions throughout the year, and to take action when significant overspends or shortfalls in income occur. The Annual Governance Statement prepared by the Monitoring Officer is reported to and approved by Members. The Management Team consider financial risks in the Risk Register during the year.

The External Auditor assesses the financial position of the Authority as part of its annual Value for Money conclusion.

This outturn report and the recommendations arising from it are considered evidence of the effectiveness of these processes as they relate to the 2020/21 financial year.

19.   **Sustainability:** There are no issues relevant to this report.

20.   If Members approve the slippage and reserve requests, as set out in this report, a number of these will directly contribute to the Authority achieving its aspirations in relation to climate change. For instance, an independent consultant quantifying the National Park's carbon emissions using the same methodology as a number of other National Park Authorities, Member training on climate change and Pump Farm Restoration.

Consultees

21.   The outturn was discussed and agreed by the Resource Management Meeting (RMM) on the 4th May.

22.   **Background Papers** (not previously published)

Full income and expenditure analysis

Appendices

Appendix A   - 2020/21 Variance Analysis

Appendix B   - 2020/21 Outturn by services within divisional headings

Appendix C   - Slippage and reserve requests

Appendix D   - Reserve Levels

Appendix E   - Trading Income impact

Report Author, Job Title and Publication Date

Justine Wells, Head of Finance and Chief Finance Officer, 13 May 2021

			Col A	Col B	Col C	Col D	Col E	Col F	Col G
			(Overspend)	Underspend	Capital - (overspend) underspend	Slippage requests App C i	Appropriations (to) from reserves App C ii	Final Surplus (Deficit)	Main Cause of Variance / Comments
Conservation and Planning									
Rural Economy	Gp.		0	38		(36)		1	-
Natural Environment	CNE		(4)	0			8	4	-
Cultural Heritage	CAR		0	15		(14)		1	-
Moors for the Future core costs	RMF		0	25		(21)		4	-
Planning Service	PDC		0	146		(145)		1	Significant number of vacant posts in Monitoring and Enforcement Team and Minerals Team
Transport Policy	PTT		0	36		(36)		0	Earmarked for Hope Valley Explorer contract and marketing
Policy Planning	PPP		0	25		(16)		9	Local Plan costs slipped to 2021/22
			(4)	**286**	**0**	**(269)**	**8**	**21**	
Commercial Development & Outreach									
Engagement Rangers	Gp.		0	57		(57)		0	Covid impact on delivery (guided walks, school materials, and training). Work/life balance salary savings
Visitor Experience (V.E.)	HWA		(2)	0				(2)	-
V.E: Access & Rights of Way	RRU		0	8				8	-
V.E: Footpaths & Pennine Way	GP.		(1)	0				(1)	-
V.E: Edale Centre premises costs	HWE		0	34			(24)	10	-
V.E: Warslow Estate	CEW		0	27	(177)		148	(2)	Grant income above budget
V.E: Eastern Moors Estate	CEE		0	3				3	
V.E: North Lees Estate	CEN		0	9				9	Car park income greater than anticipated due to high visitor numbers
V.E: Minor Properties	CEM		0	11				11	Refund on overcharge to water supply
V.E: Non-Estate Recreation facilities	Gp.		(1)	0			(1)	(2)	
V.E: Non-Estate Car Parks	CEP		0	24			(22)	2	Car park income greater than anticipated due to high visitor numbers
V.E: Non-Estate Toilets	CET		(11)	0				(11)	Increase staffing costs due to cleaners' sickness absence and improved covid cleaning regime
V.E: Woodlands	JAA		0	24				24	Higher than expected income from timber. Reduced maintenance work (Covid delays)
V.E: CMPT Team	CED		0	28		(23)		4	Vacancy savings
V.E: Rural Surveyors	HWB		(8)	0				(8)	
V.E: Trails	CEQ-Z		0	111	(266)		149	(6)	Trails underspend added to reserve for future commitments. Car park levels higher than anticipated plus reduced expenditure (covid related).
V.E: Visitor Centres	RVC		(17)	0	(16)	(23)	39	(17)	Reduced income due to covid
V.E: Cycle Hire	CEB		(68)	0				(68)	Reduced income due to covid
Fundraising	RFU		0	11		(8)		3	-
Communications	RII		0	88		(5)		83	Vacancy savings, fewer events and reduced printing due to covid
Design	RDE		0	0				0	
			(108)	**435**	**(459)**	**(118)**	**289**	**40**	
Corporate Strategy & Development									
Information Management	AIT		0	5	39		(35)	8	Underspend on printers to ICT reserve
Aldern House HQ	AHQ		0	16	0	(22)		(6)	
Customer & Business Support	AIC		0	58		(2)		56	Vacancy savings and reduced operating costs due to covid
Corporate Strategy	PPM		0	41		(16)		25	Ring fenced funds for climate change and vacancy savings
Property Support Unit	Gp.		0	9		(9)		1	-
Finance	AFS		(8)	0				(8)	
Legal Services	ALE		0	43			(43)	(0)	Lower costs for external legal advice and Proceeds of Crime award from successful prosecution
-Committee & Member Services	Gp.		0	35		(35)		0	Reduction in costs usally associated with face to face meetings
Human Resources	APE		(1)	0		(26)	26	(1)	Slippage requests create an overspend
Corporate Management	ACS		(49)	0	99	(99)		(49)	Management Team redundancies
-Corporate Overhead Recovery	ABQ		0	395		(297)		98	Charges received from projects with commitments c/f
			(58)	**601**	**137**	**(504)**	**(52)**	**124**	
Projects - externally funded									
Conservation & Planning Projects									
South West Peak	VSW		(13)	0			13	(0)	South West Peak Landscape Partnership Programme HLF funded £656,000 expenditure
Village & Communities Officer	VMC		0	35		(35)		0	Partnership funding £35,000 expenditure
Rural Enabling	VME		0	3		(3)		0	
Brownfields	VMG		0	8		(8)		0	Remaining DHCLG funding £8,000 expenditure
Moors for the Future (MFF)	VC6		0	32		(5)		27	£65,488 expenditure funded by a variety of funders including United Utilities, Yorkshire Water, Peak District Foundation, Bradford Council and PDNPA Policy.
MFF - Private Lands	VM2		(8)	0				(8)	£41,105 expenditure funded by Natural England
Moorlife 2020	VM3		0	1				1	£1.75 million expenditure funded by EU LIFE
Moorlife Partners	VM4		0	0				0	£936,386 expenditure funded through MoorLIFE 2020 partners including Natural England, Environment Agency and the National Trust.
Moor Carbon	VM5		(1)	0				(1)	£1.66m expenditure funded by Defra
Commercial Dpvt. & Outreach Projects									
Fire Operations Group	VYA		0	16		(16)		(0)	Partnership funding fire quipment for partners, no delivery in year due to covid
Access Fund	VFH		0	18		(17)		0	Ring-fenced external donations
Events Website	VFJ		0	0				0	£193,308 expenditure funded by a variety of funders including BMC, Peak District Foundation, Sheffield City Council and Sheffield Wildlife Trust
Mend Our Mountains	Gp.		0	25		(25)		(0)	
Leisure Walks	VYD		0	3		(3)		0	
Next Steps Leisure Walks	VYE		0	5		(5)		0	
Moorland Discovery	VEF		(1)	0				(1)	Joint project with National Trust £18,258 expenditure
Better Outside	VEH		0	11		(11)		(0)	Joint funded project. No delivery due to covid
Endeavour	VEJ		0	4		(4)		0	Heritage Lottery funded project funds carried forward
Upper Derwent Partners	VYB		0	29		(29)	1	1	Derwent Valley partnership funding carried forward
Corporate Projects									
Visit England	VDE		0	0				0	Visit England funded £172,000 expenditure
Asset Mgt Revenue Account	VDY		0	102				102	Capital minimum revenue provision & holding a/c
Matched Funding Appropriations	VDX		(38)	0			50	12	Provisions & accruals holding a/cs;
			(61)	**292**	**0**	**(161)**	**63**	**134**	
			(232)	**1,614**	**(321)**	**(1,051)**	**309**	**319**	
Unallocated contingency			0	119			(110)	9	contingencies and matched funding in 2020/21 not allocated
Investment interest receipts			(52)					(52)	Reduction in interest rates (base rate dropped to 0.10%)
							(275)	(275)	Transfer to Reserves (see Appendix C)
			(284)	**1,733**	**(321)**	**(1,051)**	**(76)**	**1**	

This page is intentionally left blank

Rounding errors may occur

		Col A	Col B		Col C	Col D	Col E
		Total Budget 2020/21	Outturn		Overspend	Underspend	Variance %
Conservation and Planning							
Rural Economy	Gp.	293	255		0	38	13%
Natural Environment	CNE	187	191		(4)	0	(2%)
Cultural Heritage	CAR	258	243		0	15	6%
Moors for the Future core costs	RMF	114	90		0	25	22%
Planning Service	PDC	552	406		0	146	26%
Transport Policy	PTT	119	83		0	36	30%
Policy Planning	PPP	155	129		0	25	16%
		1,678	**1,397**		**(4)**	**286**	**17%**
Commercial Development & Outreach							
Engagement Rangers	Gp.	840	783		0	57	7%
Visitor Experience (V.E.)	HWA	56	58		(2)	0	(4%)
V.E: Access & Rights of Way	RRU	124	116		0	8	6%
V.E: Pennine Way	GP.	0	1		(1)	0	(442%)
V.E: Edale Centre premises costs	HWE	57	24		0	34	59%
V.E: Warslow Estate	CEW	(49)	(76)		0	27	(56%)
V.E: Eastern Moors Estate	CEE	27	24		0	3	11%
V.E: North Lees Estate	CEN	(79)	(88)		0	9	(12%)
V.E: Minor Properties	CEM	(6)	(18)		0	11	(176%)
V.E: Non-Estate Recreation facilities	Gp.	(3)	(2)		(1)	0	36%
V.E: Non-Estate Car Parks	CEP	(71)	(95)		0	24	(34%)
V.E: Non-Estate Toilets	CET	103	114		(11)	0	(10%)
V.E: Woodlands	JAA	49	25		0	24	49%
V.E: CMPT Team	CED	171	143		0	28	16%
V.E: Rural Surveyors	HWB	61	69		(8)	0	(13%)
V.E: Trails	CEQ-Z	140	29		0	111	79%
V.E: Visitor Centres	RVC	194	211		(17)	0	(9%)
V.E: Cycle Hire	CEB	(62)	6		(68)	0	110%
Fundraising	RFU	92	81		0	11	12%
Communications	RII	312	224		0	88	28%
Design	RDE	0	0		0	0	100%
		1,955	**1,628**		**(108)**	**435**	**17%**
Corporate Strategy & Development							
Information Management	AIT	579	575		0	5	1%
Aldern House HQ	AHQ	210	194		0	16	7%
Customer & Business Support	AIC	451	393		0	58	13%
Corporate Strategy	PPM	269	228		0	41	15%
Property Support Unit	Gp.	197	188		0	9	5%
Finance	AFS	293	301		(8)	0	(3%)
Legal Services	ALE	273	229		0	43	16%
-Committee & Member Services	Gp.	267	233		0	35	13%
Human Resources	APE	205	207		(1)	0	(1%)
Corporate Management	ACS	474	523		(49)	0	(10%)
-Corporate Overhead Recovery	ABQ	123	(271)		0	395	320%
		3,342	**2,799**		**(58)**	**601**	**16%**
Capital							
Estate Properties	Gp.	24	201		(177)	0	(734%)
Forestry Capital	ZAD	0	0		0	0	0%
Visitor Centre Capital	Gp.	50	66		(16)	0	(32%)
Other Visitor Experience Capital	Gp.	5	270		(266)	0	(5852%)
Engagement Capital	Gp.	0	0		0	0	100%
Fleet Management	ZGA	0	(99)		0	99	100%
Aldern House	Gp.	0	0		0	0	100%
Carbon Mgt Plan	Gp.	0	0		0	0	100%
IT Capital	Gp.	65	26		0	39	59%
		144	**465**		**(459)**	**137**	**(224%)**
Projects - externally funded							
Conservation & Planning Projects							
Ecton Mine Project	VBE	0	0		(0)	0	100%
Moss Rake Restoration	VBB	0	0		0	0	100%
Longdendale Landscape	VBI	0	0		0	0	100%
Longdendale Trails	VBO	0	0		0	0	100%
Underground Designation	VBU	0	0		0	0	100%
Defra ELMS project	VBD	0	0		0	0	100%
Farmsteads	VBZ	0	0		0	0	100%
Swallowmoss Rewetting	VCA	0	0		0	0	100%
South West Peak	VSW	5	18		(13)	0	(251%)
Village & Communities Officer	VMC	70	34		0	35	51%
Rural Enabling	VME	5	2		0	3	57%
Brownfields	VMG	30	22		0	8	28%
Moors for the Future (MFF)	VC6	5	(27)		0	32	643%
Great North Bog	VK1	0	(0)		0	0	100%
MFF - Private Lands	VM2	0	8		(8)	0	100%
Moorlife 2020	VM3	5	4		0	1	100%
Moorlife Partners	VM4	0	0		0	0	100%
Moor Carbon	VM5	0	1		(1)	0	100%
Mend Our Mountains	VM6	25	0		0	25	100%
AMP7 Work	VM7	0	(0)		0	0	100%
Moor Green	VM8	0	0		0	0	100%
Moor Resilience	VM9	0	0		(0)	0	100%
Edale Station	VGL	0	0		0	0	100%
Edale Explorer	VGO	0	0		0	0	100%
Commercial Dpvt. & Outreach Projects							
Fire Operations Group	VYA	40	25		0	16	39%
Upper Derwent Partnership	VYB	(7)	(36)		0	29	(409%)
Events Website	VYC	0	0		0	0	100%
Leisure Walks	VYD	0	(3)		0	3	100%
Next Steps Leisure Walks	VYE	0	(5)		0	5	100%
Moorland Discovery	VEF	17	18		(1)	0	(6%)
Better Outside	VEH	8	(3)		0	11	140%
Endeavour	VEJ	4	0		0	4	100%
Access Fund	VFH	13	(4)		0	18	133%
Corporate Projects							
Visit England	VDE	5	5		0	0	0%
Asset Mgt Revenue Account	VDY	0	(102)		0	102	100%
Matched Funding Appropriations	VDX	0	38		(38)	0	100%
		225	**(6)**		**(61)**	**292**	**102%**
Total		**7,344**	**6,283**		**(691)**	**1,751**	**14%**

This page is intentionally left blank

	£
(i) Slippage Requests recommended for carrying forward into next year's service budgets	
Conservation and Planning	
Contribution to Hope Valley Explorer and marketing support	36,000
Ring-fenced budget for community work (based on previously received income) and in support of community focussed officers	35,000
Professional services in relation to contract at Mill Dam Mine	5,000
Planning service resilience following vacancies in the service to enable the service to meet statutory function requirements.	140,000
Awaiting joint work on commissioned studies for Local Plan review	16,000
Cultural Heritage Limekiln Restorations	2,670
Conservation Area Appraisal	3,000
Stanton Moor Solstice Planning	1,000
Cultural Heritage pay for built environment or archaeological advice	4,800
Cultural Heritage on-site protection, repairs, signage and interpretation	3,000
Zoom for Farmers and Land Manager liaison (1 year licence)	1,600
Non baseline funded farm adviser post(s) for priority 2021/22 - ELM Test, Farming in Protected Landscape Programme, Nature Recovery Plan	18,725
NERE addition to grant and staff budgets from write backs now not going ahead	16,164
Moors for the Future surplus core funds carried forward	20,986
	303,945
Commercial Development & Outreach	
Fundraising sponsorship feasibility and admin support	6,300
Fundraising communications and marketing support	2,000
Engagement service Health & Safety training	3,000
Engagement service volunteers	1,620
Interpretative works at Millers Dale Goods Shed (following invoice dispute)	5,200
Conservation Volunteers equipment replacement after break in and insurance claim	400
CMPT to put towards future priorities	23,450
Derwent Visitor Centre Refurbishment	23,287
Engagement to fund the dilapidations from lease terminations	52,410
	117,667
Corporate Strategy & Development	
To fund next stage of National Park Management Plan	3,000
Member Training on Climate Change	500
Carbon calculation for the National Park	12,250
Casual staff training (Confrontation/ Difficult customers)	1,500
To upgrade the HR system. The project will be completed early in 2021/22	13,706
Springboard - the final session of the programme was postponed due to COVID and is rescheduled for June 2021	1,500
CEO salary report/ JE work - waiting on completion of work/ invoice	2,150
Ultimate Resilience coaching - commitments budgeted for in 2020/21 but not all sessions completed.	2,730
Purchase of E-card set up of platform from reward gateway (IIP)	5,000
Leadership Development Programme - remainder of order where part is written back final session is end of April.	1,249
Democratic Services pay underspend to fund apprenticeship training and redesign of the Democratic & Legal Support Team	11,571
Democractic services non-pay underspend to meet the additional costs of face to face covid secure off-site meetings	23,149
Replacement of CCTV system at Aldern House - awaiting listed building consent	21,630
Consultancy contract regarding Carbon Management case studies (delayed due to covid restrictions)	3,250
Property Team Staff training (delayed due to covid restrictions)	5,250
Fleet Vehicle replacement to be completed in 2021/22	98,730
Corporate overhead allocated to support service pressures arising from projects 2020/21 onwards	296,842
	504,007
Capital	
	0
	0
Projects	
Clif Bar sponsorship funds earmarked for Peat Depth Survey	5,000
Remaining ring-fenced income for Sustainable Communities Officer (Formerly known as Brownfield Land Officer)	8,000
Partner funding for field projects including Fire Operations Group, Leisure Walks, Next Steps, Better Outside, Endeavour projects	38,819
Joint partner funds ring-fenced for Derwent Valley projects (STW)	28,635
Income from donations to Access Fund c/f and retained for purposes of donation	17,334
Village project funds - Community planning and neighbourhood grants ring-fenced	2,825
Mend Our Mountains - Ring-fenced funding	24,891
	125,504
TOTAL SLIPPAGE REQUESTS	**1,051,123**

(ii) Reserve Requests recommended for approval and appropriation to/(from) reserves	
Appropriation to Car Park Reserve	21,764
Appropriation to Trails Reserve	107,066
Appropriation to Minerals and Legal Reserve	35,338
Appropriation to Aldern House Reserve (Renamed Corporate Property Reserve)	25,232
Appropriation to Matched Funding Reserve - Legal Support for Asset Management Investment	8,000
Appropriation to ICT Reserve	35,000
Appropriation from Slippage Reserve - Bakewell Visitor Centre	-39,221
Appropriation from Restricted Reserves (bequests: Graham Attridge/Alan Beardsley/Cyril Bennett)	-1,364
Appropriation from Restricted Reserve S106	-49,539
Appropriation to Matched Funding Reserve - South West Peak matched funding not used in 20/21	50,000
Appropriation from Matched Funding Reserve - South West Peak matched funding	-12,540
Appropriation from Capital Reserve Core Infrastructure Condition Surveys remaining expenditure (Minute 124/15)	-260
Appropriation from Matched Funding Reserve - remaining asbestos / propery H&S investment allocation	-510
Appropriate from Corporate Overhead towards HR cost	-26,335
Appropriation from Cyril Bennett Bequest	-8,428
Appropriation from Capital Fund - WM Pump Farm Restoration	-155,825
Appropriation to Warslow Reserve	8,475
Appropriation from Capital Fund - Trails Structure Works	-256,053
Appropriation to VAT Partial Exemption Reserve	60,000
Underspend Appropriation to Resliance Reserves	275,000
	75,800

(iii) Overspends to be carried forward and set against next year's service budget	
	0

This page is intentionally left blank

Movement on Reserves and Reserve Levels

						App B Col D	App B Col C	App C (ii)	App C (i)	
	Opening Balance 01/04/2020	Covid Reserve Adjustments	Agreed use 2020/21	contingencies / not allocated	interest receipts above/ (below) budget	Impact of underspends / income at year end	Impact of overspends at year end	Further Reserve requests	Slippage requests	Closing Balance 31/03/21
General Fund	351,703	(51,703)		118,800	(51,994)	1,751,489	(690,666)	(75,801)	(1,051,123)	300,706
Capital Reserve	1,292,693							(412,138)		880,555
	1,644,396	(51,703)	0	118,800	(51,994)	1,751,489	(690,666)	(487,939)	(1,051,123)	1,181,261
Specific Reserves										
Car Parks & Facilities	9,901	0						21,764		31,665
Trails Reserve	447,210	(10,000)						107,066		544,276
Aldern House - Rename Coporate Property Reserve	75,538	(5,538)						25,232		95,232
ICT	196,316	0						35,000		231,316
Warslow	7,700	0						8,475		16,175
Design	42,106	(42,106)								0
Visitor Services	0	0								0
Woodland	23,140	0								23,140
Cycle Hire	90,771	(40,771)								50,000
Vehicle Maintenance	18,009	(13,009)								5,000
Planned Maintenance	21,545	0								21,545
Minerals & Legal	539,959	(39,959)						35,338		535,338
Restructuring	61,052	0								61,052
North Lees	114,291	(24,291)								90,000
Minor Properties	18,045	0								18,045
COVID Reserve	481,900	605,286						0		1,087,186
Conservation Acquisitions	19,000	(19,000)								0
VAT Reserve* New	0							60,000		60,000
Resilience Reserve* New	0							275,000		275,000
	2,166,483	410,612	0	0	0	0	0	567,875	0	3,144,970
Matched Funding	1,438,165	(266,036)						18,615		1,190,744
Slippage Reserve	1,051,186	(92,873)	(658,350)					(39,221)	1,051,123	1,311,865
Restricted Funds	109,261							(59,330)		49,931
	6,409,491	0	(658,350)	118,800	(51,994)	1,751,489	(690,666)	0	0	6,878,771

This page is intentionally left blank

Peak District National Park Authority 2020/21 Outturn — APPENDIX E

(i) Covid Impact on Trading Income

Service Area	Trading Income			Service Outturn		Year-End Adjustments			Final Surplus (Deficit) - App A
	Budget	Actual	Variance	Under/ (Over) Spend	Pay/ Non-pay Underspends	Capital	Slippage Requests	(To)/ From Reserves	
Warslow	(227)	(211)	(16)	27	44	(177)	0	148	(2)
North Lees	(233)	(218)	(15)	9	24	0	0	0	9
Trails	(224)	(251)	27	111	83	(266)	0	149	(6)
Other Car Parks	(135)	(155)	20	24	3	0	0	(22)	2
Other Concessions	(10)	(9)	(1)	(1)	(0)	0	0	(1)	(2)
Visitor Services	(841)	(379)	(462)	(85)	377	(16)	(23)	39	(85)
Engagement Rangers	(97)	(3)	(94)	57	171	0	(57)	0	0
Volunteers	(24)	(3)	(20)						
Planning	(361)	(341)	(20)	146	166	0	(145)	0	1
Totals	**(2,151)**	**(1,571)**	**(580)**	**289**	**868**	**(459)**	**(226)**	**313**	**(82)**

(ii) Covid Impact by Quarter 2020/21

Service Area	Income Variance to Budget				
	Q1 Lockdown One (Apr - Jun 20)	Q2 Reduced Restrictions	Q3 Lockdown Two (Nov 20)	Q4 Lockdown Three (Jan - Mar 21)	Total
Warslow	8	(18)	1	(7)	(16)
North Lees	(49)	36	10	(11)	(15)
Trails	(50)	77	38	(38)	27
Other Car Parks	(5)	31	15	(20)	20
Other Concessions	(0)	5	(4)	(2)	(1)
Visitor Services	(210)	(59)	(82)	(110)	(462)
Engagement Rangers	(16)	(24)	(21)	(32)	(94)
Volunteers	(3)	(14)	0	(3)	(20)
Planning	(16)	(33)	21	8	(20)
Totals	**(343)**	**(0)**	**(22)**	**(215)**	**(580)**

Green = actual above budget for the period
Red = actual below budget for the period

(ii) Covid Impact Estimates to Actual 2020/21

£'000s Service Area	Forecast Lost Income	Actual Lost Income	Difference
Warslow	(18)	(16)	2
North Lees	(31)	(15)	17
Trails	13	27	14
Other Car Parks	1	20	19
Other Concessions	(3)	(1)	2
Visitor Services	(464)	(462)	3
Engagement Rangers	(94)	(94)	0
Volunteers	(20)	(20)	0
Planning	(29)	(20)	10
Totals	**(646)**	**(580)**	**66**
Reduction in Interest Income	**(50)**	**(52)**	**(2)**

£'000s Mitigation	Forecast	Actual	Difference
Furlough Income Received	127	175	48
Reduction in Cost of Sales	150	156	6
Reduction in Business Rates	63	38	(25)
Totals	**340**	**368**	**28**

	Forecast	Actual	Difference
Net Covid-19 Impact	**(356)**	**(263)**	**92**

This page is intentionally left blank

11. TREASURY MANAGEMENT POLICY STATEMENT AND ANNUAL TREASURY MANAGEMENT AND INVESTMENT STRATEGY (A1327/JW)

Purpose of the report

1. The purpose of this report is to meet the necessary statutory requirements governing Treasury Management functions by asking Members to approve:-

    1) An over-arching Treasury Management Policy Statement. (Appendix 1)
    2) An Annual Treasury Management and Investment Strategy.(Appendix 2)

    Incorporated into 2) above is the requirement to set appropriate Prudential Code indicators and limits, and approve a Minimum Revenue Provision policy.

Key Issues

2. Treasury Management is defined by the Chartered Institute of Public Finance and Accountancy (CIPFA) as:-

    "The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks".

    Because we are able to draw down National Park Grant in advance to meet our expenditure obligations when they arise, in practice this Authority has relatively uncomplicated requirements. They are predominantly the need to invest securely temporary cash balances until they are required, in exchange for a reasonable rate of return, and also to arrange appropriate loans for our limited borrowing exposure.

    This document therefore asks Members to approve the framework, and limits, within which these arrangements are carried out by the Chief Finance Officer.

    Our temporary cash balances are invested on our behalf by North Yorkshire County Council (NYCC), which relies upon the Annual Investment Strategy of North Yorkshire County Council (Appendix 3 – NYCC Treasury Management Report, Appendix C and Schedules 1 to 6 only) which was approved by their full Authority Meeting on 17th February 2021 – and which Members are asked to adopt. There have been no changes in the County Council's investment and risk management approach.

    In August 2020, the Authority signed a new 3 year Service Level Agreement with NYCC which ends on 6th April 2023 and the Authority is fortunate to have access to this arrangement and is grateful for NYCC's continued partnership approach. The Chief Finance Officer is happy that this arrangement is the best option for the Authority to safeguard its surplus funds with the required security and in compliance with current legislation and guidance for Local Authorities.

    In December 2017, CIPFA issued a revised Treasury Management Code of Practice and Prudential Code. The revised Codes require all local authorities to produce a Capital Strategy. The Capital Strategy provides a high level overview of how capital expenditure, capital financing and treasury management contribute to the provision of Corporate and service objectives and takes account of stewardship, value for money, prudence, sustainability and affordability. The Authority approved a revised Capital Strategy covering the period up to 31st March 2020 on 4th December 2015 (Authority Minute 124/15) and this remains the reference document complying with this requirement. There has been a delay to the refresh of the

Capital Strategy and a new Capital Strategy is planned for review and completion in 2021/22 now that the Asset Management Plan has been approved.

There are no changes from previous years.

Recommendations

3. **1.   That the Authority approves the Treasury Management Policy Statement in Appendix 1.**

   2.   That the Authority approves the Annual Treasury Management and Investment Strategy in Appendix 2, with specific approval of the Prudential Indicators and borrowing limits (paragraphs 5-13), and the policy on Minimum Revenue Provision (paragraphs 14-15), and adopts the Investment Strategy of North Yorkshire County Council (Appendix 3 – NYCC Appendix C, Schedules 1 to 6).

How does this contribute to our policies and legal obligations?

4.   This report is produced in order to comply with the requirements of:-
   - The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management in the Public Services
   - The CIPFA Prudential Code for Capital Finance in Local Authorities
   - The Ministry of Housing, Communities and Local Government (MHCLG) Guidance on Local Government Investments and Minimum Revenue Provision

Proposals

5.   Borrowing

The Authority finances its overall capital expenditure from a combination of use of capital receipts, capital grants from external bodies, direct revenue contributions, and borrowing. The ability to finance capital expenditure directly from revenue contributions tends to be limited, so the Authority looks to maximise capital grant opportunities if they are available, and use a combination of capital receipts (from asset disposals) and borrowing to meet some of the capital investment challenges. Borrowing is only practical if the debt repayments can be achieved safely from income arising from the capital investments themselves, as increasing reliance on National Park Grant to finance debt repayments is not considered to be sustainable.

The Authority approved a new Capital Programme and Capital Strategy in December 2015, with estimates of possible capital expenditure in the next Spending Review period of up to £3.6m, of which approximately £2.5m was estimated to be from borrowing, subject to individual business cases.

Borrowing therefore remains an important tool to allow the Authority to consider vital expenditure investments, in particular those invest-to-save or invest-to-income proposals which could comfortably repay debt charges, and the Prudential Code indicators have been set at levels which are mindful of the need to accommodate this higher level of potential expenditure. Local Authority Members will be mindful of the National Audit Office report (February 2020) which recommends revisions to the Prudential Code with a specific focus on borrowing for commercial purposes, the context being that there are concerns that some Local Authorities have over extended themselves using borrowing powers to finance commercial activities leading to disproportionate risk.

A decision to borrow leads to what is called a "Capital Financing Requirement (C.F.R)" which is the underlying need for the Authority to borrow to support the capital expenditure, assuming it is not financed by other means. The actual borrowing may or may not be taken out at the same time – currently it is more cost effective to use temporary cash funds because investment returns are low, compared to the interest payment on an external loan. As at 31st March 2021 the Authority's draft C.F.R is £1.309m (£1.162m at March 31st 2020) of which £392k was a Public Works Loan and the remainder, £917k, is financed temporarily from internal cash funds.

One consideration in the use of Capital and Revenue funds might be a decision to reduce debt by repaying outstanding loan principals. This might be an option if the alternative capital expenditure proposals are not considered to produce a reasonable rate of return on capital. There is however a penalty in early repayment of Public Works Loan board debt, over and above the principal outstanding, as the repayment amount is calculated on current market rates. There is no such penalty where internal cash funds are used and this might be an option to consider.

Capital resources can be used for revenue purposes only if agreed by the Secretary of State (for Housing Communities and Local Government - MHCLG) by way of a Capitalisation Direction, which must be bid for. There are currently no plans to apply for this use of resource.

6.   For any extension of borrowing the Prudential Code requires that explicit regard must be taken of option appraisal, asset management planning, and strategic planning. Capital expenditure and associated borrowing has a long term impact and therefore it is important to ensure that strategic plans have a longevity matching these underlying financial commitments. Some of the decision making methods which are used to help support these decisions are common accounting decision making tools such as net present value, profitability indices and Interest cover ratios. Another test is the "exit" value of any investment proposal; these tests are intended to reduce the risk of the debt being a future burden on the Authority's revenue budget. These tools are looking to determine can the project afford to repay its debt costs, without additional burden on the revenue of the Authority.

7.   <u>Investing</u>

Assuming the Investment Strategy is approved (Appendix 2 & 3) in this report, the Authority will invest its surplus cash resources with North Yorkshire County Council on a shared risk, and shared return basis. The 2021/22 budget of £25k has assumed that a rate of return of between 0.83% and 0.18% will be achieved, however current indication are that estimated interest receipts of only £10k p.a. (2020/21 £25k) may actually be received (based on 0.18% all year). As per North Yorkshire Treasury Management Strategy, the coronavirus pandemic has meant the Bank Of England base rate is at a historically low value at 0.1% with little indication of any rises expected in the near future. Therefore, the rate of return is also at a very low level and not expected to rise. The key principal for investment is security of funds rather than rate of return.

Are there any corporate implications members should be concerned about?

8.   **Financial:** Financial issues are covered by virtue of the nature of the report

9. **Risk Management:** The Prudential Code indicators help to manage risks inherent in borrowing for capital expenditure. The Treasury Management and Investment Strategy manages and minimises the risks inherent in the Authority's investing activities.

10. **Sustainability:** The indicators include consideration of the sustainability of capital borrowing.

11. **Climate Change:** No issues identified.

Background papers

Appendix 1 – PDNPA Treasury Management Policy Statement
Appendix 2 – PDNPA Annual Treasury Management and Investment Strategy
Appendix 3 – Appendix C 'Annual Investment Strategy' and Schedules 1 to 6 of North Yorkshire County Council Treasury Management Report (for adoption)

Report Author, Job Title and Publication Date

Justine Wells, Head of Finance and Chief Finance Officer, 13 May 2021

APPENDIX 1 TREASURY MANAGEMENT POLICY STATEMENT

1. The Authority defines its Treasury Management activities as "The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks".

2. The identification, monitoring and control of risk is the primary criterion by which the effectiveness of Treasury Management activities will be measured, with value for money an important but secondary objective.

3. The Annual Treasury Management and Investment Strategy sets out the means by which the above objectives will be achieved.

4. The Peak District National Park Authority has determined responsibilities for Treasury Management within its Standing Orders as follows:-

K.   INVESTMENTS AND BORROWING

K1   The Authority maintains a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities; and adopts suitable Treasury Management Practices, setting out the manner in which the organisation will manage and achieve those policies and objectives.

K2   The Authority receives reports on its treasury management policies, practices and activities, including as a minimum, an annual strategy and plan in advance of the year, and an annual report after its close.

K3   The Authority delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Budget Monitoring Group, and for the execution and administration of treasury management decisions to its Chief Finance Officer, who will act in accordance with the organisation's policy statement and Treasury Management Practices, and CIPFA's Standard of Professional Practice on Treasury Management.

K4   The Authority nominates its Programmes and Resources Committee to be responsible for ensuring effective scrutiny of the Treasury Management strategy and policies.

K5   The Authority's borrowing limits will be approved annually at an Authority meeting based on the advice of the Chief Finance Officer.

Treasury Management Practices

The Authority's Chief Finance Officer will design, implement and monitor arrangements for the proper control of Treasury Management activities, within the constraints of the Annual Treasury Management and Investment Strategy approved by Members, categorised into the 12 "practices", or subject areas, defined by the Code:-

1 Risk Management

Credit & Counter-party risk – The security of sums invested
Liquidity Risk Management – working capital requirements
Interest Rate Risk – exposure to fluctuations in interest rates (costs or revenues)
Exchange rate risk – fluctuations in exchange rates
Re-financing risk – terms of renewal
Legal and Regulatory risk – compliance
Fraud, error, corruption – suitable systems and procedures

Market Risk – protection of principal sums invested

2 Performance Measurement

Consideration of alternative methods of delivery and performance indicators

3 Decision Making & Analysis

Maintenance of records of decisions

4 Approved Instruments, Methods & Techniques

Subject to those approved in the Annual Strategy, or by specific resolution of committee

5 Organisation, Clarity and Segregation of Responsibilities and dealing Arrangements

Responsibilities and procedures for transactions and staff handling of financial transactions

6 Reporting Arrangements

Standing Orders Section K above sets out the respective Member and Officer responsibilities

7 Budgeting, Accounting and Audit Arrangements

The cost of, and income arising from, Treasury Management activities will be reported in the annual Outturn report and to the Budget Monitoring Group

8 Cash Flow Management

Central control and aggregation of all cash flows to ensure liquidity

9 Money Laundering

Verifying and recording the identity of counterparties

10 Training and Qualifications

Experience and training in Treasury Management activities

11 Use of External Service Providers

Monitoring and procurement of external advice

12 Corporate Governance

Assessment of effectiveness of Treasury Management activities

Appendix 2 Annual Treasury Management and Investment Strategy

1. **Borrowing**

    The Authority may borrow for two reasons:

    (i)   To fund its capital programme within the Prudential Code limits,
          and
    (ii) temporarily pending the receipt of revenue monies.

2. The main source of any new long term borrowing will be from the Public Works Loans Board (PWLB). Where leases are taken out the lease provider will provide finance, if considered to be cost effective.

3. Where the Authority is financing capital expenditure over a long term period (up to 25 years) the policy will be to seek fixed interest rate borrowing over the same time period in order to reduce overall interest rate risk in future budgets.

4. The Prudential Code requires the Authority to agree and monitor a number of prudential indicators with the objective of controlling and managing the Authority's overall debt exposure. These indicators are mandatory, but can be supplemented with local indicators if this aids interpretation; no local indicators are currently used; however as part of the decision making on investment proposals common accounting decision making tools such as net present value, profitability indices and Interest cover ratios are used, together with assessment of the "exit" value of any investment proposal; these tests are intended to reduce the risk of the debt being a future burden on the Authority's revenue budget. The mandatory prudential indicators cover affordability, prudence, capital expenditure and debt levels. The main benefit to the Authority is that there remains no external restriction on capital investment, subject to Government reserve powers to restrict borrowing for national economic reasons.

5. Overview

    Members approved the Authority's Capital Strategy in December 2015 and a Capital Programme (Appendix 2 of that report) was approved listing potential capital projects. The Capital Strategy outlined a number of principles and working assumptions which set out the approach to capital expenditure, and how it should be financed, of which borrowing was one component. Members have delegated to officers decisions to borrow for capital projects under £150,000, subject to the Authorised Limit and an annual analysis of these decisions in this report. There have been no approvals in 2020/21.

Minute	Date	Approval	Reason	Amount financed from internal funds	Debt from PWLB	Annual charge to budget	Ending
-	-	-	--	-	-	-	-

6. **Actual and Estimate of Total Capital Expenditure to be incurred** – these figures represent best estimates. As the title suggests, the figures include total expenditure on capital items, including assets financed from revenue, capital grants or use of capital receipts, as well as borrowing. The estimates for future capital expenditure tend to be aggregations of a number of capital projects already delegated to officers (e.g. refurbishment of tenanted properties, ICT expenditure etc.) projects already approved by Members (e.g. Trails infrastructure of £600k, North Lees Estate), plus the estimated impact

of other projects in the approved Capital Programme. The figures include some estimation for items which might form the next Capital Programme, which has not yet been approved, but these will be better known when the Capital Strategy is approved and for now are only indicative forecasts with no commitments attached.

	Actual 2019/20 £'000s	Draft 2020/21 £'000s	Estimate 2021/22 £'000s	Estimate 2022/23 £'000s	Estimate 2023/24 £'000s
Total Capital Expenditure	**674**	**1,102**	**1,204**	**365**	**865**
Financed from grants	(209)	(166)	(75)	0	
Financed from revenue	(261)	(141)	(186)	(65)	(65)
Financed from capital receipts	(79)	(520)	(518)	0	
Net Total (financed from borrowing)	**124**	**274**	**426**	**300**	**800**

Under current economic circumstances a high proportion of the total to be financed from borrowing will be temporarily financed from cash flow as this is likely to be more cost effective in the short to medium term, as loan interest rates remain higher than interest received on cash flow surpluses.

7.   **Actual and Estimate of Capital Financing Requirement (C.F.R) –** The underlying need to <u>borrow</u> for capital purposes, after all other sources of capital financing available in each year are taken into account (i.e. after direct support of capital expenditure from revenue, capital grants or use of capital receipts). The CFR rises from 2019/20 onwards reflecting actual and potential Capital Programme projects.

	Actual 2019/20 £'000s	Draft 2020/21 £'000s	Estimate 2021/22 £'000s	Estimate 2022/23 £'000s	Estimate 2023/24 £'000s
C.F.R	1,162	1,309	1,566	1,684	2,273

Affordability

8.   **The ratio of financing costs to overall net revenue stream** – These indicators identify the proportion of financing costs measured against overall net revenue. Financing costs are the annual principal and interest payments on the estimated debt outstanding. Overall net revenue is the core National Park Grant.

	Actual 2019/20 £'000s	Draft 2020/21 £'000s	Estimate 2021/22 £'000s	Estimate 2022/23 £'000s	Estimate 2023/24 £'000s
Borrowing Costs	121	165	216	233	279
Net Revenue	6,699	6,699	6,699	6,699	6,699
Percentage	1.80%	2.47%	3.23%	3.47%	4.17%

The ratio increases in the later periods reflecting the possible increase in capital investments mentioned above, and also because the 2020/21 settlement has been used for the following

years' estimates. The amounts are still considered to be affordable as the borrowing costs will be met largely from additional income sources and not National Park Grant.

Prudence

9. **Net Borrowing and the Capital Financing Requirement** – This indicates the net long term debt outstanding for the Authority, after accounting for the availability of any temporary invested sums, in the previous, current and next three financial years.

	Actual 2019/20 £'000s	Draft 2020/21 £'000s	Estimate 2021/22 £'000s	Estimate 2022/23 £'000s	Estimate 2023/24 £'000s
Capital Financing Requirement	1,162	1,309	1,566	1,684	2,273
Temporary investments	(4,981)	(4,853)	(5,000)	(5,000)	(4,600)
Net External Borrowing	(3,819)	(3,544)	(3,434)	(3,316)	(2,327)

The excess of investments over capital borrowing mainly reflect the quarterly claims of National Park Grant drawn down in advance of expenditure, to meet working capital needs, plus recent capital receipts, reserve levels, and grant income received in advance of expenditure. The level of borrowing is considered to be prudent.

10. **The Authorised Limit** – This represents the limit beyond which borrowing is prohibited, and needs to be set and revised if necessary by members. It is recommended that the limit is set at the following levels to reflect the Capital Financing Requirement, plus a margin to allow some flexibility within the estimated levels of capital expenditure. The limit proposed for 2021/22 has also been revised upwards by £500k to allow some ceiling for the implications of the new Accounting Standard IFRS 16, which requires leases to go onto the Balance Sheet, which may have the knock on effect of requiring a higher Authorised Limit. This has been delayed from 2020/21. At this stage it is not clear what the precise impact may be, but this margin should be sufficient until more is known. The revision from 2023/24 is to continue to allow for the impacts of IFRS 16 and accommodate current capital estimates.

	2021/22 £m	2022/23 £m	2023/24 £m
Borrowing	2.5	2.5	3.0
Other Long Term Liabilities	NIL	NIL	NIL
Total	**2.5**	**2.5**	**3.0**

11. **The Operational Boundary** – This indicator is based on the probable external debt during the course of the year; it is not a limit and actual borrowing could vary around this boundary for short times during the year.

	2021/22 £m	2022/23 £m	2023/24 £m
Borrowing	2.0	2.5	2.5
Other Long Term Liabilities	NIL	NIL	NIL
Total	**2.0**	**2.5**	**2.5**

Actual External Debt – This is actual borrowing plus actual other long-term liabilities at a certain point in time.

	Actual 2019/20 £'000s	Draft 2020/21 £'000s	Estimate 2018/19 £'000s
External Debt	420	392	364

12.   The Chief Finance Officer will monitor the application of these prudential indicators, as required by the Code, and will bring forward to the Authority any significant deviation. The CFO is required to bring a report specifically to the Authority if the Authorised Limit is likely to be breached, for the Authority to determine whether the limit should be raised, or whether alternative procedures to keep within the existing limit are appropriate.

13.   **Fixed and Variable Rate Exposures, Maturity Structures, Longer Term Investments**

(i)   **Interest Rate Exposures - Fixed Rate** – The Authority should set an upper limit on its fixed interest rate exposures for 2021/22, 2022/23 and 2023/24 of 100% of its net outstanding principal sums.

(ii)   **Interest Rate Exposures – Variable Rates** – The Authority should set an upper limit on its variable rate interest rate exposures for 2021/22, 2022/23 and 2023/24 of 100% of its net outstanding principal sums.

(iii)   **Maturity Structure of Borrowing – Upper and Lower Limits for Maturity Structure –** The Authority is likely to have most new debt at a maximum of 25 years, although in circumstances when the life of an asset is less the period may be shorter; to allow maximum flexibility there are no restrictions proposed on the maturity structure of debt.

(iv)   **Total Principal Sum Invested for Period Longer than 364 Days**
Investment of sums for periods longer than 364 days is restricted to the limits set out in NYCC's Investment Strategy, the exposure of the Authority being a pro-rata share of any risk arising as a result.

   Minimum Revenue Provision

14.   The Minimum Revenue Provision is the amount Local Authorities are required to set aside each year from their revenue account, in order to ensure that provision is made annually for the repayment of outstanding loan principal as well as interest charges. The broad aim of this is to ensure that debt is repaid over a period reasonably commensurate with the period over which the capital expenditure provides benefits.

15.   The Peak District National Park Authority has adopted the Asset Life Method, which ensures that the Revenue Provision is calculated based on the estimated useful life of the underlying asset. This method should help to ensure that budgetary provision for debt repayments is linked to the life of assets purchased, ensuring that funds are available for replacement of assets when the end of their useful life is reached. The actual MRP calculation is based on the annuity option so the MRP increases over the life of the underlying asset supported by the debt (the interest charge correspondingly decreasing, leaving the debt repayment value constant).

16.   Investing

This relates to the temporary loan of revenue funds/capital receipts pending their use. The timing of the main sources of the Authority's income are agreed with the Government with the aim of broadly matching expenditure, however, it is anticipated that the Authority will have surplus cash to lend.

17.   Interest receipts are very sensitive to changes in interest rates and cash flows. Base interest rates are currently 0.10% and the 2021/22 budget assumes base rates will remain at this level, although there is an expectation that the actual investment rate achieved will be marginally higher than this, in the region of 0.18%. This is a drop from 2020/21 due to the coronavirus pandemic.

18.   It is recommended that surplus funds are invested only with North Yorkshire County Council who will pay interest at an appropriate money market rate on this cash. This policy meets the Authority's objectives of ensuring a return on its surplus funds while minimising risk, and is consistent with DCLG guidelines on investment strategy.

19.   The Authority's funds available for investment represent an average of about £6m during the year, whereas the investment framework for North Yorkshire County Council's portfolio encompasses nearly £460m of investment, supported by their in-house professional team and professional investment advice. The Authority's investments with North Yorkshire County Council are managed by way of a three year Service Level Agreement, subject to a six month notice period. The new SLA began on 6th April 2020 and has been agreed for the next three years.

20.   In order to ensure that investments made by NYCC on behalf of the Authority adhere to our own Investment Strategy, the Authority is required to adopt/adhere to the NYCC Investment Strategy and the approved 2020 NYCC Investment Strategy is appended, for adoption by this Authority, in Appendix 3 (part Appendix C and schedules 1 to 6). The full NYCC Treasury Management report which contains economic data and forecasts and may be of interest is available on request from the Chief Finance Officer.

21.   The Treasury Management Services to be provided by NYCC include, but is not limited, to the following:

(i) A daily sweep of the Authority's bank accounts will be made to transfer the credit/debit balance on the accounts to/from NYCC

(ii) Funds transferred through the daily sweep facility will be invested together with funds of NYCC and those of other organisations for whom it provides a Treasury Management Service

(iii) Investment of sums in accordance with the agreed Treasury Management Strategy including the adherence to any procedures specified in the statement

(iv) The calculation of interest due to the Authority at a daily rate

(v) The transfer of interest earned to the Authority on a quarterly basis

(vi) Provision of quarterly details of interest earned to the Authority

(vii)   Support and information on investment reporting as required

22.   The Authority's funds are pooled with those of other bodies, and the arrangement therefore requires a joint sharing in the rates of return, but also a shared risk. The precise arrangements are as follows:-

(i)   NYCC collects all available balances from the Authority and other organisations using the NYCC Treasury Management service and pools with NYCC funds. These aggregated balances are then invested in accordance with the agreed Investment

Strategy.

(ii)   For practical purposes therefore every investment contains an element of each organisation's balances and no individual loan is earmarked as solely the funds of one particular organisation.

(iii)   In the event of a default of an individual loan, each organisation using the NYCC Treasury Management service shall bear a consequential loss. The extent of that loss for the Authority and other organisations will be calculated based on the balances of the Authority and other organisations on the day of default. For example:

£1m defaulted loan

	Daily Balance £k	*%*	*Share of Loss £k*
NYCC	175,000	86.5	865
PDNPA	5,000	2.5	25
Authority A	9,000	4.5	45
Authority B	3,000	1.5	15
Authority C	3,000	1.5	15
Authority D	7,000	3.5	35
Total	202,000	100.0	1,000

In addition, NYCC agrees that the Default Loan procedure will *not* apply if the actions of NYCC in the money market are clearly proven to have been contributory to any loss(es) of the Authority's funds managed under the terms of the Agreement.

23.   NYCC calculates an average rate of interest earned on the total pooled investment on a monthly basis.

24.   Interest Rate Strategy

Short term interest rates will impact on the interest earned by the Authority on its deposits with the County Council. The Authority has maintained the risk at an acceptable level in its approved 2021/22 Budget, combining reasonable assumptions about expected surplus cash balances during the year, assumed investment rates, and an eye on actual performance in recent years.

Longer term interest rates are more relevant for the funding of the capital programme.

Any new longer term borrowing will be determined according to its availability and interest rate levels, within the authorised limits approved.

<div align="right">**APPENDIX C**</div>

ANNUAL INVESTMENT STRATEGY

1.0 Investment policy – management of risk

1.1 The MHCLG and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (**APPENDIX D**).

1.2 The County Council's investment policy has regard to the following: -

- MHCLG's Guidance on Local Government Investments ("the Guidance");
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code") ; and
- CIPFA Treasury Management Guidance Notes 2018.

The County Council's investment priorities will be security first, portfolio liquidity second and then yield, (return).

1.3 The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. The County Council has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

a) minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings;

b) other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration, the County Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings;

c) other information sources used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties;

d) the County Council has defined the list of types of investment instruments that the treasury management team are authorised to use :-

- **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year.

- **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use. Once an investment is classed as non-specified, it remains non-specified all the way through to maturity i.e. an 18 month deposit would still be non-specified even if it has only 11 months left until maturity.

  non-specified investments limit. The County Council has determined that it will limit the maximum total exposure to non-specified investments as being 20% of the total investment portfolio, (£40m);

e) **lending limits**, (amounts and maturity), for each counterparty will be set;

f) the County Council will set a limit for the amount of its investments which are invested for **longer than 365 days;**

g) investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**;

h) the County Council has engaged **external consultants**, to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of the County Council in the context of the expected level of cash balances and need for liquidity throughout the year;

i) all investments will be denominated in **sterling**; and

j) as a result of the change in accounting standards for 2020/21 under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the Ministry of Housing, Communities and Local Government, (MHCLG), concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23.

1.4 However, the County Council will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

2.0 Changes in risk management policy from last year

2.1 The above criteria are unchanged from last year.

3.0 Creditworthiness policy

3.1 The County Council applies the Creditworthiness Service provided by the Link Asset Services – Treasury Solutions. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- "watches" and "outlooks" from credit rating agencies;
- CDS spreads that may give early warning of likely changes in credit ratings; and
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, and any assigned Watches and Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads. The end product of this is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the County Council to determine the suggested duration for investments.

3.2 The Creditworthiness Service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

3.3 Typically, the minimum credit ratings criteria the County Council use will be a short term rating (Fitch or equivalents) of F1 and a long term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

3.4 All credit ratings will be monitored daily. The County Council is alerted to changes to ratings of all three agencies through its use of the Creditworthiness Service.

3.5 If a downgrade results in the counterparty / investment scheme no longer meeting the County Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

3.6 In addition to the use of credit ratings the County Council will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Financials benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link Asset Services – Treasury Solutions. Extreme market movements may result in downgrade of an institution or removal from the County Council's lending list.

3.7 Sole reliance will not be placed on the use of this external service. In addition, the County Council will also use market data and market information, as well as information on any external support for banks to help support its decision making process.

3.8 All three rating agencies have reviewed banks around the world with similar results in many countries of most banks being placed on Negative Outlook, but with a small number of actual downgrades.

4.0 Country limits

4.1 Due care will be taken to consider the exposure of the County Council's total investment portfolio to non-specified investments, countries, groups and sectors.

4.2 **Non-specified investment limit.** The County Council has determined that it will limit the maximum total exposure to non-specified investments as being 20% of the total investment portfolio.

4.3 **Country limit.** The County Council has determined that it will only use approved counterparties from the UK and from non-UK countries with a minimum sovereign credit rating of *AA-* from Fitch. The list of countries that qualify using these credit criteria as at the date of this report is shown in Schedule 5. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

5.0 Investment strategy

5.1 **In-house funds.** Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage daily cash flow requirements, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed:-

- if it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable; or

- conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

5.2 **Investment returns expectations.** Bank Rate is unlikely to rise from 0.10% for a considerable period. It is very difficult to say when it may start rising so it may be best to assume that investment earnings from money market-related instruments will be sub 0.50% for the foreseeable future.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

Year	Budget %
2020/21	0.25
2021/22	0.25
2022/23	0.25
2023/24	0.25
2024/25	0.40
2025/26	0.60

5.3 The overall balance of risks to economic growth in the UK is probably relatively even, but is subject to major uncertainty due to the virus.

5.4 There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter-term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe

haven flows, due to unexpected domestic developments and those in other major economies, or a return of investor confidence in equities, could impact gilt yields, (and so PWLB rates), in the UK.

5.5 While the Bank of England said in August / September 2020 that it is unlikely to introduce a negative Bank Rate, at least in the next 6 -12 months, and in November omitted any mention of negative rates in the minutes of the meeting of the Monetary Policy Committee, some deposit accounts are already offering negative rates for shorter periods. As part of the response to the pandemic and lockdown, the Bank and the Government have provided financial markets and businesses with plentiful access to credit, either directly or through commercial banks. In addition, the Government has provided large sums of grants to local authorities to help deal with the COVID crisis; this has caused some local authorities to have sudden large increases in cash balances searching for an investment home, some of which was only very short term until those sums were able to be passed on.

5.6 Money Market Funds (MMFs), have seen yields continue to drift lower. Some managers have already resorted to reducing fee levels to ensure that net yields for investors remain positive where possible and practical. Investor cash flow uncertainty, and the need to maintain liquidity in these unprecedented times, has meant there is a surfeit of money held at the very short end of the market. This has seen a number of market operators, now including the DMADF, offer nil or negative rates for very short term maturities. This is not universal, and MMFs are still offering a marginally positive return, as are a number of financial institutions for investments at the very short end of the yield curve.

5.7 Inter-local authority lending and borrowing rates have also declined due to the surge in the levels of cash seeking a short-term home at a time when many local authorities are probably having difficulties over accurately forecasting when disbursements of funds received will occur or when further large receipts will be received from the Government.

6.0 Investment performance / risk benchmarking

6.1 The County Council will use an investment benchmark to assess the investment performance of its investment portfolio of Bank of England Base Rate.

7.0 End of year investment report

7.1 At the end of the financial year, the County Council will report on its investment activity as part of its Annual Treasury Report.

SCHEDULES

1. Treasury Management Policy Statement

2. Prudential Indicators Update for 2021/22 to 2023/24

3. Economic background

4. Specified and Non Specified Investments

5. Approved Lending List

6. Approved countries for investments

NORTH YORKSHIRE COUNTY COUNCIL

TREASURY MANAGEMENT POLICY STATEMENT

1.0 BACKGROUND

1.1 The County Council has adopted the **CIPFA Code of Practice on Treasury Management in the Public Services** as updated in 2017. This Code sets out a framework of operating procedures to reduce treasury risk and improve understanding and accountability regarding the Treasury position of the County Council.

1.2 The CIPFA Code of Practice on Treasury Management requires the County Council to adopt the following four clauses of intent:

a)   the County Council will create and maintain as the cornerstone for effective Treasury Management

   i.   a strategic **Treasury Management Policy Statement** (TMPS) stating the policies, objectives and approach to risk management of the County Council to its treasury management activities;

   ii.   a framework of suitable **Treasury Management Practices** (TMPs) setting out the manner in which the County Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities. The Code recommends 12 TMPs;

b)   the County Council delegates responsibility for the implementation and regular monitoring of its Treasury Management policies and practices to the Executive and for the execution and administration of Treasury Management decisions to the Corporate Director – Strategic Resources who will act in accordance with the Council's TMPS, TMPs, as well as CIPFA's Standard of Professional Practice on Treasury Management;

c)   the County Council nominates the Audit Committee to be responsible for ensuring effective scrutiny of the Treasury Management Strategies and Policies; and

d)   the County Council nominates the Audit Committee to be responsible for ensuring effective scrutiny of the Treasury Management Strategies and Policies.

1.3 The **CIPFA Prudential Code for Capital Finance in Local Authorities** (updated in 2017) and the terms of the **Local Government Act 2003**, together with 'statutory' Government Guidance, establish further requirements in relation to treasury management matters, namely

a)   the approval, on an annual basis, of a set of **Prudential Indicators**; and

b) approval, on an annual basis, of an **Annual Treasury Management Strategy**, an **Annual Investment Strategy**, an annual **Minimum Revenue Provision (MRP)** policy statement and a **Capital Strategy** with an associated requirement that each is monitored on a regular basis with a provision to report as necessary both in-year and at the financial year end.

1.4 This current Treasury Management Policy Statement (TMPS) was approved by County Council on 17 February 2021.

2.0 TREASURY MANAGEMENT POLICY STATEMENT (TMPS)

2.1 Based on the requirements detailed above a TMPS stating the policies and objectives of the treasury management activities of the County Council is set out below.

2.2 The County Council defines the policies and objectives of the treasury management activities of the County Council as follows: -

a) the management of the County Council's investments and cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks;

b) the identification, monitoring and control of risk will be the prime criteria by which the effectiveness of the treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the County Council and any financial instrument entered into to manage these risks; and

c) effective treasury management will provide support towards the achievement of the business and service objectives of the County Council as expressed in the Council Plan. The County Council is committed to the principles of achieving value for many in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

2.3 As emphasised in the Treasury Management Code of Practice, responsibility for risk management and control of Treasury Management activities lies wholly with the County Council and all officers involved in Treasury Management activities are explicitly required to follow Treasury Management policies and procedures.

3.0 TREASURY MANAGEMENT PRACTICES (TMPs)

3.1 The CIPFA Code of Practice on Treasury Management requires a framework of Treasury Management Practices (TMPs) which:

a) set out the manner in which the County Council will seek to achieve the policies and objectives; and

b)   prescribe how the County Council will manage and control those activities;

3.2   The CIPFA Code of Practice recommends 12 TMPs. A list of the 12 TMPs is as follows: -

TMP 1   Risk management

TMP 2   Performance measurement

TMP 3   Decision-making and analysis

TMP 4   Approved instruments, methods and techniques

TMP 5   Organisation, clarity and segregation of responsibilities, and dealing arrangements

TMP 6   Reporting requirements and management information arrangements

TMP 7   Budgeting, accounting and audit arrangements

TMP 8   Cash and cash flow management

TMP 9   Money Laundering

TMP 10   Training and qualifications

TMP 11   Use of external service providers

TMP 12   Corporate governance

4.0   **PRUDENTIAL INDICATORS**

4.1   The Local Government Act 2003 underpins the Capital Finance system introduced on 1 April 2004 and requires the County Council to "have regard to" the **CIPFA Prudential Code for Capital Finance in Local Authorities**.   This Code which was last updated in December 2017, requires the County Council to set a range of Prudential Indicators for the next three years

a)   as part of the annual Budget process, and;

b)   before the start of the financial year;

to ensure that capital spending plans are affordable, prudent and sustainable.

4.2   The Prudential Code also requires appropriate arrangements to be in place for the monitoring, reporting and revision of Prudential Indicators previously set.

4.3   The required Prudential Indicators are as follows:-

- Capital Expenditure - Actual and Forecasts

- estimated ratio of capital financing costs to the Net Revenue Budget

- Capital Financing Requirement

- Gross Debt and the Capital Financing Requirement

- authorised Limit for External Debt

- operational Boundary for External Debt

- Actual External Debt

- Maturity Structure of Borrowing

- Total Principal Sums Invested for periods longer than 365 days

4.4   The County Council will approve the Prudential Indicators for a three year period alongside the annual Revenue Budget/Medium Term Financial Strategy at its February meeting each year. The Indicators will be monitored during the year and necessary revisions submitted as necessary via the Quarterly Performance and Budget Monitoring reports.

4.5   In addition to the above formally required Prudential Indicators, the County Council has also set two local ones as follows:

a)   to cap Capital Financing costs to 10% of the net annual revenue budget; and

b)   a 30% limit on money market borrowing as opposed to borrowing from the Public Works Loan Board.

5.0   **ANNUAL TREASURY MANAGEMENT AND INVESTMENT STRATEGY**

5.1   A further implication of the Local Government Act 2003 is the requirement for the County Council to set out its Treasury Management Strategy for borrowing and to approve an Annual Investment Strategy (which sets out the County Council's policies for managing its investments and for giving priority to the security and liquidity of those investments).

5.2   The Government's guidance on the Annual Investment Strategy, updated in February 2018, states that authorities can combine the Treasury Management Strategy Statement and Annual Investment Strategy into one report. The County Council has adopted this combined approach.

5.3   Further statutory Government guidance, last updated with effect from February 2018, is in relation to an authority's charge to its Revenue Budget each year for debt repayment. A Minimum Revenue Provision (MRP) policy statement must be prepared each year and submitted to the full Council for approval before the start of the financial year.

5.4 The County Council will approve this combined Annual Strategy alongside the annual Revenue Budget/Medium Term Financial Strategy at its February meeting each year.

6.0 **REVIEW OF THIS POLICY STATEMENT**

6.1 Under Financial Procedure Rule 14, the Corporate Director – Strategic Resources is required to periodically review this Policy Statement and all associated documentation. A review of this Statement, together with the associated annual strategies, will therefore be undertaken annually as part of the Revenue Budget process, together with a mid year review as part of the Quarterly Treasury Management reporting process and at such other times during the financial year as considered necessary by the Corporate Director – Strategic Resources.

Approved by County Council
17 February 2021

PRUDENTIAL INDICATORS UPDATE – FOR 2021/22 TO 2023/24

CAPITAL EXPENDITURE & EXTERNAL DEBT INDICATORS	Comment

1   Estimated Ratio of capital financing costs to the net Revenue Budget

(a)   *Formally required Indicator*

This reflects capital financing costs (principal plus interest) on external debt plus PFI and finance leasing charges less interest earned on the temporary investment of cash balances.
The estimated ratios of financing costs to the net Revenue Budget for the current and future years, and the actual figure for 2018/19 are as follows:

Year	Executive August 2020 Basis	%	Update January 2021 Basis	%
2019/20	actual	10.8	actual	10.8
2020/21	estimate	10.7	probable	10.7
2021/22	estimate	10.8	estimate	10.8
2022/23	estimate	10.3	estimate	10.2
2023/34	estimate	-	estimate	9.5

(b)   *Local Indicator*

This local Indicator reflects a policy decision to cap Capital Financing costs at 10% of the net annual Revenue Budget. The Indicator is different to the formally required Indicator at (a) above in that it only reflects the cost components of interest on external debt plus lost interest on internally financed capital expenditure, together with a revenue provision for debt repayment. Unlike the formally required PI it does not reflect interest earned on surplus cash balances or PFI / finance leasing charges.

Year	Executive August 2020 Basis	%	Update January 2021 Basis	%
2019/20	actual	6.2	actual	6.2
2020/21	estimate	5.7	probable	5.7
2021/22	estimate	5.3	estimate	5.3
2022/23	estimate	5.1	estimate	5.0
2023/24	estimate	-	estimate	4.6

Comment

The estimates of financing costs include current Capital Plan commitments based on the latest 2020/21 Q3 Capital Plan.

The updated estimates for 2020/21 to 2023/24 reflect the net effect of a range of factors, principally

(a)   savings being achieved through the ongoing policy of financing capital borrowing requirements internally from cash balances

(b)   variations in the level of annual borrowing requirements resulting from a range of factors, but principally capital expenditure slippage between years

(c)   variations in borrowing costs (interest plus a revenue provision for debt repayment) reflecting latest interest rate forecasts to 2023/24

(d)   variations in interest earned on cash balances resulting from continuing current historically low interest rates but offset by continuing higher levels of cash balances (formal Indicator only).

Prudential Indicator	Comment
2 **Capital Expenditure - Actual and Forecasts** The actual capital expenditure that was incurred in 2019/20 and the latest estimates of capital expenditure to be incurred for the current and future years are: <table><tr><td rowspan="2">**Year**</td><td colspan="2">**Executive August 2020**</td><td colspan="2">**Update January 2021**</td></tr><tr><td>**Basis**</td><td>**£m**</td><td>**Basis**</td><td>**£m**</td></tr><tr><td>2019/20</td><td>actual</td><td>99.1</td><td>actual</td><td>99.1</td></tr><tr><td>2020/21</td><td>estimate</td><td>176.8</td><td>probable</td><td>163.1</td></tr><tr><td>2021/22</td><td>estimate</td><td>43.0</td><td>estimate</td><td>137.7</td></tr><tr><td>2022/23</td><td>estimate</td><td>10.3</td><td>estimate</td><td>26.2</td></tr><tr><td>2023/24</td><td>estimate</td><td>-</td><td>estimate</td><td>6.2</td></tr></table> The above figures reflect the updated Capital Plan (Q1 2020/21) together with:- (i) expenditure on fixed assets funded directly from the Revenue Budget and not included in the Capital Plan. (ii) an estimated allowance for future expenditure re-phasing between years.	This Indicator now reflects the Capital Outturn in 2019/20 and the Capital Plan update for Q3 2020/21. The variations are principally a result of:- (a) additional provisions and variations to existing provisions which are self-funded from Capital Grants and Contributions, revenue contribution and earmarked capital receipts (b) Capital expenditure re-phasing between years including slippage from 2019/20 outturn and Q3 2020/21 to later years (c) various other Capital approvals and refinements reflected in the latest Capital Plan update

Prudential Indicator	Comment

3   Capital Financing Requirement (CFR)

Actuals and estimates of the Capital Financing Requirement (CFR) at the defined year ends are as follows:

Date	Executive August 2020				Update January 2021			
	Basis	Borrowing	Other Long Term liabilities (PFI etc)	Total	Basis	Borrowing	Other Long Term liabilities (PFI etc)	Total
		£m	£m	£m		£m	£m	£m
31 Mar 20	actual	297.5	155.1	452.6	actual	297.5	155.1	452.6
31 Mar 21	estimate	294.4	151.6	446.0	probable	299.6	151.6	451.2
31 Mar 22	estimate	292.1	176.2	468.3	estimate	301.9	176.2	478.1
31 Mar 23	estimate	270.2	170.6	440.8	estimate	280.1	170.6	450.7
31 Mar 24	estimate	-	-	-	estimate	266.7	165.4	432.1

The CFR measures the underlying need for the County Council to borrow for capital purposes. In accordance with best professional practice, the County Council does not earmark borrowing to specific items or types of expenditure. The County Council has an integrated treasury management approach and has adopted the CIPFA Code of Practice for Treasury Management. The County Council has, at any point in time, a number of cashflows, both positive and negative, and manages its treasury position in terms of its overall borrowings and investments in accordance with its approved Annual Treasury Management Strategy. In day to day cash management, no distinction is made between revenue and capital cash. External borrowing arises as a consequence of all the financial transactions of the County Council as a whole and not simply those arising from capital spending. In contrast, the CFR Indicator reflects the County Council's underlying need to borrow for capital purposes only.

Comment column:

The January 2021 figures were based on a Capital Plan approved as at 31 December 2020.
The updated figures reflect the following variations figures

(a)   re-phasing between years of expenditure that is funded from borrowing including slippage between years identified at 2019/20 outturn and Q3 2020/21

(b)   capital receipts (including company loans) slippage between years that affect year on year borrowing requirements

(c)   variations in the level of the Corporate Capital Pot which is used in lieu of new borrowing until the Pot is required

(d)   additions and variations to schemes/provisions approved that are funded from Prudential Borrowing

(e)   variations in the annual Minimum Revenue Provision for debt Repayment which arise from the above

(f)   Other Long Term Liabilities now include the Allerton Waste Recovery Park PFI Scheme

Prudential Indicator	Comment
4 **Gross Debt and the Capital Financing Requirement** The Prudential Code emphasises that in order to ensure that over the medium term debt will only be for a capital purpose, the County Council should ensure that debt does not, except in the short term, exceed the total of the capital financing requirement in the previous year (2019/20), plus the estimate of any additional capital financing requirement for the current (2020/21) and next two financial years (2021/22 and 2022/23). If, in any of these years, there is a reduction in the capital financing requirement, this reduction should be ignored in estimating the cumulative increase in the capital financing requirement which is used for comparison with gross external debt. This Prudential Indicator is referred to as gross debt and the comparison with the capital financing requirement (**Indicator 3**) and is a key indicator of prudence. The Corporate Director – Strategic Resources reports that the County Council had no difficulty in meeting this requirement up to 2019/20 nor are any difficulties envisaged for the current or future years of the Medium Term Financial Strategy up to 2022/23. For subsequent years, however, there is potential that the County Council may not be able to comply with the new requirement as a result of the potential for the annual Minimum Revenue Provision (MRP) reducing the Capital Financing Requirement below gross debt. This potential situation will be monitored closely. This opinion takes into account spending commitments, existing and proposed Capital Plans and the proposals in the Revenue Budget 2020/21 and Medium Term Financial Strategy report.	This Prudential Indicator was changed in 2013/14 to reflect the comparison of gross debt (external debt plus other long term liabilities) with the Capital Financing Requirement (CFR). The comparator debt figure had previously been net debt which was gross debt less investments. The Prudential Code requires that where there is a significant difference between the gross debt and the gross borrowing requirement, as demonstrated by the CFR, then the risks and benefits associated with this strategy should be clearly stated in the annual Treasury Management Strategy. The County Council's gross debt figure is currently significantly below the CFR figures shown in **Indicator 3** because of annual capital borrowing requirements being funded internally from cash balances (i.e. running down investments) rather than taking out new external debt. This situation, however, could be reversed in future as a result of two key factors: (i) externalising some or all of the internally financed CFR together with (ii) the potential for the annual Minimum Revenue Provision (MRP) for debt repayment reducing the CFR below gross debt because the debt cannot readily be prematurely repaid without incurring significant penalties (premiums). This potential situation will be monitored carefully by the Corporate Director – Strategic Resources.

Prudential Indicator	Comment
5 Authorised Limit for External Debt In respect of its external debt, it is recommended that the County Council approves the following Authorised Limits for its total external debt for the next three financial years. The Prudential Code requires external borrowing and other long term liabilities (PFI and Finance leases) to be identified separately. The authorised limit for 2020/21 will be the statutory limit determined under section 3(1) of the Local Government Act 2003.	The Corporate Director – Strategic Resources confirms that these authorised limits are consistent with the County Council's current commitments, updated Capital Plan and the financing of that Plan, the 2020/21 Revenue Budget and Medium Term Financial Strategy and with its approved Treasury Management Policy Statement. The Corporate Director – Strategic Resources also confirms that the limits are based on the estimate of most likely prudent, but not worst case, scenario with sufficient headroom over and above this to allow for operational issues (e.g. unusual cash movements). To derive these limits a risk analysis has been applied to the Capital Plan, estimates of the capital financing requirement and estimates of cashflow requirements for all purposes. The updated figures reflect a number of refinements which are also common to the Capital Financing Requirement (see **Indicator 3**) and Operational Boundary for external debt (see **Indicator 6**). Explanations for these changes are provided under **Indicators 3 and 6** respectively.

Year	Executive August 2020			Update January 2021		
	External Borrowing	Other long term liabilities	Total Borrowing Limit	External Borrowing	Other long term liabilities	Total Borrowing Limit
	£m	£m	£m	£m	£m	£m
2020/21	385.5	151.6	537.1	395.9	151.6	547.5
2021/22	382.2	176.2	558.4	401.7	176.2	577.9
2022/23	409.3	170.6	579.8	434.2	170.6	604.8
2023/24	-	-	-	347.2	165.4	512.6
2024/25	-	-	-	340.0	159.9	499.9

	Prudential Indicator	Comment

6   Operational Boundary for External Debt

It is recommended that the County Council approves the following Operational Boundary for external debt for the same period.

The proposed operational boundary for external debt is based on the same estimates as the Authorised Limit (ie **Indicator 5** above) but also reflects an estimate of the most likely prudent, but not worst case, scenario without the additional headroom included within the Authorised Limit to allow for eg unusual cash flows.

Year	Executive August 2020			Update January 2021		
	External Borrowing	Other long term liabilities	Total Borrowing Limit	External Borrowing	Other long term liabilities	Total Borrowing Limit
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
2020/21	365.5	151.6	517.1	375.9	151.6	527.5
2021/22	362.2	176.2	538.4	381.7	176.2	557.9
2022/23	389.2	170.6	559.8	414.2	170.6	584.8
2023/24	-	-	-	327.2	165.4	492.6
2024/25	-	-	-	320.0	159.9	479.9

Comment

The Operational Boundary represents a key management tool for the in year monitoring of external debt by the Corporate Director – Strategic Resources.

The updated figures reflect refinements which are common to the Capital Financing Requirement (see **Indicator 3** above), together with

(a)   relative levels of capital expenditure funded internally from cash balances rather than taking external debt

(b)   loan repayment cover arrangements and the timing of such arrangements

These two financing transactions affect external debt levels at any one point of time during the financial year but do not impact on the Capital Financing Requirement.

Prudential Indicator	Comment
7 Actual External Debt The County Council's external debt is set out below and consists of external borrowing from the PWLB and money markets plus other long term liabilities such as PFI and finance leases which are classified as external debt for this purpose.	The updated estimates for the 3 years to 31 March 2024 reflect refinements which are common to the Capital Financing Requirement (see **Indicator 3** above) together with the relative levels of capital expenditure internally funded from cash balances rather than taking external debt.

Year	Executive August 2020				Update January 2021			
	Basis	Borrowing	Other Long Term liabilities (PFI etc)	Total	Basis	Borrowing	Other Long Term liabilities (PFI etc)	Total
		£m	£m	£m		£m	£m	£m
31 Mar 2020	actual	263.1	155.1	418.2	actual	263.1	155.1	418.2
31 Mar 2021	estimate	236.0	151.6	387.6	probable	236.0	151.6	387.6
31 Mar 2022	estimate	221.8	176.2	398.0	estimate	221.8	176.2	398.0
31 Mar 2023	estimate	208.5	170.6	379.1	estimate	208.5	170.6	379.1
31 Mar 2024	estimate	-	-	-	estimate	208.5	165.4	373.9

It should be noted that actual external debt is not directly comparable to the Authorised Limit (**Indicator 5 above**) and Operational Boundary (**Indicator 6 above**) since the actual external debt reflects a position at one point in time.

8 Limit of Money Market Loans (Local Indicator) Borrowing from the money market for capital purposes (as opposed to borrowing from the PWLB) is to be limited to 30% of the County Council's total external debt outstanding at any one point in time. The actual position at 31 March 2020 was 8% (£20m out of a total of £263.1m) against an upper limit of 30%	This limit was introduced as a new Local Prudential Indicator in 2009/10, although the 30% limit has featured as part of the Borrowing Policy section of the County Council's Annual Treasury Management and Investment Strategy for many years.

Prudential Indicator	Comment
9 **Maturity Structure of Borrowing** The upper and lower limits for the maturity structure of County Council borrowings are as follows:- The amount of projected borrowing maturing in each period as a percentage of total projected borrowing that is fixed rate: <table><tr><td rowspan="2">**Period**</td><td>**Lower Limit %**</td><td>**Upper Limit %**</td><td colspan="2">**Memo item - actual at**</td></tr><tr><td></td><td></td><td>**1 April 20 %**</td><td>**1 April 21 %**</td></tr><tr><td>under 12 months</td><td>0</td><td>50</td><td>6</td><td>6</td></tr><tr><td>12 months & within 24 months</td><td>0</td><td>25</td><td>6</td><td>6</td></tr><tr><td>24 months & within 5 years</td><td>0</td><td>50</td><td>3</td><td>7</td></tr><tr><td>5 years & within 10 years</td><td>0</td><td>75</td><td>3</td><td>3</td></tr><tr><td>10 years and within 25 years</td><td>0</td><td>100</td><td>7</td><td>8</td></tr><tr><td>25 years and within 50 years</td><td>0</td><td>100</td><td>74</td><td>70</td></tr><tr><td></td><td></td><td></td><td>100</td><td>100</td></tr></table>	These limits are reviewed annually and have been updated to reflect the current maturity structure of the County Council's debt portfolio.

Prudential Indicator	Comment
10 Total Principal Sums Invested for periods longer than 365 days The 2020/21 aggregate limit of £40m for 'non specified' investments longer than 365 days is based on a maximum of 20% of estimated 'core cash funds' up to 2023/24 being made available for such investments. The purpose of this prudential limit for principal sums invested for longer than 365 days is for the County Council to contain its exposure to the possibility of loss that might arise as a result of it having to seek early repayment or redemption of principal sums invested.	**No change to this limit is proposed.** The County Council currently has no such investments that fall into this category. Prior to 1 April 2004, Regulations generally prevented local authorities from investing for longer than 365 days. As a result of the Prudential Regime however, these prescriptive regulations were abolished and replaced with Government Guidance from April 2004. This Guidance gives authorities more freedom in their choice of investments (including investing for periods longer than 365 days) and recognises that a potentially higher return can be achieved by taking a higher (ie longer term) risk. This flexibility requires authorities to produce an Annual Investment Strategy that classifies investments as either **Specified** (liquid, secure, high credit rating & less than 365 days) or **Non Specified** (other investments of a higher risk). Non Specified investments are perfectly allowable but the criteria and risks involved must be vigorously assessed, including professional advice, where appropriate. Therefore investments for 365 days+ are allowable as a Non Specified investment under the Government Guidance. The use of such investments is therefore now incorporated into the County Council's Annual Treasury Management and Investment Strategy.

ECONOMIC BACKGROUND

1.0 **The UK.**

1.1 The Bank of England's Monetary Policy Committee kept Bank Rate unchanged on 5th November. However, it revised its economic forecasts to take account of a second national lockdown from 5th November to 2nd December which is obviously going to put back economic recovery and do further damage to the economy. It therefore decided to do a further tranche of quantitative easing (QE) of £150bn, to start in January when the current programme of £300bn of QE announced in March to June, runs out. It did this so that "announcing further asset purchases now should support the economy and help to ensure the unavoidable near-term slowdown in activity was not amplified by a tightening in monetary conditions that could slow the return of inflation to the target". Its forecasts were optimistic in terms of three areas:

- the economy would recover to reach its pre-pandemic level in Q1 2022;

- an expectation that there will be excess demand in the economy by Q4 2022; and

- CPI inflation forecast to be a bit above its 2% target by the start of 2023 and the "inflation risks were judged to be balanced".

1.2 Significantly, there was no mention of **negative interest rates** in the minutes or Monetary Policy Report, suggesting that the MPC remains some way from being persuaded of the case for such a policy, at least for the next 6 -12 months. However, rather than saying that it "stands ready to adjust monetary policy", the MPC this time said that it will take "whatever additional action was necessary to achieve its remit". The latter seems stronger and wider and may indicate the Bank's willingness to embrace new tools.

1.3 The **Bank's forward guidance** in August stated "it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% target sustainably". Inflation is unlikely to cause increases in Bank Rate during this period as there is likely to be spare capacity in the economy for a considerable time. It is expected to briefly peak at around 2% towards the end of 2021, but this is a temporary short-lived factor.

1.4 However, the minutes did contain several references to **downside risks**. The MPC reiterated that the "recovery would take time, and the risks around the GDP projection were judged to be skewed to the downside". It also said "the risk of a more persistent period of elevated unemployment remained material". Downside risks could well include severe restrictions remaining in place in some form during the rest of December and most of January too. That could involve some or all of the lockdown being extended beyond 2nd December, a temporary relaxation of restrictions over Christmas, a resumption of the lockdown in January and many regions being subject to Tier 3 restrictions when the lockdown ends. Hopefully, restrictions should progressively ease during the spring. It is only to be expected that some businesses that have barely survived the first lockdown, will fail to survive the second lockdown, especially those

businesses that depend on a surge of business in the run up to Christmas each year. This will mean that there will be some level of further permanent loss of economic activity, although the extension of the furlough scheme to the end of 31 March will limit the degree of damage done.

1.5   As for upside risks, the announcements in relation to the production and distribution of a COVID19 vaccine have boosted confidence that life could largely return to normal during the second half of 2021, with activity in the still-depressed sectors like restaurants, travel and hotels returning to their pre-pandemic levels, which would help to bring the unemployment rate down. With the household saving rate currently being exceptionally high, there is plenty of pent-up demand and purchasing power stored up for these services. A comprehensive roll-out of vaccines might take into late 2021 to fully complete; but if these vaccines prove to be highly effective, then there is a possibility that restrictions could begin to be eased, possibly in Q2 2021, once vulnerable people and front-line workers had been vaccinated. At that point, there would be less reason to fear that hospitals could become overwhelmed any more. Effective vaccines would radically improve the economic outlook once they have been widely administered; it may allow GDP to rise to its pre-virus level a year earlier than otherwise and mean that the unemployment rate peaks at 7% next year instead of 9%. But while this would reduce the need for more QE and/or negative interest rates, increases in Bank Rate would still remain some years away. There is also a potential question as to whether the relatively optimistic outlook of the Monetary Policy Report was swayed by making positive assumptions around effective vaccines being available soon. It should also be borne in mind that as effective vaccines will take time to administer, economic news could well get worse before it starts getting better.

1.6   Overall, **the pace of recovery** was not expected to be in the form of a rapid V shape, but a more elongated and prolonged one. The initial recovery was sharp but after a disappointing increase in GDP of only 2.1% in August, this left the economy still 9.2% smaller than in February; this suggested that the economic recovery was running out of steam after recovering 64% of its total fall during the crisis. The last three months of 2020 were originally expected to show zero growth due to the impact of widespread local lockdowns, consumers probably remaining cautious in spending, and uncertainty over the outcome of the UK/EU trade negotiations concluding at the end of the year also being a headwind. It was expected that the second national lockdown would push back recovery of GDP to pre pandemic levels by six months and into sometime during 2023. However, now that there is high confidence that successful vaccines will be widely administered in the UK in the first half of 2021; this would cause a much quicker recovery than in their previous forecasts.

1.7   Since then, there has been rapid back-tracking on easing restrictions due to the spread of a new mutation of the virus, and severe restrictions were imposed across all four nations. These restrictions were changed on 5.1.21 to national lockdowns of various initial lengths in each of the four nations as the NHS was under extreme pressure. It is now likely that wide swathes of the UK will remain under these new restrictions for some months; this means that the near-term outlook for the economy is extremely challenging. However, the distribution of vaccines and the expected consequent removal of COVID-19 restrictions, should allow GDP to rebound rapidly in the second half of 2021 so that the economy could climb back to its pre-pandemic peak as soon as late in 2022. Provided that both monetary and fiscal policy are kept loose for a few years yet, then it

is still possible that in the second half of this decade, the economy may be no smaller than it would have been if COVID-19 never happened. The significant caveat is if another mutation of COVID-19 appears that defeats the current batch of vaccines. However, now that science and technology have caught up with understanding this virus, new vaccines ought to be able to be developed more quickly to counter such a development and vaccine production facilities are being ramped up around the world.

1.8 This recovery of growth which eliminates the effects of the pandemic by about the middle of the decade would have major repercussions for public finances as it would be consistent with the government deficit falling to around 2.5% of GDP without any tax increases. This would be in line with the OBR's most optimistic forecast in the graph below, rather than their current central scenario which predicts a 4% deficit due to assuming much slower growth. However, Capital Economics forecasts assumed that there is a reasonable Brexit deal and also that politicians do not raise taxes or embark on major austerity measures risking economic growth and recovery.

1.9 **Brexit.** The final agreement on 24.12.20, followed by ratification by Parliament and all 27 EU countries in the following week, has eliminated a significant downside risk for the UK economy. The initial agreement only covers trade so there is further work to be done on the services sector where temporary equivalence has been granted in both directions between the UK and EU; that now needs to be formalised on a permanent basis. As the forecasts in this report were based on an assumption of a Brexit agreement being reached, there is no need to amend these forecasts.

1.10 **Monetary Policy Committee meeting of 17 December.** All nine Committee members voted to keep interest rates on hold at +0.10% and the Quantitative Easing (QE) target at £895bn. The MPC commented that the successful rollout of vaccines had reduced the downsides risks to the economy that it had highlighted in November. But this was caveated by it saying, "Although all members agreed that this would reduce downside risks, they placed different weights on the degree to which this was also expected to lead to stronger GDP growth in the central case." As a result of these continued concerns, the MPC voted to extend the availability of the Term Funding Scheme, with additional incentives for SMEs for six months from 30.4.21 until 31.10.21.

1.11 **Fiscal policy**. In the same week as the MPC meeting, the Chancellor made a series of announcements to provide further support to the economy: -

- an extension of the COVID-19 loan schemes from the end of January 2021 to the end of March.
- the furlough scheme was lengthened from the end of March to the end of April.
- the Budget on 3.3.21 will lay out the "next phase of the plan to tackle the virus and protect jobs". This does not sound like tax rises are imminent, (which could hold back the speed of economic recovery).

The Global Ecomony

2.0 **USA.**

2.1 The result of the November elections means that while the Democrats have gained the presidency and a majority in the House of Representatives, it looks as if the Republicans

will retain their slim majority in the Senate. This means that the Democrats will not be able to do a massive fiscal stimulus, as they had been hoping to do after the elections, as they will have to get agreement from the Republicans. Equity prices leapt up on 9th November on the first news of a successful vaccine and have risen further during November as more vaccines announced successful results. However, the rise in yields has been quite muted so far and it is too early to say whether the Fed would feel it necessary to take action to suppress any further rise in debt yields. It is likely that the next two years, and possibly four years in the US, could be a political stalemate where neither party can do anything radical.

2.2   The economy had been recovering quite strongly from its contraction in 2020 of 10.2% due to the pandemic with GDP only 3.5% below its pre-pandemic level and the unemployment rate dropping below 7%. However, the rise in new cases to the highest level since mid-August, suggests that the US could be in the early stages of a third wave. While the first wave in March and April was concentrated in the Northeast, and the second wave in the South and West, the latest wave has been driven by a growing outbreak in the Midwest. The latest upturn poses a threat that the recovery in the economy could stall. This is the single biggest downside risk to the shorter term outlook – a more widespread and severe wave of infections over the winter months, which is compounded by the impact of the regular flu season and, as a consequence, threatens to overwhelm health care facilities. Under those circumstances, states might feel it necessary to return to more draconian lockdowns.

2.3   However, with the likelihood that highly effective vaccines are going to become progressively widely administered during 2021, this should mean that life will start to return to normal during quarter 2 of 2021. Consequently, there should be a sharp pick-up in growth during that quarter and a rapid return to the pre-pandemic level of growth by the end of the year.

2.4   The Federal Open Market Committee's updated economic and rate projections in mid-September showed that officials expect to leave the fed funds rate at near-zero until at least end-2023 and probably for another year or two beyond that. There is now some expectation that where the Fed has led in changing its inflation target, other major central banks will follow. The increase in tension over the last year between the US and China is likely to lead to a lack of momentum in progressing the initial positive moves to agree a phase one trade deal.

3.0 **EUROZONE**

3.1   The economy was recovering well towards the end of Q2 and into Q3 after a sharp drop in GDP caused by the virus. However, growth is likely to stagnate during Q4, and Q1 of 2021, as a second wave of the virus has affected many countries, and is likely to hit hardest those countries more dependent on tourism. The €750bn fiscal support package eventually agreed by the EU after prolonged disagreement between various countries, is unlikely to provide significant support, and quickly enough, to make an appreciable difference in the worst affected countries. With inflation expected to be unlikely to get much above 1% over the next two years, the ECB has been struggling to get inflation up to its 2% target. It is currently unlikely that it will cut its central rate even further into negative territory from -0.5%, although the ECB has stated that it retains this as a

possible tool to use. It is therefore expected that it will have to provide more monetary policy support through more quantitative easing purchases of bonds in the absence of sufficient fiscal support from governments.

3.2   However, as in the UK and the US, the advent of highly effective vaccines will be a game changer, although growth will struggle during the closing and opening quarters of this year and next year respectively before it finally breaks through into strong growth in quarters 2 and 3. The ECB will now have to review whether more monetary support will be required to help recovery in the shorter term or to help individual countries more badly impacted by the pandemic.

4.0   CHINA

4.1   After a concerted effort to get on top of the virus outbreak in Q1, economic recovery was strong in Q2 and then into Q3 and Q4; this has enabled China to recover all of the contraction in Q1. Policy makers have both quashed the virus and implemented a programme of monetary and fiscal support that has been particularly effective at stimulating short-term growth. At the same time, China's economy has benefited from the shift towards online spending by consumers in developed markets. These factors help to explain its comparative outperformance compared to western economies.

4.2   However, this was achieved by major central government funding of yet more infrastructure spending. After years of growth having been focused on this same area, any further spending in this area is likely to lead to increasingly weaker economic returns in the longer term. This could, therefore, lead to a further misallocation of resources which will weigh on growth in future years.

5.0   JAPAN

5.1   Japan's success in containing the virus without imposing draconian restrictions on activity should enable a faster return to pre-virus levels of output than in many major economies. While the second wave of the virus has been abating, the economy has been continuing to recover at a reasonable pace from its earlier total contraction of 8.5% in GDP. However, there now appears to be the early stages of the start of a third wave. It has also been struggling to get out of a deflation trap for many years and to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. There has also been little progress on fundamental reform of the economy. The change of Prime Minister is not expected to result in any significant change in economic policy.

6.0   WORLD GROWTH

6.1   While Latin America and India have, until recently, been hotspots for virus infections, infection rates have begun to stabilise. World growth will be in recession this year. Inflation is unlikely to be a problem for some years due to the creation of excess production capacity and depressed demand caused by the coronavirus crisis.

6.2 Until recent years, world growth has been boosted by increasing **globalisation** i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has also depressed inflation. However, the rise of China as an economic superpower over the last thirty years, which now accounts for nearly 20% of total world GDP, has unbalanced the world economy. The Chinese government has targeted achieving major world positions in specific key sectors and products, especially high tech areas and production of rare earth minerals used in high tech products. It is achieving this by massive financial support, (i.e. subsidies), to state owned firms, government directions to other firms, technology theft, restrictions on market access by foreign firms and informal targets for the domestic market share of Chinese producers in the selected sectors. This is regarded as being unfair competition that is putting western firms at an unfair disadvantage or even putting some out of business. It is also regarded with suspicion on the political front as China is an authoritarian country that is not averse to using economic and military power for political advantage. The current trade war between the US and China therefore needs to be seen against that backdrop. It is, therefore, likely that we are heading into a period where there will be a **reversal of world globalisation and a decoupling of western countries** from dependence on China to supply products. This is likely to produce a backdrop in the coming years of weak global growth and so weak inflation.

6.3 Central banks are, therefore, likely to come under more pressure to support growth by looser monetary policy measures and this is likely to result in more quantitative easing and keeping rates very low for longer. It will also put pressure on governments to provide more fiscal support for their economies.

6.4 A surge in investor confidence, as a result of successful vaccines, may help to suppress the rise in debt yields and so keep the total interest bill on greatly expanded government debt portfolios within manageable parameters. It is also the main alternative to a programme of austerity.

7.0 **INTEREST RATE FORECASTS**

7.1 The interest rate forecasts provided by Link were predicated on an assumption of a reasonable agreement being reached on trade negotiations between the UK and the EU by 31.12.20. There is therefore no need to revise these forecasts now that a trade deal has been agreed. Brexit may reduce the economy's potential growth rate in the long run. However, much of that drag is now likely to be offset by an acceleration of productivity growth triggered by the digital revolution brought about by the COVID crisis.

7.2 The real risk is if the UK and the EU cannot agree. The UK could override part or all of the Withdrawal Agreement while the EU could respond by starting legal proceedings and few measures could be implemented to mitigate the disruption on 1.1.21. The acrimony would probably continue beyond 2021 too, which may lead to fewer agreements in the future and the expiry of any temporary measures.

7.3 Relative to the slump in GDP endured during the COVID crisis, any hit from a no deal would be small. But the pandemic does mean there is less scope for policy to respond. Even so, the Chancellor could loosen fiscal policy by about £10bn (0.5% of

GDP) and target it at those sectors hit hardest. The Bank of England could also prop up demand, most likely through more gilt and corporate bond purchases rather than negative interest rates.

7.4 So in summary, there is not likely to be any change in Bank Rate in 20/21 – 21/22 due to whatever outcome there is from the trade negotiations and while there will probably be some movement in gilt yields / PWLB rates after the deadline date, there will probably be minimal enduring impact beyond the initial reaction.

8.0 **The balance of risks to the UK**

- The overall balance of risks to economic growth in the UK is probably now skewed to the upside, but is still subject to some uncertainty due to the virus and the effect of any mutations, and how quick vaccines are in enabling a relaxation of restrictions.; and

- there is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe haven flows, due to unexpected domestic developments and those in other major economies, could impact gilt yields, (and so PWLB rates), in the UK.

8.1 Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- **UK government** takes too much action too quickly to raise taxation or introduce austerity measures that depress demand in the economy.;

- **UK - Bank of England** takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate;

- a resurgence of the **Eurozone sovereign debt crisis;**

- weak capitalisation of some **European banks**, which could be undermined further depending on extent of credit losses resultant of the pandemic;

- **German minority government & general election** in 2021;

- **Other minority EU governments.** Austria, Sweden, Spain, Portugal, Netherlands, Ireland and Belgium also have vulnerable minority governments dependent on coalitions which could prove fragile;

- **Austria, the Czech Republic, Poland and Hungary** now form a strongly anti-immigration bloc within the EU. There has also been a rise in anti-immigration sentiment in Germany and France;

- **Geopolitical risks,** for example in China, Iran or North Korea, but also in Europe and other Middle Eastern countries, which could lead to increasing safe haven flows; and

8.2 Upside risks to current forecasts for UK gilt yields and PWLB rates include:

- **UK -** a significant rise in inflationary pressures e.g. caused by a stronger than currently expected recovery in the UK economy after effective vaccines are administered quickly to the UK population, leading to a rapid resumption of normal life and return to full economic activity across all sectors of the economy;

- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.

NORTH YORKSHIRE COUNTY COUNCIL ANNUAL INVESTMENT STRATEGY 2021/22 – SPECIFIED INVESTMENTS

Investment	Security / Minimum Credit Rating	Circumstances of Use
Term Deposits with the UK Government or with UK Local Authorities (as per Local Government Act 2003) with maturities up to 1 year	High security as backed by UK Government	In-house
Term Deposits with credit rated deposit takers (Banks and Building Societies), including callable deposits with maturities less than 1 year	Organisations assessed as having "high credit quality"within the UK or from Countries with a minimum Sovereign rating of AA- for the country in which the organisation is domiciled	In-house
Certificate of Deposits issued by credit rated deposit takers (Banks and Building Societies) up to 1 year		Fund Manager or In-house "buy and hold" after consultation with Treasury Management Advisor
Forward deals with credit rated Banks and Building Societies less than 1 year (i.e. negotiated deal plus period of deposit)		In-house
Term Deposits with Housing Associations less than 1 year		In-house
Money Market Funds i.e. collective investment scheme as defined in SI2004 No 534 (*These funds have no maturity date*)	Funds must be AAA rated	In-house After consultation with Treasury Management Advisor Limited to £20m
Gilts (with maturities of up to 1 year)	Government Backed	Fund Manager or In-house buy and hold after consultation with Treasury Management Advisor
Bonds issued by a financial institution that is guaranteed by the UK Government (as defined in SI 2004 No 534) with maturities under 12 months (*Custodial arrangements required prior to purchase*)	Government Backed	After consultation with Treasury Management Advisor

SCHEDULE 4

NORTH YORKSHIRE COUNTY COUNCIL ANNUAL INVESTMENT STRATEGY 2021/22 – NON-SPECIFIED INVESTMENTS

Investment	Security / Minimum Credit Rating	Circumstances of Use	Max % of total investments	Maximum investment with any one counterparty	Max. maturity period
Term Deposit with credit rated deposit takers (Banks & Building Societies), UK Government and other Local Authorities with maturities greater than 1 year	Organisations assessed as having "high credit quality" under the Credit Worthiness Policy	In-house	100% of agreed maximum proportion of Core Cash funds (£40m)	£5m	5 years
Certificate of Deposit with credit rated deposit takers (Banks & Building Societies) with maturities greater than 1 year Custodial arrangements prior to purchase	Organisations assessed as having "high credit quality" under the Credit Worthiness Policy	Fund Manager or In-house "buy & hold" after consultation with Treasury Management Advisor	100% of agreed maximum proportion of Core Cash funds (£40m)	£5m	5 years
Callable Deposits with credit rated deposit takers (Banks & Building Societies) with maturities greater than 1 year	Organisations assessed as having "high credit quality" under the Credit Worthiness Policy	In-house	50% of agreed maximum proportion of Core Cash funds (£20m)	£5m	5 years
Term Deposits with Housing Associations with maturities greater than 1 year	Organisations assessed as having "high credit quality" under the Credit Worthiness Policy	In-house	25% of agreed maximum proportion of Core Cash funds (£10m)	£5m	5 years

Investment	Security / Minimum Credit Rating	Circumstances of Use	Max % of total investments	Maximum investment with any one counterparty	Max. maturity period
Forward Deposits with a credit rated Bank or Building Society > 1 year (i.e. negotiated deal period plus period of deposit)	Organisations assessed as having "high credit quality" under the Credit Worthiness Policy	In-house	25% of agreed maximum proportion of Core Cash funds (£10m)	£5m	5 years
Bonds issued by a financial institution that is guaranteed by the UK Government (as defined in SI2004 No534) with maturities in excess of 1 year Custodial arrangements required prior to purchase	AA or Government backed	Fund Manager or In-house "buy & hold" after consultation with Treasury Management Advisor	25% of agreed maximum proportion of Core Cash funds (£10m)	n/a	5 years
Bonds issued by Multilateral development banks (as defined in SI2004 No534) with maturities in excess of 1 year Custodial arrangements required prior to purchase	AA or Government backed	Fund Manager or In-house "buy & hold" after consultation with Treasury Management Advisor	25% of agreed maximum proportion of Core Cash funds (£10m)	£5m	5 years
UK Government Gilts with maturities in excess of 1 year Custodial arrangements required prior to purchase	Government backed	Fund Manager	25% of agreed maximum proportion of Core Cash funds (£10m)	n/a	5 years
Collateralised Deposit	UK Sovereign Rating	In-house	25% of agreed maximum proportion of Core Cash funds (£10m)	n/a	5 years

Investment	Security / Minimum Credit Rating	Circumstances of Use	Max % of total investments	Maximum investment with any one counterparty	Max. maturity period
Property Funds	Organisations assessed as having "high credit quality"	In-house after consultation with Treasury Management Advisor	100% of agreed maximum proportion of Core Cash funds (£40m)	£5m	10 years

APPROVED LENDING LIST 2021/22

Maximum sum invested at any time (The overall total exposure figure covers both Specified and Non-Specified investments)

	Country	Specified Investments (up to 1 year)		Non-Specified Investments (> 1 year £40m limit)	
		Total Exposure £m	Time Limit *	Total Exposure £m	Time Limit *
UK "Nationalised" banks / UK banks with UK Central Government involvement					
Royal Bank of Scotland PLC (RFB)	GBR	75.0	365 days	-	-
National Westminster Bank PLC (RFB)	GBR				
UK "Clearing Banks", other UK based banks and Building Societies					
Santander UK PLC (includes Cater Allen)	GBR	60.0	6 months	-	-
Barclays Bank PLC (NRFB)	GBR	75.0	6 months	-	-
Barclays Bank UK PLC (RFB)	GBR				
Bank of Scotland PLC (RFB)	GBR	60.0	6 months	-	-
Lloyds Bank PLC (RFB)	GBR				
Lloyds Bank Corporate Markets PLC (NRFB)	GBR				
HSBC Bank PLC (NRFB)	GBR	30.0	365 days	-	-
HSBC UK Bank PLC (RFB	GBR				
Goldman Sachs International Bank	GBR	60.0	6 months		
Sumitomo Mitsui	GBR	30.0	6 months		
Standard Chartered Bank	GBR	60.0	6 months		
Handlesbanken	GBR	40.0	365 days		
Nationwide Building Society	GBR	40.0	6 months	-	-
Leeds Building Society	GBR	20.0	3 months	-	-
High Quality Foreign Banks					
National Australia Bank	AUS	30.0	365 days	-	-
Commonwealth Bank of Australia	AUS	30.0	365 days		
Toronto-Dominion Bank	CAN	30.0	365 days		
Credit Industriel et Commercial	FRA	30.0	6 months	-	-
Landesbank Hessen-Thueringen Girozentrale (Helaba)	GER	30.0	365 days		
DBS (Singapore)	SING	30.0	365 days		
Local Authorities					
County / Unitary / Metropolitan / District Councils		20.0	365 days	5.0	5 years
Police / Fire Authorities		20.0	365 days	5.0	5 years
National Park Authorities		20.0	365 days	5.0	5 years
Other Deposit Takers					
Money Market Funds		20.0	365 days	5.0	5 years
Property Funds		5.0	365 days	5.0	10 years
UK Debt Management Account		100.0	365 days	5.0	5 years

Based on data as 31 December 2020

APPROVED COUNTRIES FOR INVESTMENTS

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong, Norway and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link credit worthiness service.

Sovereign Rating	Country
AAA	Australia Denmark Germany Luxemburg Netherlands Norway Singapore Sweden Switzerland
AA+	Canada Finland USA
AA	Abu Dhabi (UAE) France
AA-	Belgium Hong Kong Qatar UK

12. NATIONAL PARK MANAGEMENT PLAN ANNUAL MONITORING REPORT 2020/21 (MM)

1. Purpose of the report

This report provides Members with monitoring information for the end of the third year of the Peak District National Park Management Plan 2018-23. It also seeks Members approval to adopt the agreed definition of thriving and sustainable communities.

Key Issues

- Section 66 of 1995 Environment Act requires National Park Authorities to produce and update a National Park Management Plan every 5 years.

- At the end of our third year (2020/21) of the National Park Management Plan, an annual monitoring report has been produced, which forms appendix 1 to this report. This provides a more detailed update on all sections of the Management Plan referred to in this report.

- Progress has been made against most of the intentions identified in the National Park Management Plan, with 31 delivery actions being shown as 'green', which is on schedule, on the quarterly performance table. Three actions are shown as 'red', as the delivery actions have not been achieved and a further six actions rated amber due to risks arising which may delay their delivery. Further detail are provided at paragraphs 12-28.

- The definition of thriving and sustainable communities that was developed as an action in the Management Plan is included in this report for adoption by the Authority.

2. Recommendations(s)

1. **That Members approve the National Park Management Plan Annual Monitoring Report 2020/21.**

2. **That any necessary changes to the proposed wording of the Annual Monitoring Report and the Peak District National Park Management Plan 2018-23 delivery plan be delegated to the Chief Executive.**

3. **That Members approve and adopt the definition of the thriving and sustainable communities.**

How does this contribute to our policies and legal obligations?

3. Requirement to produce and update the National Park Management Plan

4. Section 66 of 1995 Environment Act requires National Park Authorities to produce a National Park Management Plan which 'formulates policy for the management of the relevant Park and for the carrying out of its functions in relation to that Park' and should reflect national park purposes. This should be updated at least every 5 years.

5. The UK Government vision and circular 2010 for the English National Parks and the Broads states that 'Park Management Plans are the over-arching strategic document for the Parks and set the vision and objectives which will guide the future of the Park

over the next 10 to 20 years. The Park Management Plans are for the Parks and not just the Authorities. They should be supported by clear strategies with evidence of significant 'buy-in' from key partners and stakeholders, including communities, land owners and land managers. The Government expects public agencies and authorities active within or bordering a Park to cooperate in the development of the Park Management Plan and the achievement of the Management Plan objectives.'

6.   This means the National Park Management Plan is not a plan for the work of the National Park Authority, or of any one organisation, but about what can be achieved by everyone with an interest in the National Park and its future. The plan is therefore a partnership plan reflecting ambitions across the whole National Park and reflects the input of numerous organisations.

7.   Through Our Corporate Strategy 2019-24, the National Park Authority delivers its contribution to the National Park Management Plan.

Background Information

8.   The Peak District National Park Management Plan 2018-23 was adopted by the Authority at its meeting on the 25th May 2018 (minute reference 21/18). The Management Plan focuses on six areas of impact:

        1: Preparing for a future climate

        2: Ensuring a future for farming and land management

        3: Managing landscape conservation on a big scale

        4: A National Park for everyone

        5: Encouraging enjoyment with understanding

        6: Supporting thriving and sustainable communities and economy

Proposals

9.   Delivery Progress

10.   Under each Area of Impact, there are a set of intentions that provide further detail on what we would like to achieve. In total there are fifteen Intentions. An Annual Monitoring Report is produced at the end of each year to outline the progress made in term of implementing actions in the delivery plan. The 2020/21 Annual Monitoring Report can be found at Appendix 1. Members are asked to approve this Annual Monitoring Report.

11.   Further detail on delivery of specific actions in the National Park Management Plan delivery plan is outlined in appendix 2. Each action has been assigned a traffic light rating of red, amber or green (RAG) to give a clear indication of progress.

        The RAG rating used to assess performance indicates the following.

        Green – the delivery action is achieved or is on schedule to be achieved in the future.

        Amber – the delivery action is at risk of not being achieved on schedule.

        Red – the delivery action was not achieved

12.   Progress has been made in most of the intentions identified in the National Park Management Plan, with 31 delivery actions being 'green' or on schedule. Three actions are shown as 'red', as the delivery actions have not been achieved and a further six actions are rated amber due to risks arising which may delay their delivery.

13.   The two of the actions rated as red are under Intention 3.1: Establish monitoring at a landscape scale. We will have agreed and established a system of monitoring at a landscape scale encompassing landscape, wildlife and cultural heritage, with objectives set in 2018 and the methodology agreed in 2019. The outline programme of research necessary was identified in 2019/20. Since that time the proposals have been delayed by the impact of Covid19, which has restricted partner availability and prevented access to land and facilities. However, specific elements have progressed including work with Cranfield University to undertake land cover change monitoring. Furthermore, progress has been made with the repeat of the landscape description unit photographs.

14.   Under Intention 4.1: Overcome physical barriers to access. Create a programme to develop a sustainable visitor economy that encourages the Peak District National Park to be a welcoming place for all. We aimed to produce and adopt a Recreation Hubs Supplementary Planning Document in 2020. Work has been undertaken to complete the necessary definitions and vision statement with an expectation that it would have been complete in April 2021, but progress with this was delayed as the priority changed to emergency planning for the easing of lockdown restrictions. Officers plan to resume progress during quarter1 of 2021/22.

15.   A further six actions have been recorded as amber. Two of these relate to moorland birds under Intention 2.2: Ensure that the management of upland moors delivers environmental, social & economic benefits. Specifically; Bird survey in 2018 to confirm population trends and to review the work of the Bird of Prey initiative with the target to restore populations of birds of prey to at least the levels present in the late 1990s, with the addition of hen harrier as a regularly successful breeding species.

16.   The bird survey data issues have now been resolved and reprocessed and a new version of the data report was published April 2021. The final Bird of Prey Initiative report for 2020 showed that it was a relatively good year, but incidents of wildlife crime increased and there is still progress to be made to restore bird numbers to the target levels. Therefore for the moment this remain as at amber.

17.   The remaining four amber actions are all connected with Intention 1.1: Reduce the effects of climate change on the special qualities. Initiate an ambitious low carbon rural transport scheme that is environmentally and economically sustainable. They are:

Research programme launched May 2020

2023 target for emission reduction from car borne traffic identified August 2020

Project plan published August 2020

Pilot scheme launched April 2021

18.   All of these targets were part of additions to the Management Plan approved in 2020. These actions are progressing with a continuation of developing our integrated low carbon travel ambitions. We are looking to develop integrated travel partnerships across various transport authority areas, using the Hope Valley Explorer as a demonstration area with scope to roll the principles out more widely across the National Park. Work with universities continues to improve our understanding of visitor travel behaviour and potential interventions to promote low carbon alternatives. In addition, a community led initiative in the Hope Valley has successfully secured funding for an individual to work on sustainable transport. However, the uncertain long term impacts

on public transport from Covid19 and the disruption it has caused to work programmes has led to these areas being recorded as amber.

19.   As target dates have passed for the actions that have been rated as 'red – the delivery action was not achieved', it is proposed that the target dates for these in the delivery plan are updated. The actions are 'establish monitoring at a landscape scale' and 'produce and adopt a Recreation Hubs Supplementary Planning Document. As the target dates have passed, they no longer provide a useful assessment of progress. We do not intend to change the delivery action or anything else in the delivery plan, just these timescales so they are up to date.

20.   <u>Thriving and Sustainable Communities</u>

21.   The National Park Management Plan contains the intention to support thriving and sustainable communities and economy. The actions associated with this include; define what is meant by thriving and sustainable communities, in the context of the National Park Management Plan, as an essential first step.

22.   To develop the definition, a draft version of the thriving and sustainable definition was arrived at through combining ideas supplied by the Peak Park Parishes' Forum (PPPF) and comments received from parishes through the Parish Statement process. This draft version was then consulted on in the last quarter of 2020 and was further developed, with the agreement of the PPPF, using comments received during this consultation. Final comments were invited from our constituent Council in April and this has resulted in the final version which is included in Appendix 3 of this report.

23.   Members are asked to approve and adopt the definition of the thriving and sustainable communities, as set out in appendix 3, to be utilised in future work, plans and strategies such as the Local Plan and National Park Management Plan.

Are there any corporate implications members should be concerned about?

Financial:
24.   The delivery plan elements of the NPMP that the Authority is responsible for will be funded through the usual delivery plan mechanisms.

Risk Management:
25.   The greatest risk to the delivery of the NPMP is ensuring that there is support from partners and stakeholders, especially the elements of the delivery plan where their contributions are essential. This risk has been mitigated by liaison with partners and stakeholders throughout the delivery of the NPMP and monitored by the Advisory Group.

26.   Please note that the National Park Authority is the Sponsoring Partner in 26 of the 40 delivery actions. Therefore fourteen of the delivery actions are led by external bodies and all of the delivery actions require the cooperation of multiple partners to be successful.

Sustainability:
27.   National Park Management Plans were subject to the EU Directive on Strategic Environmental Assessment (SEA) which is delivered via a Sustainability Appraisal (SA), and are also subject to the Habitats Regulation and require a Habitat Regulations Assessment (HRA). The SA and HRA were undertaken prior to the adoption of the NPMP.

Equality:

28.   The National park Management Plan's vision contains the aspiration to be a sustainable, welcoming and inspiring place for all. This is expanded through Area of Impact 4: A National Park for everyone, with actions under overcoming physical and perceived barriers to access.

29.   The vision also aspires to thriving and sustainable communities and economy. This is expanded through the intention to improve access to services and support the provision of locally needed housing.

30.   Climate Change

The National Park Management Plan sets the framework for climate change in the National Park. In the current NPMP climate change is an area of impact, preparing for a future climate. This aims to coordinate the action of partners in a concerted effort to address this challenge. It is likely that this focus will be replicated and enhanced in the development of the next National Park Management Plan and Corporate Strategy.

31.   Background papers (not previously published)

None

32.   Appendices

Appendix 1 - Peak District National Park Management Plan 2018-23 Annual Monitoring Report 2020/21

Appendix 2 - Peak District National Park Management Plan Actions Table April 2021

Appendix 3 - Definition of Thriving and Sustainable Communities

Report Author, Job Title and Publication Date

Matt Mardling, Senior Strategy Officer, 13 May 2021
matt.mardling@peakdistrict.gov.uk

This page is intentionally left blank

Peak District National Park Management Plan Annual Monitoring Report 2020-21

Foreword

The third year's delivery of the 2018-23 Peak District National Park Management Plan has been one nobody could have anticipated. In a year like no other, we are still waiting patiently for what everyone hopes will be the last restrictions after lock down to lift.

As we start to reflect on the year that has gone, I must say thank you to all our communities, volunteers and rangers who have stepped up to deal with the impact of waves of new visitors who were often quite unfamiliar with the areas of the countryside they were exploring. As well as the numerous individuals who have risen to the diverse challenges of the pandemic.

With resources directed to dealing with the pandemic and facilities closed, many work programmes have been put on hold. However despite these constrained times essential work has also gone on undeterred. Appreciation goes to the Moors for the Future Partnership for the completion of their largest annual work programme in their history with 1036 Ha of sphagnum planted and almost 10,000 dams installed plus a wide variety of other work to secure our upland landscape. Also several bird of prey species showed encouraging breeding successes, thanks to collaboration between landowners, gamekeepers and raptor workers. Peregrine falcons had their best year in a decade, with all six known nesting attempts being successful, resulting in a record 14 fledged young. The levels of occupied bird of prey territories continue to present an ongoing challenge, but the progress of peregrine and goshawk this year shows us what can be achieved.

Though the end now seems in sight, for the National Park there are still more questions than answers. Will visitors surge back to the place and continue to do so once alternative venues are fully open? What long term impact will all this have on the hospitality sector and local economy?

For land management the future also looks less than certain, but hopefully promising. The tests and trials to inform the new farming support package are now complete and have reported their findings. Potentially this could usher in a new era of supporting farmers more directly for the public goods they provide, bolstering working protected landscapes such as the National Park.

Looking forward, the pressing matter of climate change must not slip from the agenda as we seek to build back stronger and develop our green recovery. In these uncertain and changeable times the strength of our partnerships will be key to making an effective recovery which endures. The following pages provide more detail on our progress in 2020/21 delivery of the Peak District National Park Management Plan 2018-23. Please feel proud of what we have achieved so far and consider how you may continue to support delivering these intentions in the future.

Yours sincerely
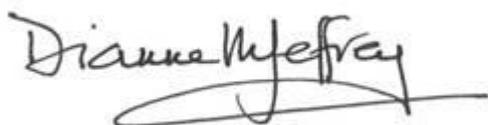
Dianne Jeffrey
Independent Chair of the Peak District National Park Management Plan Advisory Group

Introduction

The National Park Management Plan provides the framework that encourages everyone to work together to achieve national park purposes. It is not a plan for an individual organisation or group but a plan for the place. It is, therefore, a partnership plan. It is the single most important strategic document for the Peak District National Park. It shares with everyone what the main issues and priorities are. It then sets out how, together, we are going to tackle those issues over the next five years.

Since 2007 the National Park Management Plan has been overseen by an Advisory Group of partners who have monitored delivery and provided advice to the organisations involved. The group contains representatives from the following organisations:

Business Peak District
Derbyshire County Council
Derbyshire Wildlife Trust
Farmers & Land Managers Forum
Friends of the Peak District
Local Access Forum
National Park Authority
National Trust
Natural England (coordinating input from the Environment Agency, Historic England and Forestry Commission)
Peak Park Parishes Forum
Rural Action Derbyshire
Sheffield City Council
Staffordshire Moorlands District Council
Experience Peak District and Derbyshire

The management plan is organised around six main themes known as Areas of Impact, which are in turn broken down into a series of intentions.

Areas of Impact

1: Preparing for a future climate
2: Ensuring a future for farming and land management
3: Managing landscape conservation on a big scale
4: A National Park for everyone
5: Encouraging enjoyment with understanding
6: Supporting thriving and sustainable communities and economy

Area of Impact 1:
Preparing for a future climate

Intention 1.1: Reduce the effects of climate change on the special qualities

To reduce the effects of climate change on the special qualities, we will know which special qualities are most affected by climate change, and focus action on reducing these impacts. We will undertake a climate change vulnerability assessment on the special qualities of the National Park & produce a mitigation/adaptation plan setting out priority actions.

Update
The climate change vulnerability assessment on the National Park's special qualities has been completed and was adopted by the National Park Authority in December. It will now form part of the evidence base for the next review of the Management Plan ensuring climate change has prominence in our thinking as we plan ahead. Part of our ambition to have a working assessment of all the Park's area based emissions is now complete, as we now have data from the Government cut to the National Park's boundary and are looking to develop this further to gain a more nuanced understanding of the National Park's carbon footprint with demand based modelling.

Our work to address the impacts of climate change is progressing.

Sustainable Transport
In a difficult year work behind the scenes continues to develop our integrated low carbon travel ambitions. We are looking to develop integrated travel partnerships across various transport authority areas, using the Hope Valley Explorer as a demonstration area with scope to roll the principles out more widely across National Park.

Peatland restoration
Development of the Great North Bog is under way, looking at expanding opportunities for peatland restoration across the entire North of England in collaboration with other peatland partnerships and practitioners. This is vital work as the area is estimated to release 3.7 million tonnes of CO_2 into the atmosphere every year due to the condition of the peat. A grant is now in place from Defra and the Environment Agency to support the setting up of the Great North Bog initiative and an interim Board is in place. Work is underway with Defra on proposals for the Nature for Climate Fund in order to be best placed to access the funds when they become available.

Over the winter 20/21 a peat mass density analysis of the whole Bamford catchment was completed, this will give a landscape scale assessment of carbon content at a high level of accuracy and will provide a benchmark for assessing the rest of the Dark Peak and South Pennines.

Grasslands for carbon
To improve carbon awareness amongst farmers and land managers the carbon data which the Peak Carbon Tool uses has been updated to make it more accurate. In addition, two further updated versions of the carbon ready reckoner have been created for the Dark and South West Peak National Character Areas, as part of the second phase of the Defra Environmental Land Management Test. The South West Peak carbon ready reckoner is being expanded to include soil carbon as an indicator of soil health, where land managers can input actual soil test results. Currently the ready reckoner has been shared with 27 farmers and land managers through four virtual workshops.

The Peak Carbon Tool has been shared with representatives of the 44 English Protected Landscapes and there is interest in developing the tool to apply to other parts of the country.

Trees in the Landscape
New targets for additional trees in the landscape have been agreed to match the ambition set out by the national Climate Change Committee. The draft Wooded Landscape Plan, which will form the basis of this, has been shared with partners and was well received with good levels of engagement and insightful comments. The plan has been amended to reflect these comments and the final draft will be shared in early 21/22.

Area of Impact 2:
Ensuring a future for farming and land management

Intention 2.1: Secure funding for future land management to benefit all

To secure funding for future land management to benefit all, we will seek to create an ideal future farming and land management payment scheme in the Peak District National Park which helps to conserve and enhance the special qualities.

Update

The final report on the White Peak Test has been completed and submitted to DEFRA. The Test intended to determine whether a National Character Area (NCA) could be used to design some of the building blocks for Environmental Land Management support, as well as help improve the relationship between Government and land managers. The NCA was found to be a good framework for Environmental Land Management. Participants recognised their holdings in the description and could use it to identify which public goods they could deliver.

The Government's response to the Environmental Land Management Policy Discussion Document has now been published and the design of the future approach has continued to be developed. It now includes three schemes: Sustainable Farm Incentive, Local Nature Recovery and Landscape Recovery.

Phase 1 of the Sustainable Farm Incentive national pilot has been launched with an invitation for farmers and land managers to make expressions of interest in the pilot scheme by April 2021.

In addition, further opportunities have been provided for any areas of design not already covered by existing tests and trials. Further tests have started in the Dark and South West Peak National Character Areas to expand on the work completed in the White Peak. So far four workshops have been held, two with existing Countryside Stewardship Farmer Facilitation Groups and two with participants being drawn from across the area who are not part of an existing farmer group.

At a National level there has been on going promotion of available agri-environment schemes across all England's 44 protected landscapes resulting in a workshop attended by over 500 farmers and land managers.

Future Actions:
To have a new support package available from 2023.

Note: The new Agriculture Bill and policy statement provides a planned timescale of 2025 to have new environmental land management arrangements in place

Intention 2.2: Ensure that the management of upland moors delivers environmental, social & economic benefits

To ensure that the management of upland moors delivers environmental, social & economic benefits; we will seek to restore populations of birds of prey to at least the levels present in the late 1990s, with the addition of hen harrier as a regularly successful breeding species.

Focusing on:

1. Fire risk
2. Visitor engagement
3. Resilient sustainable moorland
4. Moorland birds

Regular monitoring of progress against these areas of focus is carried out in partnership between Natural England, the Moorland Association and the National Park Authority. There is also an annual up-date on progress and agreement on the focus for the future year's activity with moorland owners, agents and keepers.

Update
Fire Operations Group
The surges in visitor numbers heightened the wildlife risk but this season the number of wildfires has been lower than the previous year thanks mainly to the weather and also the constant vigilance of land managers. Several wildfires were caught early and thus major fires were prevented. Work with supermarkets not to stock disposable BBQs has helped but there is still more to do manage the public expectations and understanding of the dangers that they pose.

Moors for the Future Partnership is working with moorland owners to incorporate the ignition risk map into wider estate fire planning. They now have moorland resilience projects in place with Calderdale and Kirklees with other moorland containing Local Authority areas considering joining to increase the resilience of the habitat to fire.

A template Wildfire Plan approach is being developed and with support from a private landowner, the plans will be tested using a risk model to see if they are fit for purpose. This work will then be fed into DEFRA's wider approach to this critical issue.

Access and Engagement
The Countryside Code has been reviewed and updated but concerns still remain about increased visitors to the National Park once the lockdown is eased. Therefore proposals are being developed for further media work around being considerate when visiting and not bringing BBQs into the National Park area.

This will complement the work undertaken through the #PeakDistrctProud campaign. More details on which can be found under Intention 5.1

Sustainable Moorland Management Group
The England Peat Restoration Fund team is now in place and are currently determining how the funding will be allocated and what delivery partners need to do to receive funding going forward.

The restriction on burning blanket bog habitat is being addressed through DEFRA's development of a requirement for estates to apply for a Burning Licence. It is expected that the new arrangement will be in place ahead of the next burning season which is due to start 1st October 2021.

Natural England has funded a historical mapping project with MFFP to collect and make available the history of restoration works to date. The moorland restoration map is now near to completion, and shows what work has been accomplished, where and over what timescale. This will be launched in 21/22.

Moorland Birds

The final Bird of Prey Initiative report for 2020 showed that it was a relatively good year.

Peregrine falcons had their best year in a decade, with all six known nesting attempts being successful, resulting in a record 14 fledged young. This was the first year, since the Initiative was launched in 2011, when all known nesting attempts have successfully fledged young, and is double the previous maximum of 3 successful nests. Goshawks, which breed in woodlands on the moorland edge, also had a successful season, with 7 of the 9 known nests successfully fledging a total of 16-17 young, surpassing last year's 12 young from 8 nests. The last two years have seen a welcome increase in the number of goshawks successfully breeding in the Dark Peak.

Six incidents of illegal bird of prey persecution were confirmed by the police, up from two in the previous year. Plus an egg collector was arrested and convicted, following an alert to the police by local gamekeepers in the northern Peak District.

The Initiative continues to be dependent for monitoring data on the local Raptor Groups, partner staff and volunteers, and on those gamekeepers who report sightings to the Raptor Groups. The Initiative would like to express its thanks for the hard work this involves. The levels of occupied bird of prey territories continue to present an ongoing challenge, but the progress of peregrine and goshawk this year shows us what can be achieved.

Area of Impact 3:
Managing landscape conservation on a big scale

Intention 3.1: Establish monitoring at a landscape scale

We want to work with partners to help us to understand how and why the landscape is changing, whether changes are positive or not and how we should address the changes to conserve and enhance the Special Qualities of the Peak District National Park.

Update
We have identified a programme of research to assess how the Peak District landscape is changing in a meaningful and practical way. Landscape incorporates many components; this means that a single project or indicator cannot explain landscape change. The programme of research aims to measure change across the following themes;

- Land Cover (including long term change) – *what is happening on the ground?*
- Landscape Quality – *what are the features and factors impacting positively and negatively on the landscape?*
- Public Perception – *how people feel and respond to change?*
- Built Development – *extent and visual influence and impact?*

- Recording areas of known change e.g. *what impact have our restoration activities had; what do we know about the impact of moorland fires?*
- Climate Change – *What are the vulnerabilities and adaptive capacity of National Park features?*
- Landscape metrics – *how do data and Environment Plan indicators contribute to environmental and landscape change?*

The intention is that these themes will be brought together in a comprehensive Landscape Assessment every 5 years.

The proposals have been delayed by the impact of Covid19, which has restricted partner availability and prevented access to land and facilities. . However, work with Cranfield University has progressed and funding is being sought for a wider application of the approach than initially proposed. This expanded approach is being led by the University. Progress has been made with the repeat of landscape description unit photographs and a draft methodology for interpretation has been produced.

Intention 3.2: Develop a White Peak partnership

The White Peak Partnership has been key to the delivery of Intention 2.1 securing funding for future land management for the benefit of all, and further information is provided under that section.

The White Peak Project tested the following:

- Use of a National Character Area framework to deliver public goods and the 25 Year Environment Plan in language accessible to land managers.
- Development of a 'ready reckoner' to show the public goods being delivered e.g. carbon.
- Trial of a nature recovery network.

The tests on the use of National Character Areas in spatial prioritisation of new agri-environmental support were considered a success and have been expanded to other areas. The practical field trials have continued and funding has been secured from Defra to share the on-going findings with others during 21/22. A report on the activities and findings so far has also been produced and shared.

The Natural England led LIFE in the Ravines application to the EU LIFE fund was successful and started in September with a five-year programme. The project aims to restore and improve 876ha of our internationally important ash woodlands as part of the response to ash dieback. At present a project board is being established and recruitment to posts. Initial safety work has led to discussions with local communities about the links to natural flood management.

An application to the Natural Environment Investment Ready Fund has been made for consultancy time to explore the use of private funds for the delivery of biodiversity outcomes on private land. This seeks to builds on the experience of the White Peak DEFRA tests. A newsletter on the activities of the Partnership and in the White Peak has been produced and shared.

Intention 3.3: Maintain existing landscape scale delivery

To maintain existing landscape scale delivery we will develop a clear long term vision, plan and have funding in place for the Dark Peak and South Pennines to 2050. We will develop a clear

future plan and funding to develop and continue landscape scale delivery on the South West Peak.

Moors for the Future Partnership

This year has seen Moors for the Future Partnership's (MFFP) successful completion of their biggest programme of works to date, with £5.2 m of project delivery; including 28.6 ha of bare peat stabilised to prevent rapid erosion, 1,036 ha of sphagnum moss plugs planted to restart the creation of new peat, almost 10,000 dams and gully blocks installed to raise the water table and slow erosion, nearly 15 km of drip edges and other actively eroding peat reprofiled for stability. 1.25 km of footpath has been restored (with a further 0.5km to be completed by the end of April) in support of the Mend our Mountains campaign, allowing better access while preventing further damage.

The annual vegetation and dipwell surveys were completed by staff and volunteers, providing monitoring data on 211 long-term vegetation quadrats and 600 dipwells to improve our understanding of how effective our conservation work is and help to assess and quantify the benefits delivered across the Peak District and South Pennines. Four academic journal papers were published in collaboration with the Partnership.

The partnership also promoted its activities and messaging through engagement with 13,000 people at 35 events, both online and in person. Media coverage on 94 occasions including national news. A wildfire log was created to enable a unified system for wildfire recording across the Peak District and South Pennines.

Yorkshire Water Services and Severn Trent Water now have peat restoration projects organised through MFFP up to 2025. Further to this, all three water utilities (Severn Trent Water, Yorkshire Water Services and United Utilities) are interested in working through the Partnership on Ofwat's Price Review 24 (PR24), which will lead to the next set of Asset Management Plan 8 projects from 2025 to 2030. Bidding work is underway to replace the EU funded project, which has just a year left to run. The new Strategic Management Board is now in place and will be providing high-level advocacy for future business across the working area of the Partnership.

South West Peak Landscape Partnership

The full programme review has been completed and approved by the Partnership Board and National Lottery Heritage Fund. Delivery continued this winter, including: small-scale tree planting schemes, buffer strip fencing, access improvements, cultural heritage asset recording, preparation for restoration to two field barns, wild play activities for children and families.

Additional funding of £56,000 was secured by the partnership for moorland restoration work on the Warslow Moors Estate, and the partnership is currently in discussion with partners, the Environment Agency and Severn Trent Water, regarding potential future funding agreements. A programme of future funding opportunities is under development.

Future Actions:
Agreed targets for the percentage of blanket bog in the Dark Peak and South Pennines in improved ecological condition:

- 30% of Blanket Bog across the Southern Pennines to be in state 6 by 2050

- 90% of Dark Peak Blanket Bog moved out of state 2 by 2023 (bare peat to be revegetated)

- 25% of the Southern Pennine Blanket bogs to be moved out of state 2 by 2023

Area of Impact 4:
A National Park for everyone

Intention 4.1 and 4.2 Overcome physical and perceived barriers to access

By 2023 we will be encouraging a wider range of people to enjoy the Peak District National Park at an appropriate scale and adding value to the visitor economy.

Update

The Discover England Fund (DEF) Phase 2 programme provided £158,000 to support and market, tourism opportunities in the National Park. This funding concluded at the end of year 20/21. A range of activities have been delivered including local business online networking, training, marketing support and the launch of a new, searchable consumer-facing website promoting National Park Experiences and bookings. An updated trade brochure has also been produced. 90 businesses were engaged through the programme, and almost 70 experiences remain within the scheme. International trade promotion is currently paused due to Covid-19 impacts in Europe.

Work has progressed on the ambition to develop a partnership approach to integrated visitor hubs and gateways to embrace accessibility for all to the National Park whilst supporting responsible visiting and reducing impact of visitors. More specifically, progress has been made with the approval of the visitor management recreation hub partnership vision workshop and paper to Peak District National Park Authority Programmes & Resources committee in December. This work is being complemented by a national working group being formed to learn and share best practice led by Tom Hind from North York Moors National Park.

Area of Impact 5:
Encouraging enjoyment with understanding

Intention 5.1: Balance opportunities for enjoyment with conserving a fragile environment

To balance opportunities for enjoyment with conserving a fragile environment we provided a refreshed Countryside Code underpinning a Peak District brand which all relevant partners could promote equally and consistently. #PeakDistrictProud (#PDP) shares the positive ways in which people can help care for the national park; from taking home your litter and avoiding BBQs, to keeping your dog a lead.

Throughout 20/21 the focus has been on providing clear messages to all visitors around government guidelines and responsible behaviour in the countryside. On the 1st April 2021, a new national Countryside Code was officially launched by Natural England and Natural Resources Wales. All our partners will support and promote the new national Countryside Code messages and #PeakDistrictProud actions will be used to complement these national messages as they are promoted.

#PeakDistrictProud continues to provide a foundation for cross-stakeholder working within the National Park. The newly formed Peak District Communicators Forum, convened by the

Authority, will be using #PDP as the basis for visitor messaging alongside the Countryside Code to provide local relevance and ownership. It will also underpin activities such as the Peak District Ambassadors scheme that will be implemented during the first part of 2021/22.

We welcomed the support from partners and communities who pitched in to help with litter collections to compliment the work that rangers, gamekeepers and other land managers undertake. The Authority and partners would to record that it is much appreciated. As the lockdown lifts, community volunteering under #PDP is to be promoted initially around litter picking as a way to support responsible visiting and empower local communities.

The important role that the Peak District National Park has for the communities that live in, and around it, to provide breathing spaces and a place for quiet recreation that supports their physical and mental wellbeing has never been clearer. During a very difficult 12 months we have needed to work together to ensure everyone has the opportunity to benefit from what our protected landscapes have to offer. We have set up multi-agency coordination groups across both visitor planning and communications, to help prepare for the easing of lockdown so we can collectively work to mitigate impacts and welcome people who come to responsibly enjoy the countryside.

Last year we saw many more people choosing to travel to the Peak District by car and the issues this caused. the Authority worked with the highways authorities to manage this by providing car park information, implementing double yellow lines where appropriate in areas like the Upper Derwent, Upper Padley and Thorpe/Dovedale. Linked to this the police and highway authorities have been actively enforcing parking restrictions. The introduction of an alert system to inform visitors when an area was reaching full capacity was well received and on its first weekend of operation was seen by over 720,000 people. Our long term ambition is to see visitors being able to access the National Park more sustainably and to benefit from the reductions in carbon and pollution that comes with this.

Intention 5.2: Ensure shared responsibility

To ensure shared responsibility we will review and develop the current arrangements for events management in the Peak District.

The events notification system has been replaced with event guidance and a code of conduct for event organisers to sign up to. If event organisers agree to the code of conduct, their events will be added to a calendar and promoted on the National Park Authority website. Very few events have taken place due to Covid19 restrictions, which makes any review of the new guidance and listing of limited value when considering how to refine our approach at present. However, we continue to monitor the impact of events that take place as lock down eases, in what we expect to be a very busy year for the National Park.

Intention 5.3: Develop an awareness and understanding of the benefits of the Peak District National Park

Utilising the valuable work of Inspired by the Peak District and the Peak District Environmental Quality Mark, consider a revised approach to the promotion of the peak District brand so we establish a provenance which is coherent and effective at promoting the link between business development, the special qualities and the unique offer of the Peak District National Park.

A group was convened in 2019 to promote the link between business development, the special qualities and the unique offer of the Peak District National Park. A series of discussions have taken place on how we can influence Local Industry with a focus on "Clean, green productivity linked to a high quality of life" and using "Positive planning powers; allied with a proactive enabling role from District Councils". There has been no progress on this during the Covid-19 lockdown. However, the District Councils have been responding positively by supporting local businesses through difficult times.

Area of Impact 6:
Supporting thriving and sustainable communities and economy

Intention 6: Supporting thriving and sustainable communities and economy

To support thriving and sustainable communities and economy, we will first define what is meant by thriving and sustainable communities, in the context of the National Park Management Plan.

We have defined what is meant by thriving and sustainable communities in the context of the National Park. A draft version of the thriving and sustainable definition was arrived at through combining ideas supplied by the Peak Park Parishes' Forum (PPPF) and comments received from parishes through the Parish Statement process. This draft version was then consulted on in the last quarter of 2020 and was further developed, with the agreement of the PPPF, using comments received during this consultation. Final comments were invited from our constituent Council in April 2021, which has resulted in a final definition. . Formal endorsement of the definition will be sought at the May 2021 National Park Authority meeting to be used in plans and policies such as the National Park Management Plan and Local Plan.

Intention 6.1: Improve access to services

To improve access to services we will work with providers to improve broadband and mobile connectivity across the National Park in line with the UK's Next Generation Access (NGA) standards.

In July 2020 the Heads of Planning for National Parks and National Parks England held a meeting with Mobile UK, the industry body for the four main mobile operators to discuss the new Shared Rural Network programme. This is a joint industry and Government initiative to improve rural mobile coverage which would also give improved broadband coverage through the use of shared masts and sites. The programme started in 2020. To facilitate this the Government is proposing to extend permitted development rights, including within National Parks. National Parks England and National Parks Authorities have expressed concern over the potential landscape impacts, but are willing to respond positively to the need for improved coverage. Further discussions have taken place with mobile providers about the new Shared Rural Network and the use of the emergency services network, being rolled out by EE on behalf of the Home Office, to develop the public mobile phone network by using the same site infrastructure.

An interactive map of the current situation in Derbyshire is available via this link; MAP and Staffordshire via this link: MAP. The coverage of the National Park is improving gradually, but communities and businesses are still likely to have difficulties in the most isolated areas.

Intention 6.2: Support the provision of locally needed housing

To support the provision of locally needed housing we will work through the National Park Management Plan Advisory Group Housing Sub-Group to address the local need for appropriate housing in the National Park.

National Park Officers are still developing the required evidence for the next planning review and discussions with constituent authorities are ongoing regarding statements of common ground

and the strategic cross boundary planning issues that need to be addressed in our respective plans.

An update on the planning permissions granted for housing during the period will be provided when the updated information is available.

Intention 6.3: Enable local businesses to thrive in a way that is compatible and wherever possible enhances the special qualities of the Peak District National Park

To enable local businesses to thrive in a way that is compatible and, wherever possible, enhances the special qualities of the Peak District National Park, we will assist the development of businesses in conjunction with relevant bodies. Linking business support, grant aid, planning and economic development.

Whilst there here has been no progress from the working group during 2020, the District Councils have been responding positively by supporting local businesses. The Authority has maintained a Planning service throughout this period, prioritising business critical applications. Work has commenced on significant business developments on the Riverside Business Park in Bakewell, including the new bridge access to the A6.

Looking forward, the new shared evidence for our respective local plan reviews will include the need for new employment space. Evidence collection for the Local Plan will continue through 2021 with an aim of informing issues and options consultation later in the year.

An update on the planning permissions granted for retail and business premises during the period will be provided when the updated information is available.

The Peak District National Park Management Plan Progress Report April 2021

Intention	Action	Milestones and Dates	Future Actions	RAG
Intention 1.1 (sponsoring partner): Reduce the effects of climate change on the special qualities	Undertake a climate change vulnerability assessment on the special qualities of the National park & produce a mitigation/adaptation plan setting out priority actions. Seek resources to implement priority actions.	Vulnerability assessment produced in 2020.	Establish / determine delivery partnership 2021.	(green)
		Identify mitigation actions & priorities 2020-2021.	Start implementing mitigation / adaptation plan	(green)
	Seek support from DEFRA and BEIS to establish a working assessment of all emissions arising in the National Park	Cut National data to the National Park boundary including all land based emissions. 2020.		(green)
	Sustainable Transport Initiate an ambitious low carbon rural transport scheme that is environmentally and economically sustainable	Research programme launched May 2020		(orange)
		2023 target for emission reduction from car borne traffic identified August 2020		(orange)
		Project plan published August 2020		(orange)
		Pilot scheme launched April 2021		(orange)
		Phase 1 sustainable transport scheme launched April 2022		(green)
	Peatland restoration Seek to expand current work programmes to match the ambition required to achieve 50%	Establish costings and opportunities to expand the currently planned work Identify funding and partnership arrangements.		(green)

Intention	Action	Milestones and Dates	Future Actions	RAG
Intention 1.1 Continued	Peak District moorlands in good (grade 6) condition.	Agree our ambition for future sustainable management for restored peatlands 2020/21		
	Grasslands for carbon. Support Regenerative Agriculture for soil health and carbon retention.	Identify the benefits of livestock as part of a sustainable upland farming system with particular reference to grassland.	Explore and deliver in 21/22.	
		Explore opportunities for agroforestry/ wood pasture in the Peak District.		
		Encourage use of carbon tools, which take emissions, sequestration and permanent storage in to account. Update the Peak District Carbon Management Tool in 2020.		
		Explore revising the Carbon Management Tool with partners to make it more user friendly and more widely available in 2021.	As above	
		Promote discussion on the future of upland meat production. Improve routes to market and market presence for stock reared solely on grasslands managed for public goods e.g. carbon	Promote discussion on this topic in 2021/22.	
	Integration of more trees into the landscape	2020 Undertake opportunity mapping to identify optimal locations and methods of establishing more trees in the landscape		

Peak District National Park Management Plan – Progress Report 2018/23

Intention	Action	Milestones and Dates	Future Actions	RAG
Intention 1.1 Continued		2020 Clarify the carbon implications of different woodland and tree management options	As above. Explore further improvements to the Peak Carbon Tool so that a more user-friendly version on the website can be made available.	
		2020/21 Identify new actions to deliver expanded tree cover in line with our assessment.	Develop action to go beyond the stated target if this appears feasible following the opportunity mapping	
Intention 2.1 (sponsoring partner): Secure funding for future land management to benefit all	Describe a future support system for the Peak District National Park, which will deliver a full range of public goods, using the White peak as an example.	Develop an acceptable support package proposal by 2019/20.	To have a new support package available from 2024. *The new Agriculture Bill and policy statement provides a planned timescale of 2025 to have new environmental land management arrangements in place.*	
Intention 2.2 (supporting partner): Ensure that the management of upland moors delivers environmental, social & economic Benefits	That the proposals from the Moorland Working Group are implements. These will focus on: 1. Fire risk 2. Visitor engagement 3. Resilient sustainable moorland 4. Moorland birds	Land Managers Forum sub group to be established to focus on resilient sustainable moorland (Sponsor NE).		
		Bird survey in 2018 to confirm population trends.		
		To review the work of the Bird of Prey initiative and implement effective measures to address bird of prey issues 2019		

Intention	Action	Milestones and Dates	Future Actions	RAG
Intention 3.1 (sponsoring partner): Establish monitoring at a landscape scale	We will have agreed and established a system of monitoring at a landscape scale encompassing landscape, wildlife and cultural heritage.	Establish the objectives of monitoring in 2018.		🟥
		Produce a robust methodology for monitoring in 2019.		🟥
Intention 3.2 (sponsoring partner): Develop a White Peak partnership	We will have a White peak Partnership that is delivering agreed priority actions.	To be set as work progresses through the partnership steering group and wider partners.		🟩
Intention 3.3 (sponsoring partner): Maintain existing landscape scale delivery	Develop a clear long term vision, plan and have funding in place for the Dark Peak and South Pennines to 2050.	Undertake long-term monitoring to inform the plan.	The percentage of blanket bog in the Dark Peak and South Pennines in improved ecological condition; 30% of Blanket Bog across the Southern Pennines to be in state 6 by 2050 90% of Dark Peak Blanket Bog moved out of state 2 by 2023, (bare peat to be revegetated) 25% of the Southern Pennine Blanket bogs to be moved out of state 2 by 2023.	🟩
		Start planning for the water industry's Asset Management Plan 7 delivery in 2020-2025.		🟩
	Develop a clear future plan and funding to develop and continue landscape scale delivery on the South West Peak.	Put in place phase 2 arrangements for the partnership by end of December 2021.		🟩

Intention	Action	Milestones and Dates	Future Actions	RAG
Intention 4.1 (sponsoring partner): Overcome physical barriers to access	Create a programme to develop a sustainable visitor economy that encourages the Peak District National Park to be a welcoming place for all.	Develop a partnership approach to integrated visitor hubs/ gateways to embrace accessibility for all to the National Park whilst supporting responsible visiting and reducing impact of visitors.		(green)
		Produce and adopt Recreation Hubs Supplementary Planning Document Adopted SPD 2020.		(red)
		Develop a brand led approach to the promotion of the Peak District National Park linked to the development of a high quality sustainable tourism industry.		(green)
Intention 4.2 (sponsoring partner): Overcome perceived barriers to access	A consistent message that all partners use that encourages more under represented groups to visit the National Park. To enable all marketing bodies to target the full potential audience and working within and in the local communities to encourage them to visit.	Assess what we offer against the potential optimum demand and amend where sustainable	Set targets for the % increase in under-represented audience to be achieved by 2023.	(green)
Intention 5.1 (sponsoring partner): Balance opportunities for enjoyment with conserving a fragile environment	As part of a reviewed brand refresh the countryside code in partnership that all partners promote and disseminate consistently and coherently.	Partner event to analyse issues to be dealt with by the code by 2019.		(green)

Intention	Action	Milestones and Dates	Future Actions	RAG
Intention 5.2 (sponsoring partner): Ensure shared responsibility	Review and develop current arrangements for event management in the Peak District.	1. Improve Pre Event Communication. 2. Overhaul the events notification system to make it more effective and efficient. 3. Develop Peak District specific best practice guidelines to aid event's organisers. 4. Work with Natural England to improve the consents process. 5. Seek evidence of the extent of community and environmental impact within the National Park.	To monitor events that take place as lock down eases and their impact on what we expect to be a very busy National Park.	
Intention 5.3 (sponsoring partner): Develop an awareness and understanding of the benefits of the Peak District National Park	Utilising the valuable work of Inspired by the peak District and the Peak District Environmental Quality Mark, consider a revised approach to the promotion of the Peak District brand so we establish a provenance which is coherent and effective at promoting the link between business development, the special qualities and the unique offer of the Peak District National Park.	Convene a group to explore potential by the end of 2019.		
Intention 6: Supporting thriving and sustainable communities and economy	Define what is meant by thriving and sustainable communities, in the context of the National Park management Plan.	Definition produced and agreed by 2020	NPA officers to continue to refine first version of State of Communities report in order to inform meeting with PPPF when this is rescheduled.	
Intention 6.1 (supporting partner):	Work with providers to improve broadband and mobile connectivity across	Obtain data on future predicted gaps in mobile and broadband provision.		

Peak District National Park Management Plan – Progress Report 2018/23

Intention	Action	Milestones and Dates	Future Actions	RAG
Improve access to services	the National Park in line with the UK's Next Generation Access (NGA) standards.	Work with suppliers to find imaginative solutions for the final 5%. For example, community fibre partnerships.		
Intention 6.2 (sponsoring partner): Support the provision of locally needed housing	Work through the National Park Management Plan Advisory Group Housing Sub-Group to address the local need for appropriate housing in the National Park	Establish a new estimate of strategic housing need.		
		Define the opportunities for meeting affordable housing need through exception sites, brownfield and enhancement.		
Intention 6.3: Enable local businesses to thrive in a way that is compatible and wherever possible enhances the special qualities of the Peak District National Park	Assist the development of businesses in conjunction with relevant bodies. Linking business support, grant aid, planning and economic development.	Convene a group to explore potential by the end of 2019 and take forward action.		

The End.

This page is intentionally left blank

Definition of 'Thriving and Sustainable Communities' in the context of the Peak District National Park Management Plan

This definition has been developed specifically in relation to resident communities in the Peak District National Park.

Thriving communities

A thriving community is one where people of all generations can live healthy and fulfilled lives and can grow, flourish and prosper, now and in the future. A thriving community is one in which:

- the diverse population is resilient, resourceful and adaptable to change, with a sense of pride in itself

- its people and institutions are welcoming and demonstrate mutual care and respect, and where informed decision-making strives for equality, fairness and inclusivity

- people are connected to others to share, collaborate and learn

- the environment is safe and healthy

- people, institutions and businesses respond positively to climate change (the net zero commitment) and the biodiversity crisis in a way that does not harm, and actively promotes the restoration of, functioning ecosystems and natural processes

- its cultural heritage is respected, cared for and celebrated

- there are sufficient resources and infrastructure, including appropriate new development

- there are high quality, long-term employment opportunities so that local people do not have to move away.

Sustainable communities

Sustainable development can help communities to thrive by meeting today's needs in a way that harmonises economic growth, social inclusion and environmental protection, ensuring that the needs of future generations are not compromised.

A sustainable community is therefore likely to include (all or most of):
Social
- the provision of a sufficient supply of safe, energy efficient homes in a mixture of tenures so that:
  - a diverse population can be sustained
  - those with local roots can remain or return
  - family groups across the generations can stay together for mutual support
- opportunities to develop and participate in community activities
- access to nature and outdoor green space for sport, play and recreation
- essential services, including shops, entertainment and medical facilities

- the ability to sustain those things that are important to it (e.g. schools, churches, community-run buildings, pubs, and cultural activities)
- access to the highest quality life-long education
- consistent high-quality super-fast broadband and communications
- convenient, attractive, affordable public transport alongside safe opportunities for active travel.

Environment
- people working together to conserve and enhance their area
- land and natural resource management that safeguards communities, biodiversity and ecosystems
- a radical shift in patterns of consumption towards reuse, repair & recycling and shorter supply chains that do not degrade any natural resources
- unpolluted air, water and soil
- development that aims for biodiversity net-gain
- an environment where flood and other major risks are regularly risk-assessed and proactively mitigated
- renewable energy that is available to all
- systems to ensure that waste does not exist.

Economy
- sustainable, innovative workplaces
- access to good-quality apprenticeships and training
- the right conditions and infrastructure for businesses to flourish and innovate so that
  - the best workers are attracted
  - local people can stay and compete in the national and global market for jobs
  - there is a shift away from commuting towards local employment and self-employment
- sustainable products and services.

13. <u>**2020/21 YEAR END PERFORMANCE REPORT, 2020/21 PERFORMANCE AND BUSINESS PLAN AND 2021/22 CORPORATE RISK REGISTER (A91941/HW)**</u>

1. **Purpose of the report**

This report provides Members with a set of performance monitoring information for review and approval. Firstly, 2020/21 year end performance information, which reviews performance at the end of the second year of our 2019-24 Corporate Strategy. Secondly, the key elements of the 2020/21 Performance and Business Plan. Finally, the year-end position for the 2020/21 Corporate Risk Register and proposed Corporate Risk Register for 2021/22.

2. **Key Issues**

- **Corporate Performance** at 2020/21 year end (Appendix 1):
    o 18 of our indicators are on target (green) and 7 have performance issues (red). Actions have been identified to address these issues.
    o 49 of our strategic interventions are on target (green) and 6 have performance issues (red). Actions have been identified to address these issues.

- **2020/21 Performance and Business Plan** draft content (Appendix 2):
    o The majority of content has already either been signed off by Members or is included within the other reports presented today:
        a. The 'Look Back' section replicates the year-end corporate performance as presented in Appendix 1
        b. Members have already agreed the 'Look Forward' section that gives KPIs and strategic interventions for 2021/22 at Authority on 13 November 2020 as part of the Corporate Strategy update (minute 85/20)
        c. The 'Look Forward' Corporate Risk Register section is presented in Appendix 4.
    o That leaves two additional sections requiring Members' approval today: the 'Foreword' and 'Introduction' given in Appendix 2.

- **2020/21 Corporate Risk Register** status at year-end:
    o 4 risks have moved in their rating since the beginning of the year:
        a. 'Four Principal financial risks within the Moorlife 2020 European funded project: exchange rate movements; the sterling ceiling set for the total project budget; the contractual treatment of partner contributions; and the possibility of expenditure being found ineligible' [reworded since the start of the year] has moved from high to medium likelihood (now amber)
        b. 'Failure to achieve sustainable gross revenue income targets (£140k) for the PDNP' has moved from high to medium likelihood and high to medium impact (now amber)
        c. 'Failure to deliver the audience engagement plan targets and outcomes' has moved from high to medium likelihood and high to medium impact (now amber)
        d. 'Failure of a poorly maintained trails structure e.g. bridge, tunnel' has moved from high to medium impact (now green)
    o One risk remains as high risk:
        a. 'Area of NP land safeguarded in environmental land management schemes reduces due to Brexit uncertainty and

Countryside Stewardship issues leading to the potential loss of a range of grassland habitats'

- **Proposed 2021/22 Corporate Risk Register**:
  - o Six risks from the 2020/21 risk register have been retained.
  - o Seven new risks have been added:
    - a. 'Implications of the Landscapes Review 2019'
    - b. 'Reduced core funding for MFFP (£55k deficit) leading to insufficient funding for core team and loss of key personnel, impacting delivery of elements of the Corporate Strategy and National Park Management Plan'
    - c. 'Not being financially stable in the medium term due to uncertainty of national park grants'
    - d. 'Potential impact on national park purposes if the A57/A628 Mottram Hollingworth tunnel doesn't go ahead'
    - e. 'Not achieving volunteer hours due to Covid-19 impacts, limited volunteering opportunities and suspension of volunteer recruitment to new volunteering roles'
    - f. 'Failure to influence the design of Farming in Protected Landscapes Fund (FiPL) so that it supports the range of projects that help farmers, land managers and land owners to prepare for ELM and improves access opportunities and sustainable business growth. Failure to implement the effective delivery of FiPL including appropriate recruitment and the reputational risk to the Authority if the programme is not a success'
    - g. 'Climate change impacts: fires could lead to local emergency'
  - o Two risks are seen as high risk:
    - a. 'Area of NP land safeguarded in environmental land management schemes reduces due to Brexit uncertainty and continuing Countryside Stewardship issues leading to the potential loss of a range of grassland habitats'
    - b. 'Reduced core funding for MFFP (£55k deficit) leading to insufficient funding for core team and loss of key personnel, impacting delivery of elements of the Corporate Strategy and National Park Management Plan'.

- **Complaints and information requests** for 2020/21:
  - o 13 complaints were received in 2020/21, 6 in Q4.
  - o 22 Freedom of Information requests were dealt with in 2020/21, 7 in Q4.
  - o 32 Environmental Information Regulations requests, 9 in Q4.

Recommendations

3. **1. That the Q4 and year end performance report, given in Appendix 1, is reviewed and any actions to address issues agreed.**

    2. That the Performance and Business Plan content in Appendix 2 is approved and completion of details is delegated to the Chief Executive, to allow publication by the statutory deadline of 30 June.

    3. That the 2020/21 year end corporate risk register given in Appendix 3 is reviewed and the status of risks accepted.

> **4.** **That the start of year 2021/22 corporate risk register given in Appendix 4 is reviewed and the proposed risks agreed.**
>
> **5.** **That the status of complaints, Freedom of Information and Environmental Information Regulations requests, given in Appendix 5, is noted.**

How does this contribute to our policies and legal obligations?

4. Performance and risk management contributes to the fourth outcome in our corporate strategy: *The PDNPA is an agile and efficient organisation.* Monitoring the indicators and strategic interventions for 2020/21 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 strategic intervention or indicator is on target
   - **red** – variance from target where some significant issues may need addressing
   Please note there is no amber at year end.

6. In addition, a commentary is provided in Appendix 1 for each corporate strategy outcome, including any issues and action being taken to address the issues. An overall Chief Executive's commentary is also included.

7. The Authority's risk management policy and supporting documentation was approved by Authority on 19 January 2018 (minute 7/18) and is reviewed annually as part of the Authority's review of the Code of Corporate Governance. In line with these arrangements, Appendix 3 shows the status of the corporate risks at year end and Appendix 4 shows the proposed corporate risks for the start of 2021/22.

8. Appendix 5 shows the status of the complaints received in this quarter and the report on Freedom of Information and Environmental Information Regulations requests.

9. Information is given so that Members of Authority, 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 4 and year end performance report as detailed in Appendix 1.

11. Members are asked to approve the Performance and Business Plan content given in Appendix 2 and delegate completion of details to the Chief Executive.

11. Members are asked to review the Corporate Risk Register 2020/21 status in Appendix 3.

12. Members are asked to review the Corporate Risk Register 2021/22 status in Appendix 4 and agree the proposed risks.

13. Members are asked to note the status of complaints, Freedom of Information (FOI),

and Environmental Information Regulations (EIR) enquiries in Appendix 5.

Are there any corporate implications members should be concerned about?

14.   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.

15.   **Background papers** (not previously published) – None

Appendices

1. Appendix 1: Quarter 4 and year end Performance Report for 2020/21
2. Appendix 2: Performance and Business Plan 2020/21 draft content
3. Appendix 3: Quarter 4 and year end 2020/21 Corporate Risk Register status
4. Appendix 4: Proposed start of year 2021/22 Corporate Risk Register
5. Appendix 5: Quarter 4 and year end 2020/21 Complaints, Freedom of Information (FOI) and Environmental Information Regulations (EIR) enquiries

Report Author, Job Title and Publication Date

Holly Waterman, Senior Strategy Officer - Research, 13 May 2021

Quarter 4 Performance Report for Year 2 of the Corporate Strategy (2020/21)

Appendix 1

Quarterly overview by Chief Executive

RAG status of strategic interventions: Red = 6, Green = 49, Not reported this year = 1
RAG status of KPIs: Red = 7, Green = 18, Not reported this year = 4

Work has largely continued throughout the year despite Covid-19, albeit with some significant changes and restrictions in working practices. These restrictions have inevitably impacted on methods of delivery, performance and outcomes, but overall the teams have continued to deliver. Most staff are still working from home, with some using the office in a limited way. Meetings have been held virtually with Covid-secure site meetings where appropriate. The important Member decision making has continued. Staff have worked well throughout the year, but the more restricted ways of working in a pandemic has impacted our productivity and this is reflected in several reds on our end of year performance. Staff, volunteers and casual workers have been brilliant in these times, and I pay tribute to them for their resilience in changing circumstances, their ability to identify new ways of working and for always looking out for each other.

While our finances have been impacted by the pandemic, we have been able to mitigate these impacts. However, our future government grant has not supported the increase in budget pressures we are experiencing and so, during the year, a review of our Medium Term Financial plan resulted in making savings to ensure a balanced baseline budget for 2021/22. Alongside this, Members approved an amended Corporate Strategy, which can be seen at https://www.peakdistrict.gov.uk/corporatestrategy, and reporting on delivery now takes place on a six-monthly basis. From 1 January 2021, our teams transitioned to the new management structure approved by the Authority in December 2020. This new management structure was fully operational from 1 April 2021, with nine Heads of Service reporting to the CEO.

We have continued to follow government guidance about working during the pandemic and have responded to the easing of lockdown restrictions in England. We have been working closely with a wide range of partners to collaborate in preparing across the National Park for the easing of the lockdown restrictions, taking a cross-Park approach, as well as an area management approach in particularly critical areas requiring a multi-agency approach.

Working nationally has continued well in the year. Last Autumn saw the new National Parks UK website go live: https://www.nationalparks.uk/. This will become the foundation for our joint communications and campaigning efforts and has been worked on by the new UK communications team working alongside the Heads of Communications in each Authority. England's nine national park authorities and the Broads Authority have come together and agreed four collective priorities that will guide our work as a family of national parks, and in partnership with many others. Our vision is for national parks to be national beacons for a sustainable future, where nature and people flourish. To help us get there, we have developed four Delivery Plans, covering: Wildlife and Nature Recovery, see here; Climate Leadership, see here; Sustainable Farming and Land Management, see here; and Landscapes for Everyone, see here.

Index

Outcome: **A sustainable landscape that is conserved and enhanced**

Q4 overview by Head of Landscape

A National Parks England response to the Environmental Land Management (ELM) policy consultation was submitted in Q2 in addition to a Peak District Land Manager's Forum version. Whilst uncertainty around a future system of agricultural support has continued, "The Path to Sustainable Farming: An Agricultural Transition Plan 2021 to 2024" was published in Q3. This explains the approach to upcoming changes and their impact on farmers and land managers. A total spend of £2.4 billion/year (2021/22 to 2024/25) in England is expected and will pay for environmental outcomes and animal welfare (increasing from 23% of total support funds in 21/22 to 57% in 24/25), improving farm prosperity (9% in 21/22 and 22/23, 10% in 2022/23 and 9% in 24/25) and direct payments (decreasing from 68% in 21/22 to 34% in 24/25). Environmental outcomes funding includes a 3-year Farming in Protected Landscapes (FiPL) programme where farmers and land managers work in partnership with protected landscapes to deliver bigger and better outcomes for the environment for people and place. Close working with other English NPAs, AONBs, National Parks England (NPE) and Defra continues to shape and influence ELM, changes to the existing Countryside Stewardship scheme and the FiPL Programme.

The Government's response to the ELM policy discussion document has been published. The design of the future ELM approach continues and now includes three schemes: the Sustainable Farm Incentive; Local Nature Recovery; and Landscape Recovery. Phase 1 of the Sustainable Farm Incentive national pilot has been launched with an invitation for farmers and land managers to make expressions of interest in participating in Q1.

The White Peak ELM Phase 1 Test is complete and the final report shared with Defra and other stakeholders showed that National Character Area (NCA) assessments are useful for prioritising public goods and helping farmers and land managers develop land management plans to deliver them. Revised proposals to continue the test in the Dark and South West Peak were agreed with Defra in Q3 2020/21, delivery started in Q4 and will continue until Q3 2021/22.

The Agriculture Bill became law in Q3 and sets out how farmers and land managers in England will be rewarded in future with public money for public goods. The Environment Bill will introduce a process for "Biodiversity Net Gain" into the planning system. This Bill is expected to progress through Parliament and become an Act later in 2021/22. Officers have continued to support the Greater Manchester Combined Authority Local Nature Recovery Strategy National Pilot and the development of a Nature Recovery Prospectus for the Peak District as part of NPE's Delivery Plan for Nature Recovery.

Our partner work on landscape scale projects continues with Moors for the Future, South West Peak Landscape and White Peak partnerships. Covid-19 initially meant that some delivery was either postponed or redesigned. Despite the restrictions of the pandemic, the Moors for the Future Partnership has had one of its most successful delivery years, investing over £5m in one delivery season. This has involved a raft of science communications and conservation work, including over 20,000 blocks in eroding gullies between the Roaches and Ilkley Moor and the planting of over 12km^2 of Sphagnum moss. The new initiative to set up a Great North Bog covering the 7,000 km of upland peat across the North of England is now formed. It includes six partnerships, one being the Moors for the Future Partnership, and will be instrumental in bidding for funding from the peatland Capital Grant scheme within the Nature for Climate Fund. A short extension into 2022/23 for key South West Peak Landscape Programme staff has been agreed with partners and

funders to ensure that programme outputs and outcomes are delivered and that its legacy is secured. New sources of funding to further deliver on the agreed vision beyond Q3 in 2021/22 are being explored, but no funding has yet been secured.

The difficult work to address data issues within the Breeding Bird Survey has now been completed. Diverse interests across the project board have worked together to confirm the trends and produce robust results. The Birds of Prey Initiative report showed that most species had a slightly better season in 2020. Officers continue to work with moorland interests on moorland management, including wildfire mitigation and wildlife protection. There have been regular virtual meetings with moorland managers including the annual meeting held virtually and hosted by Chatsworth.

RAG status of strategic interventions: Red = 3, Green = 15
RAG status of KPIs: Red = 3, Green = 7, Not reported this year = 1

Outcome: **A sustainable landscape that is conserved and enhanced**

Distinctive landscapes that are sustainably managed, accessible and properly resourced

KPI and targets	RAG status of strategic intervention	Commentary on strategic intervention	RAG status of 2020/21 KPI target	Commentary on 2020/21 KPI target
KPI 1: Influence the development of a support system that properly rewards farmers and land managers for delivering a full range of public benefits **2024 target:** At least an additional 10% of Peak District National Park in environmental land management schemes **:** At least an additional 10% of Peak District National Park in environmental land management schemes **2020/21 target:** 40% (cumulative total area) **Responsible officer:** Head of Landscape	Influence the design of the future post-Brexit scheme for roll out in 2025. Influence and deliver tests, trials and pilots for the new scheme through to 2025. Make the case for and influence the design of transitional arrangements	PDNPA has continued to represent the English NPAs at the Agri-Environment Stakeholder Working and Technical Groups, External Working Group, Industry Stakeholder Group meetings and a variety of Environmental Land Management (ELM) design sub-groups. Delivery of the Defra ELM Test and Trial testing the use of a National Character Area (NCA) assessment as a way of prioritising public goods to be delivered and how farmers and land managers can develop land management plans to deliver those public goods has been completed in the White Peak. The final report was well received by Defra and concluded that the NCA approach is an effective tool for ELM. The test has been extended	**2020/21 target:** 40% (cumulative total area) **Year end result:** 52% (cumulative total area) (final figure is still TBC)	Data for this KPI has not been readily available, especially to meet the reporting timescale. This year, a revised approach to collating this information has been developed but it currently includes land not in a land management option where traditional boundaries are being restored. So the reported result will be slightly enhanced. However, there is an increase in the area of land in environmental land management schemes, which is an encouraging step forward.

		to the Dark and South West Peak and four virtual workshops with 27 farmers and land managers have been held. Further one to one engagement will continue. A paper on transitional issues for all ten National Parks was prepared for National Parks England (NPE) and has been shared with Defra and other stakeholders.		
	Continue to support land managers to access current and future schemes	Authority farm advisers have continued to support farmers and land managers to access the Countryside Stewardship Scheme (CSS) and understand regulation. The Authority's Land Management Grant Scheme continued to support small-scale practical trials with 6 farmers exploring techniques to develop nature recovery networks across the agriculturally-improved White Peak plateau. The South West Peak Landscape Partnership (SWPLP) continued to provide support and grants to improve water quality, "slow the flow" and restore grassland and wader habitat.		
KPI 2a: Natural beauty conserved and enhanced	Develop methodology for strategic sustainable landscape monitoring with partners, and assess	Two of the sample repeat assessments have been progressed. Cranfield University completed the initial (slightly	**2020/21 target:** Develop methodology **Year end result:**	The development of the methodology for strategic sustainable landscape

2024 target: Assessment of landscape changes achieved **2020/21 target:** Develop methodology **Responsible officer:** Head of Landscape	whether the changes conserve and enhance natural beauty	revised due to Covid-19 restrictions) semi-automated approach to the sample repeat of the Countryside Commission's Monitoring Change in National Parks. The University is now seeking funding for a wider application of the approach. Methodology for the interpretation of the sample repeat Landscape Description Unit photographs has been drafted and will be tested with key partners in 21/22. **Issues arising**: Covid-19 and capacity issues have impacted methodology development with partners. The proposed update and ask for key partner comments has not been shared, due to a rapid increase of focus on Nature Recovery Networks by the Authority and many partners, which needs to be incorporated into the proposed methodology. Funding not yet secured by Cranfield University for further development and wider application of their initial project. Development of audience and community engagement in special quality view monitoring remains delayed due to capacity and funding issues.	Methodology not yet developed. The timescale for the development of the monitoring methodology is to be extended to the end of 21/22.	monitoring with partners has not been completed. **Issues arising:** The impacts of Covid-19, capacity and the rapid evolvement of Nature Recovery Networks requiring further new thinking has resulted in the need for a further extension to the timescale. **Actions to address:** Revise timescale for completion of the methodology to the end of 21/22.

		Actions to address: Share an update and ask for key partner comments on the proposed methodology. Continue to support Cranfield University to source funding. Extend project timeline if necessary.		
KPI 2b: Natural beauty conserved and enhanced **2024 target:** Assessment of landscape changes achieved **2020/21 target:** 100% of planning decisions in accordance with strategic policy **Responsible officer:** Head of Planning	Ensure all planning decisions are in accordance with strategic policy	We made no decisions that went contrary to strategic policy in 2020/21. One issue raised where a case had gone to appeal. It was refused at planning committee but overturned on appeal. This went beyond the terms of our spatial strategy, being new development in open countryside.	**2020/21 target:** 100% of planning decisions in accordance with strategic policy **Year end result:** 100%	There were no cases that went contrary to strategic policy in 2020/21.
KPI 3: Increase the amount of carbon captured and stored as part of routine land use and management **2024 target:** 3,650 tonnes net decrease in carbon emissions from moorland tonnes net decrease in carbon emissions from moorland	Further develop our knowledge and insights of total carbon captured and stored to tell the carbon management story of the Peak District	Following peat depth mapping in the Bamford catchment in 2012, a carbon content study of the catchment began in 2020/21, with reporting due in Q1 of 2021/22. This should inform our understanding of the amount of carbon held in the catchment, and may allow extrapolation to provide a more accurate estimate of the carbon content stored across the	**2020/21 target:** 1,460 tonnes **Year end result:** In 2020/21, our restoration activities resulted in a calculated 1,526 tonnes decrease in carbon emissions	This KPI is being achieved, and becoming even more relevant to wider discussions with stakeholders, as the importance of carbon capture and sequestration catches the public and policy eye.

2020/21 target: 1,460 tonnes **Responsible officer:** Head of Moors for the Future Partnership		Peak District and South Pennines peatlands. The carbon data behind the Peak Carbon Tool has been updated and used to update the ELM Test White Peak Carbon Ready Reckoner. New versions for the Dark and South West Peak have been created and are being tested with farmers and land managers. The South West Peak version is being further developed to include soil carbon as an indicator of soil health where land managers can input actual soil test results. This is being funded by the Authority, Defra and the EA.		
	Continue to carry out a range of moorland restoration work to revegetate bare peat and reduce carbon emissions	Moors for the Future Partnership has delivered an extensive programme of moorland restoration including revegetation, gully blocking, and more novel approaches such as bunding. So far, for 2021/22 we have plans to restore some 625 hectares of degraded blanket bog throughout 2021-22. This would result in an approximately 820 tonne decrease in carbon emissions. Further restoration activities are likely to come online through 2021/22.		

| | Develop the climate change vulnerability assessment and implement the key outcomes

Responsible officer: Head of Information and Performance Management | The Peak District Climate Change Vulnerability Assessment has been completed and was adopted by the Authority's Programme and Resources Committee in December 2020. Work has begun to develop a fully accessible version of the assessment on the Authority's website. | | |

High quality habitats in better condition, better connected and wildlife rich through nature recovery networks

KPI and targets	RAG status of strategic intervention	Commentary on strategic intervention	RAG status of 2020/21 KPI target	Commentary on 2020/21 KPI target
KPI 4: Increase the area of moorland blanket bog moving towards favourable condition **2024 target:** Restoration activities on 1,500 hectares of degraded blanket bog completed **2020/21 target:** 600 hectares (54% of current bare peat) **Responsible officer:** Head of Moors for the Future Partnership	Continue to have a clear voice on the outcomes we expect to see from moorlands. Support the development of and implement a resilient, sustainable moorland management model **Responsible officer**: Head of Landscape	A virtual Moorland Managers Liaison meeting was held with the support of Chatsworth. Wildfire prevention and mitigation and visitor management were seen as key issues for 2021/22. Wildfire risk and mitigation remains a critical issue especially following increased visitor numbers and new audiences post lockdown. Encouraging supermarkets to not stock disposable BBQs has helped, but there is more to do to manage public expectations and understanding. Further work has been undertaken on the Wildfire Risk Management activity. A template Wildfire Plan approach is being developed and, with support	**2020/21 target:** 600 hectares (54% of current bare peat) **Year end result:** We carried out restoration activities on 891 hectares of degraded blanket bog	Despite the Covid-19 pandemic, restoration works were able to continue well through the year.

	from a private land manager, the plans will be tested using a risk model to see if they are fit for purpose. This work will be fed into Defra's thinking. Restriction on burning blanket bog habitat is being addressed through the Defra's requirement for estates to apply for a Burning Licence. All partners are feeding into this process. Two case study site visits have been undertaken and discussions are on-going to resolve local issues. The moorland restoration map is near to completion for the first phase showing what work has been completed where and over what timescale.	
Continue restoration activities on degraded blanket bog to move it towards favourable condition with a focus on reducing the amount of bare peat and rewetting as far as possible in years 1-3	2020/21 work has now been completed, other than approximately 500m rights of way work on the Great Ridge. In addition, restoration activities on Authority-owned Warslow Moors Estate have included: restoring wildfire damage at Merrryton Low including stabilisation of two scheduled Bronze Age barrows and vegetation and further barrow restoration (£56k partnership funding from the Ministry of Defence and EA): Bareleg Hill and	

		Middlehills, where EA funds are also contributing to peat dams and hydrological survey; test bed trialling rewetting works on wet heath at Swallowmoss, where 15km of hydrological works will slow the flow of water, enhance wet heath habitat, rewet and encourage sphagnum spread, reduce fire risk, improve and enhance habitat and carbon resilience (£574k).		
	Use the new FCERM (Flood and Coastal Erosion Risk Management) strategy and water companies AMP7 programme to support our moorland restoration work	Severn Trent Water AMP7 funding will provide 613 hectares of restoration work over (2020-2025). Ten hectares already been completed in Q3 2020/21. In 2021/22, MFFP aim to restore 265 ha under this funding. Yorkshire Water Services funding will allow a comprehensive survey of owned and non-owned catchment during 2021/22. This will inform works plans for the remainder of the AMP7 period and also potentially for AMP8. MFFP have also presented works proposals for United Utilities funding in 2023 and 2024.		
KPI 5: Sustain the area of non-protected, species-rich grassland through retention, enhancement and creation	Use and share our data on non-protected species rich (priority habitat) grassland to inform our plans with a view	Excellent progress. All priority ecological data cleansed and transferred to the new mapping system or deleted. 75% of all data	**2020/21 target:** 5,000 hectares	5,000 hectares of non-protected species-rich grassland has been sustained through the work

2024 target: Sustain at least 5,000 hectares of non-protected, species-rich grassland **2020/21 target:** 5,000 hectares **Responsible officer:** Head of Landscape	to it becoming publically available and supporting the public payment for public goods approach. Including an annual assessment of net gain/loss	held by the Authority has been reassessed and will form part of the mapping for a Peak District Nature Recovery Network (NRN) Plan. Natural England (NE) funding secured, enabling additional updating of internal and external data for grasslands, fungi sites outside protected sites and wader data. This additional work has slightly delayed the sorting of the remaining 275 priority 2 data sets. However, the cleansing and sorting of this remaining data is on target for completion early 21/22. Overall, there has been a further small increase in the area of non-protected, species-rich grassland that the Authority has records for. Discussions with Derbyshire County Council regarding a Derbyshire natural capital assessment and action plan. Habitat and species data will be shared next year. Discussions highlighted need to liaise with all constituent authorities over natural capital assessments and NRNs to explore one Peak District NRN Plan.	**Year end result:** 5,000 hectares of non-protected, species-rich grassland sustained	of the Authority's farm advisers, management of the Authority's own grasslands and the work of the SWPLP. Active Authority engagement with farmers and land managers on 227 hectares of non-protected species-rich grassland. 170 hectares have been retained, 52 hectares enhanced and 5 hectares have been created. 4 ha of purple moor grassland lost.
KPI 6: Increase the area of new native woodland created	Identify opportunities for new native woodland, scrub, wood pasture, small	A Wooded Landscape Plan has been drafted as a standalone plan to be incorporated into the	**2020/21 target:** 100 hectares	Whilst 19.27 hectares of new native woodland creation is a slight increase on the 16.65

2024 target: Create at least 400 hectares of new native woodland **2020/21 target:** 100 hectares **Responsible officer:** Head of Landscape	plantings and individual trees based on the approach of the right trees in the right places for the right reasons	Landscape Strategy and Action Plan in 2021/22. Partners and stakeholders have commented on the draft and an amended version has been prepared, to be shared in 2021/22. Woodland creation has continued to be prioritised. 19.27 hectares of new native woodland has been created through the Authority's own Land Management Scheme, the partnership with the Woodland Trust (WT), CSS and the SWPLP Slowing the Flow project. Plans for a further 17 hectares were developed, but are not now progressing due to difficulties in amending an existing agri-environment scheme agreement. 12 ha of non-native woodland have been converted or restored to native woodland. Plans for 192 ha of woodland creation.	**Year end result:** A further 19.27 hectares of new native woodland has been created this year making the cumulative total of 35.92 heactares created	hectares created last year, it is still behind target. However, plans are supported for a further 192 hectares. **Issues arising:** Whilst larger-scale planting proposals have been supported, they have not yet come to fruition. In some cases, existing agri-environment scheme agreements can act as a barrier, as amendments are difficult to obtain and can involve payment reclaims. The increasing numbers of funding sources for tree planting can be confusing. **Actions to address:** Continue to support farmers and land managers to create woodlands and plant trees on the basis of the right tree in the right place for the right reason. Discussions in progress with the WT for a Nature for Climate fund bid for woodland creation as a possible replacement for the current partnership scheme. Removing the barrier of existing agri-environment

| KPI 7: Maintain and enhance populations of protected and distinctive species

2024 target: Restore breeding pairs of birds of prey in the moorlands to at least the levels present in the late 1990s

2020/21 target: 17 Peregrine, 25 Short-eared owl, 37 Merlin, 5 Hen harrier

Responsible officer: Head of Landscape | Work with moorland owners, land managers and partners to deliver resilient, sustainable moorlands that lead to increased numbers of birds of prey | The 2018 moorland bird survey's data issues are resolved and data has been reprocessed. A new version of the basic data report will be available early in 21/22. Fundraising is underway to replace the more in depth BTO analysis.

The final Bird of Prey Initiative report for 2020 was published in Q4, showing a relatively good year. Where birds of prey nested and laid eggs, breeding success in terms of young fledged was good. Most notable was the successful fledging of young from all 6 known nesting attempts by peregrine.

Relationships between moorland managers and raptor workers continue to improve. However, there were mixed fortunes for different species and six incidents of illegal bird of prey persecution were confirmed by the police. The Initiative continues to be dependent for monitoring data on the local raptor groups, partner staff and volunteers, and on those gamekeepers who report sightings to the raptor groups. The Initiative would like to record its thanks for the hard work this involves. | **2020/21 target:** 17 Peregrine, 25 Short-eared owl, 37 Merlin, 5 Hen harrier

Year end result: 6 Peregrine, 1 to 3 Short-eared owl,16 Merlin, 0 Hen harrier | Target not achieved.

Issues arising: Breeding pairs of birds of prey in the moorlands have not yet been restored to at least the levels present in the 1990s.

Actions to address: Continue to work with moorland owners, managers, gamekeepers and partners to deliver the target number of breeding birds of prey. |

(top right continuation) scheme agreements will be further explored.

Cherished cultural heritage that is better understood and looked after

KPI and targets	RAG status of strategic intervention	Commentary on strategic intervention	RAG status of 2020/21 KPI target	Commentary on 2020/21 KPI target
KPI 8: Increased knowledge, understanding and active engagement with archaeology, historic structures and landscapes **2024 target:** 5% increase in audiences actively engaging with cultural heritage **2020/21 target:** No target **Responsible officer:** Head of Landscape	Engage with a range of audiences to promote and increase knowledge, understanding and engagement with archaeological sites, historic structures and landscapes, and improve public access to data	PDNPA virtual engagements with cultural heritage include a StoryMap (virtual way of telling the story about a place) for Cracken Edge (145,000 social media hits); Festival of the Mind exhibition in Sheffield with a podcast and short film based on Gardom's Edge; support for Moors for the Future to deliver Europarc's webinar on the heritage of Peaklands (107 attendees); the Annual Derbyshire Archaeology Day delivered with DCC (382 attendees on the first half day and 342 on the second, 1,314 views of the recorded sessions in 2 months); a 200th Bateman anniversary project with Sheffield and Manchester Universities developed with over £2.8k raised; GUIDEline project engaging schools around Easter; ACID Magazine published (5000 copies and available online). The SWPLP has also delivered interventions including plans for the Manifold Academy to trial the Warslow barn trail; 6 training days in heritage skills (archiving, historic building recording, level 1 building	**2020/21 target:** No target	The NFP Synergy survey provides data on engagement with cultural heritage and the baseline data was established in 2019/20. Those who had visited the PDNP in the last two years were asked what they chose to experience during their visit (36% of visitors chose to experience cultural heritage, 59% natural beauty and 47% nature). On average, 36% of people reported choosing to experience cultural heritage during their visit to the Peak District from our two NFP Synergy surveys in April and November 2020. This represents no increase on the baseline of 36% to date.

		& landscape survey); 36 new assets recorded, 39 records updated, adoption of 4 assets planned; 4 'friends of' groups established (lime kilns, trig points, post boxes, milestones). A cultural heritage asset report produced for a landowner; filming of barn restoration and the development of a project plan and funding bid for limekiln consolidation.		
KPI 9: Increase the percentage of Scheduled Monuments and Listed Buildings conserved and/or enhanced **2024 target:** 10% **2020/21 target:** 4% (132) **Responsible officer:** Head of Landscape	Conservation and enhancement of scheduled monuments and listed buildings through our regulatory, advisory and partnership roles and our own property	Interventions have been delivered to conserve and/or enhance the Scheduled Monuments and Listed Buildings e.g. ramped up multi-agency approach to Stanton Moor solstice planning, monitoring of 4x4 off-roading damage at Pindale, continuing input to the national Traditional Buildings Restoration pilot (8 listed buildings and 1 scheduled monument) and the Scheduled Monument at Callow Bank - removed from Heritage at Risk register due to an agri-environment scheme with a bracken management plan. 18 Scheduled Monuments have been conserved or enhanced (advice provided, works done and assessed with repairs being identified/delivered; unusually this year 4 cases of damage reported). Over 600 Listed Buildings have	**2020/21 target:** 4% (132) **Year end result:** 6% (214) The cumulative total is 18% (612) so well above the target of 4% (132).	Overall, the target has been substantially exceeded. There has been a substantial increase in the number of planning and listed building cases this year even with the impact of Covid-19. It is not yet clear if this is a one-off or a permanent trend so this will need to be kept under review.

		been conserved and/or enhanced (advice provided, planning permission and/or Listed Building consent granted), 25% more than last year. These figures don't include ongoing projects started in the previous year, planning consent discharges or multiple interventions for the same building. The temporary cessation of the pre-application service has impacted the quality of many applications.		
KPI 10: Increase the percentage of Conservation Areas conserved and/or enhanced **2024 target:** 96% (105/109) have adopted appraisals **2020/21 target:** 94% **Responsible officer:** Head of Landscape	Continue to develop and adopt the remaining Conservation Area appraisals to raise awareness, understanding and support for the conservation and enhancement of these areas	The Conservation Area appraisal for Winster has been drafted but little additional progress has been made. Covid-19 impacts, increased development management workload and a reduction in funding for additional capacity were taken into account when the timescale for the completion of one Conservation Area appraisal was amended in Q3.	**2020/21 target:** 94% **Year end result:** 94% have adopted appraisals**.**	The Conservation Area appraisal for Winster has been drafted but has not yet been completed. Additional capacity is likely to be needed if the appraisal is to be completed and adopted in 2021/22.

Outcome: **A National Park loved and supported by diverse audiences**

Q4 overview by Head of Engagement

The end of 2020/21 has brought challenges and hope, as restrictions start to ease and opportunities open up. We continue to work to ensure the National Park is open to all, providing breathing spaces and a place for quiet recreation that supports people's physical and mental wellbeing. Due to Covid-19 restrictions, most engagement activities were greatly impacted, paused or ceased in 2020/21, impacting income generation and programmes of work. Some affected activities include: limited opening of visitor centres, ceasing of guided walks, reduction in volunteering, limited junior ranger groups and ceasing all school visits. Major public events on Authority land continue to be postponed until at least 1 May and will resume on a case by case basis with restrictions of numbers, locations and dates. However, there have been some positive impacts. We have switched some activities to new online methods of delivery, which will now form part of our permanent offer. During Covid-19 closures, we have been able to complete the refurbishment at Bakewell and Upper Derwent Visitor centres, which has greatly improved our visitor offer. We are now able to promote our revised activity programme for 2021/22 and will actively market this as restrictions allow.

Our ranger teams have focused on patrolling and encouraging responsible visiting, including sharing information and intelligence with the police and partners, working particularly closely with the National Trust, water companies and other major land owners. Visitor numbers have remained consistently high during all periods of permitted travel to the area and also despite Covid-19 restrictions in some instances. Q4 saw a seasonal uptick in issues such as BBQs, litter and inappropriate parking, which has been mitigated by interventions from partners such as double-yellow lines and fines. Diverse audiences continue to be present across the National Park on a regular basis. We continue to act in partnership with United Utilities, Severn Trent Water and Yorkshire Water where focus has been on visitor management and catchment monitoring as a number of visitor hotspots are within our joint partnership areas. Within these partnerships, rangers contribute significantly to the organisation's objectives and business plans, not least the engagement of volunteers, and the water companies provide significant income to the Engagement Service budget.

Volunteering continued to be a vital component of our public engagement throughout 2020/21 and, despite restrictions on our ability to host volunteers for extended periods, they still provided more than 12,000 hours of support at the equivalent of more than £216,000 to the Authority. In particular, this has focused on 'hotspot' areas with litter picking and engaging with the public over concerns such as BBQs.

A range of communications were made available across Q4 to support the National Park's 70th birthday including an online media pack, the launching of a digital campaign '70 people for 70 years' and a celebratory edition of ParkLife magazine. The team have also led on the convening of the first 'Peak District Communicators Forum', now providing a secretariat for conferencing and cloud-based sharing of campaigns and coordinated approaches to working with more than 50 key contacts. This has already had success regarding post-lockdown visitor messaging at the end of March. The impacts of the pandemic – and the Authority's associated digital output – has seen a significant trend change across our social media. This includes a 42% increase (around twice that of previous years) in overall audience to c.120,000 followers with 70% and 160% upward trends in Facebook and Instagram respectively. Video content engagement has uplifted by 250%, often boosted by content provided to support visitors returning to the Park safely. As a result of this

digital shift, dedicated web pages on car parking updates and Covid-19 updates each saw visits in excess of 100,000 across 2020/21. Our 1:1 online engagement also meant we received 65% more social media messages across the last year.

We undertook a further two NFP Synergy audience surveys that established that targets for visitor connection with the PDNP had been exceeded with an increase of 27% in connection, above our target of 24.5%.

The Foundation continues to grow its reach, with increasing social media followers, Peak Partners and regular donors. Despite lockdowns having a significant impact on capacity, coupled with the inability to hold face to face meetings and events, Q4 for the Foundation has seen income of over £30,000 – and a first major gift of £16,000 plus gift aid. The £70k target by the 70th anniversary has been exceeded with over £130,000 raised and £90,000 granted to projects including Moors for the Future, Stanage North Lees, Trails, South West Peak, Miles Without Stiles, Peak District Mosaic, Fit for Work and Accessible Derbyshire. There has been significant development work on the fundraising strategy and future fundraising priorities and a strengthening of the Foundation and Authority partnership approach, with a strong plan and shared ambition for 2021/22 onwards.

RAG status of strategic interventions: Red = 2, Green = 6
RAG status of KPIs: Red = 1, Green = 1, Not reported this year = 2

Outcome: **A National Park loved and supported by diverse audiences**

Greater audience reach among under-represented groups

KPI and targets	RAG status of strategic intervention	Commentary on strategic intervention	RAG status of 2020/21 KPI target	Commentary on 2020/21 KPI target
KPI 11: Increase the proportion of under-represented groups reached **2024 target:** Peak District National Park audience reach that is 30% closer to the demographics of those within an hour's travel time of the National Park **2020/21 target:** Implement the plan **Responsible officer:** Head of Engagement	Implement our diverse audience plan providing inclusive health, education and accessibility activities, and modernising digital channels that better align with the audiences we want to reach	Implementation of the Diverse Audience Plan (DAP) will begin during 21/22 as part of the revised Engagement Manager role. This will run in parallel with Green Recovery Fund projects also taking place to deliver for younger audiences. A range of online activities to encourage activity at home/locally were offered. 'Walks Around' guides were developed with a refreshed offer that reflects the range of new audiences the Park is experiencing. **Issues arising:** Due to Covid-19 restrictions, no face-to-face activities such as health walks, education or accessibility could take place during the reporting period.	**2020/21 target:** Implement the plan **Year end result:** Plan complete but not implemented due to Covid-19 limitations	The DAP is now complete and will be implemented from 21/22. Restrictions have hampered any organised, large-scale face-to-face events with our audiences across the last year and, therefore, the overall delivery of the plan. **Issues arising:** Any continued Covid-19 restrictions on face-to-face activity during 21/22 may further delay the overall implementation of the DAP. **Actions to address:** Start implementation as soon as

		Actions to address: Continue with the above in line with government guidelines.		possible in line with government guidelines.
	Repeat data research in year 3 and year 5 to monitor against outcome and adjust plan as required	Surveys were undertaken via NFP Synergy in April and Nov 2020. Results were within 1-2% of previous data, with slightly greater drops in the 45-64 age group (c.5%). Our reach remains comparable to those communities within one-hour's drive, including ethnicity and young people.		

A strong identity and excellent reputation driving positive awareness and engagement

KPI and targets	RAG status of strategic intervention	Commentary on strategic intervention and likelihood of meeting target	RAG status of 2020/21 KPI target	Commentary on 2020/21 KPI target
KPI 12: Increase public connection with the Peak District National Park 2024 target: Peak District National Park connection is increased by 20% 2020/21 target: 2% increase Responsible officer: Head of Engagement	Use research to develop a plan to better understand our existing and potential audiences to increase public connection with the National Park	Alongside NFP Synergy research, our rangers undertook 'snapshot' surveys across key visitor locations. This is already informing areas of work including Walks Around Guides and a new 'visiting' section of the website. The new Peak District Communicators Forum is also bringing together insight on user groups from across the range of stakeholders.	2020/21 target: 2% increase (24.5%) Year end result: 27%	Target exceeded.
	Encourage responsible visitor behaviours through Park-wide, stakeholder-	With the revised Countryside Code only arriving at the very end of Q4, much of our visitor messaging has		

| | supported strategies that reflect care and respect of 'the place', such as #PeakDistrictProud. Use local research to inform understanding of visitor segments and their needs. Grow sustainable tourism products, including encouraging extended stays, where external funding exists to support this | focused on #PeakDistrictProud during 2020/21, predominantly digital-based due to absence of outlets to showcase hard-copy materials.

The impacts of the pandemic – and the Authority's associated digital output – has seen a significant trend change across our social media. This includes a 42% increase (around twice that of previous years) in overall audience to c.120,000 followers with 70% and 160% upward trends in Facebook and Instagram respectively

We have led on two partnership groups, visitor management and the first 'Peak District Communicators Forum'. These have supported sharing best practice and coordinated approaches to working, such as shared campaigns with more than 50 key contacts.

The Discover England Fund (DEF) Phase 2 programme has concluded its period of funding at the end of Q4. A range of activities have been undertaken including local business online networking, training, marketing support and the launch of a new, searchable consumer-facing website promoting National Park Experiences and bookings and an | | |

| | | updated trade brochure. International trade promotion has been paused due to Covid-19 impacts in Europe. Legacy work continues through linked projects via local DMOs. | | |
| | Repeat data research in year 3 and year 5 to monitor against outcome and adjust plan as required | Surveys were undertaken via NFP Synergy in both April and Nov 2020. Connection of 27% exceeded our target of 24.5. | | |

Active support through National Park points of contact to generate sustainable income

KPI and targets	RAG status of strategic intervention	Commentary on strategic intervention	RAG status of 2020/21 KPI target	Commentary on 2020/21 KPI target
KPI 13: Increase the National Park Authority's sustainable income stream **2024 target:** Generate an extra £225,000 sustainable gross revenue income **2020/21 target:** No target **Responsible officer:** Head of Asset Management	Implement and continue to develop the plan to maximise income without compromising the special qualities of the National Park or exposing staff and visitors to unnecessary risk of Covid-19 transmission, including car park management, new visitor experiences at Millers Dale and Hulme End, maximisation of existing income opportunities and growing our commercial enterprises	The impact of Covid-19 restrictions on trading activities has been significant, but mitigated by the Covid Reserve. Significant work has taken place on a key project to review car park management arrangements and this will be presented to P&R Committee in May 2021. Refurbishment of the Bakewell and Upper Derwent visitor centres to create improved visitor experiences and maximise income from retail will be completed next financial year, in readiness for the anticipated high visitor numbers. Millers Dale project	**2020/21 target:** No target	No target for this year, due to circumstances that were very difficult to mitigate.

		is behind schedule but close to completion and this is anticipated early in 21/22.		
	Continue to fundraise for the National Park Management Plan and Corporate Strategy Outcomes using the National Park Foundation as the vehicle **Responsible officer**: Head of Engagement	Despite lockdowns having a significant impact on capacity, Q4 for the Foundation has seen income of over £30,000 – and a first major gift of £16,00 plus gift aid. However, we are still awaiting final outturn for 20/21 and final Q4 figures. The £70k target by the 70th anniversary has been exceeded, with over £130,000 raised since May 2019 (when the Foundation bank account opened). This income has come from donations (£41k), Peak Partners (12k), grant income (£15k), dormant funds (£62k) plus gift aid. The Foundation now has 16 regular donors and 15 Peak Partners. £90,000 has been granted to projects including moors for the future, Stanage, Trails, South West Peak, Miles Without Stiles, Peak District Mosaic, Fit for Work, Accessible Derbyshire. There has been significant development work on the fundraising strategy and future fundraising priorities beyond £70kfor70 and a strengthening of the Foundation and Authority partnership approach, with a strong plan and shared ambition for 21/22 onwards.		

| KPI 14: Rebuild the value of National Park Authority volunteer support

2024 target: Volunteer support across the National Park Authority is returned to pre-Covid value of £750,000 per annum

2020/21 target: No target

Responsible officer: Head of People Management | Implement volunteer action plan to better align opportunities for volunteering with PDNPA outcomes and increase diversity amongst our volunteers | Despite the pandemic's massive impact on volunteering, a great deal has been achieved. The focus in the last year has been keeping volunteers safe and this has taken time and resilience.

Investing in our people - Improved training for volunteers (launched ELMS for volunteers) and relaunch of the Ranger training programme. Volunteer engagement and communications plan to support volunteers to return to volunteering.

Resource and infrastructure - Reviewed and refreshed website launched. Further 5 years funding secured from TARMAC for volunteering. Volunteer action plan reviewed to support the Diverse Audience Plan.

Systems and processes - During the pandemic we found new ways of working e.g. volunteer expenses processed online, better use of online training and technology.

Volunteering development - New roles created in the Foundation and trails teams.

Issues arising: The changes in government guidelines and subsequent lockdowns have made | 2020/21 target: No target | Volunteer hours have been low due to the pandemic; running at about 25% of 2019/20 hours. Total volunteer hours in 2020/21 were 12,064. |

		management of the volunteer programme extremely difficult. **Actions to address**: New KPI to reflect this downturn in volunteering activity.		

Outcome: **Thriving communities that are part of this special place**

Q4 overview by Head of Planning

Despite the challenges due to Covid-19, this year has seen us reaching wider audiences through our positive engagement plan. Past engagement has shown that residents do not stay engaged with the plan-making process, and that engagement by other stakeholder groups is dominated by those that represent big business interests or our statutory duty, rather than our purposes. We were also aware that we needed to adapt what we do for a younger audience. A recent stakeholder analysis concluded that the planning decisions we make have most impact on residents and small businesses, but these groups have little knowledge about the policy-making process that underpins such decisions. Our newly developed engagement plan addresses these issues and is dynamic, continually updated and amended to take in new information and the changing opportunities for virtual or face to face meetings.

Although we have not been able to run conventional workshops, our virtual conferences with parishes and community groups have been successful. Nine hundred people took part in our first online survey and our young people's survey is ongoing. The parishes bulletin continues to be well-received. A series of online workshops for residents and other stakeholders is being planned to run throughout the summer. If possible, we will run face-to-face events in the autumn.

We continue to offer our 'community planning menu' and, with this, give significant support to any community wishing to write a statutory neighbourhood plan or non-statutory village plan to undertake community-led projects that deliver national park purposes, or develop local needs or community-led housing. Three neighbourhood plans have undertaken successful examinations during 20/21 (Leekfrith, Bakewell, Dore) and one (Holmfirth) is currently being examined. The parish statements have been completed and we have agreed a definition of a 'thriving and sustainable community' by working with the parish forum and other stakeholders. We are working with partners and residents in Eyam and Youlgrave to scope the potential for local needs housing.

Our Communities Small Grant (CSG) and the South West Peak Project community grant continue to be important interventions. Despite a reduced budget (£5k) and Covid-19 restrictions, we supported 7 community projects including Voices From the Peak, willow sculpture at the Nightingale Centre and Hope Valley Climate Action's virtual supermarket.

RAG status of strategic interventions: Red = 0, Green = 7
RAG status of KPIs: Red = 2, Green = 1

Outcome: **Thriving communities that are part of this special place**

Influencing and shaping the place through strategic and community policy development

KPI and targets	RAG status of strategic intervention	Commentary on strategic intervention	RAG status of 2020/21 KPI target	Commentary on 2020/21 KPI target
KPI 15: Increase the number of residents and other community stakeholders understanding and engaged in the development of strategic policies **2024 target:** 50% increase in number **2020/21 targets:** 30% increase in number **Responsible officer:** Head of Planning	Develop tools for engaging resident communities using digital media channels to promote and engage residents on policy development	Developed a new survey tool, run throughout the winter and continuing into spring. Early survey work into Plan review issues. Used Facebook page to promote the above. Follow up use of our planning bulletin, which we've emailed to all Parishes. Community group (Hope Valley Climate Action) had a follow up series of conference calls with us on these issues. Led to bigger ongoing debate. Follow up youth survey based on the initial survey. Developing a more complete engagement plan for 2021/22, which will carry on online, issues-based video conferences and move to face-to-face if possible.	**2020/21 target:** 30% increase in number **Year end result:** 38% decrease in number	Engaged with 510 residents and 384 other stakeholders via an online survey, and 65 parish and community representatives via various online forums throughout the year, but this is still below the baseline. **Issues arising:** Pleased with the response to our online survey, which has generated useful data, but the overall numbers engaging are less than if public meetings had been possible. The baselines were derived from engagement activity undertaken in the early stages of core strategy, and are high because they include large public events such as

	Review resources by year 3. Local Plan review will gradually absorb more of team resources over 5 year period, plus fixed term post will terminate by 2022. Consider scope to draw in resources from specialists across the Authority	Ongoing review of progress against resources taking place. Aware that by the end of 2021/22 we will have less resource due to end of a fixed term post and loss of transport policy officer post. Decision needed regarding further temporary resources by end 2021/22. Interviews for Policy and Communities Manager role upcoming.		shows and public forums. A 30% increase on this baseline was ambitious but achievable in normal circumstances. **Actions to address:** An online survey for older children and young people is ongoing. Online workshops and forums will take place over the spring and summer, face to face in the autumn if possible.
KPI 16: Increase the number of communities involved in shaping the place **2024 target:** 40% of Parishes have helped shape their future **2020/21 target:** 16% **Responsible officer:** Head of Planning	Review team resources by year 3. Local Plan review will gradually absorb more of team resources over 5 year period, plus fixed term post will terminate by 2022. Consider scope to draw in resources from specialists across the Authority	As above	**2020/21 target:** 16% **Year end result:** 40%	The cumulative number of communities shaping the place is 49 villages (40%), made up of communities engaged in neighbourhood planning, village planning, parish statements and housing enabling. We have been actively engaged in an additional 2 villages (Eyam and Youlgrave), undertaking community-led housing enabling and site search work with partners.
	Undertake biannual updates and promotion of Parish Statements to encourage a dynamic approach to keeping them up to date and developed by the community as far as possible	Version one completed in 2020/21. All available online. Monitoring will be ongoing. Due to be formally reviewed in 2022/23.		
	Ensure a comprehensive review is undertaken of Parish Statements to take	When the Census is available, we will be able to carry out a full review of Parish Statements.		

	account of a new Census in 2021			

Community development connecting people to place through active participation, events and sustainable projects

KPI and targets	RAG status of strategic intervention	Commentary on strategic intervention	RAG status of 2020/21 KPI target	Commentary on 2020/21 KPI target
KPI 17: Increase the number of PDNPA interventions that help parish councils, community groups and residents to care for the National Park's special qualities **2024 target:** 100 interventions **2020/21 target:** 40 interventions **Responsible officer:** Head of Planning	Continue dialogue across Authority to make this happen, e.g. with Engagement Service to connect with diverse audience plan (young, health issues etc), and with Landscape Service to ensure connection with projects linked to ecology and cultural heritage	Dialogue taking place. Youth Officer helped reshape the local plan survey to target a youth audience. Working with Engagement team on health issues. Both linked with integrated care forums across Derbyshire regarding planning and health. Making sure our interventions are relevant to health e.g. grants based on Year of Green Action, links with biodiversity, health walks and healthy activities encouraged through our work. Some interventions didn't happen due to Covid-19 e.g. summer shows, planned events.	**2020/21 target:** 40 interventions **Year end result:** 25 interventions	This records the projects taking place as a result of the Communities Small Grant, and the significant help given by Cultural Heritage Team to community projects in Parwich and Middleton. The low figure is a reflection of the curtailment of community activity during the pandemic. **Issues arising:** Our offer is sound but we need to market this via the parish bulletin ready for when community life gets back to normal. **Actions to address:** Market via the parish bulletin.
	Develop tools for engaging resident communities using digital media channels towards the promotion of community development (e.g. sharing, promoting local events, encouraging and initiating local projects). In particular seek to maintain	As KPI 15. The Planning Bulletin has become the Parishes Bulletin: a cross-Authority piece discussing wider parish issues e.g. Covid-19 issues, lockdown easing, visitor management etc. Content from across the Authority e.g. NPMP, Moors for the Future, Engagement team, planning issues. It		

| | the parish bulletin via email (and hosted on PPPF website) and parish meetings via teleconference | has become a really good engagement piece. Planning to do more parish-style conferences.

People are aware that we are available and we are getting more requests to join video conference calls e.g. Stanton Moor Minerals Liaison Group, Hope Valley Climate Change Action, Parish meetings. | | |

An agile and efficient organisation

Q4 overview by Head of Information and Performance Management

Although 2020/21 saw some operations begin to return to normal, following the implementation of Covid-secure health and safety measures and risk assessments, the majority of staff continued to work from home. Despite this, a great deal was achieved during the year. To ensure the Authority continues to operate effectively, a variety of essential governance, finance and performance related activities are undertaken in Q1. Our Financial Accounts for 2019/20, Annual Governance Statement and Performance and Business Plan were all completed by the statutory deadlines.

Our August 2020 Investors in People (IIP) assessment report rated the work that had gone into addressing the original recommendations from the IIP assessor as 'highly commendable'. As a result of Covid-19, our priority was the safety, health and well-being of our workforce. We have undertaken regular staff surveys to monitor well-being and provide specific individual support, provided a series of emotional resilience webinars to all workforce and supported individual referrals for coaching/counselling. We continue to have an engaged workforce, with 70% responding to the IIP survey.

The July 2020 Programmes and Resources Committee meeting approved the Authority's second Carbon Management Plan, which sets out the Authority's ambitions and plans relating to reducing carbon emissions. The Climate Change Member Task Group had a successful first year, meeting regularly and group members developed a greater collective knowledge and understanding of climate change and its impact on the National Park.

The November 2020 Authority meeting approved the updated Corporate Strategy 2019-24, which sets out our outcomes for the National Park and a framework to align our resources to assist us in achieving this. Our information technology services continue to support home working and our people have received training on phishing and data protection and security.

The Authority's Annual General Meeting was held on 3rd July 2020 and the new Members who joined the Authority completed their initial induction during Q2. When Covid-19 prevented face to face meetings, initially the Chief Executive's emergency delegation was used to make decisions until the transition to virtual meetings to allow Member decision making with public participation was permitted, following changes to legislation.

The work undertaken by the Authority's Internal and External Auditors is a key part of our governance arrangements. The Authority achieved an unqualified opinion from our External Auditor, who confirmed that proper arrangements are in place for value for money and the 2019/20 financial statements. Members also considered three Internal Audit reports all of which provided a substantial level of assurance.

The pandemic has had a significant impact on the 2020/21 financial position. In addition to seeking financial assistance from government support packages, such as the Job Retention Scheme and business rates relief initiative, the Authority approved the creation of a Coronavirus Contingency Reserve in May 2020. Further funds were reallocated to the reserve in September 2020 to mitigate the loss of income during the financial year. Further financial planning work to ensure the Authority maintains a balanced budget during the period 2021-2024 took place and a workshop with Members was held in September 2020. Members approved the Authority's Revenue Budget for 2021/22 in February 2021.

RAG status of strategic interventions: Red = 1, Green = 21, Not reported this year = 1
RAG status of KPIs: Red = 1, Green = 9, Not reported this year = 1

Our organisational performance: **The Peak District National Park Authority is an agile and efficient organisation**

Our workforce is more diverse, healthy and highly engaged

KPI and targets	RAG status of strategic intervention	Commentary on strategic intervention	RAG status of 2020/21 KPI target	Commentary on 2020/21 KPI target
KPI 18: Maintain low sickness levels **2024 target:** Under 6 days per full time equivalent per year **2020/21 target:** Under 6 days per full time equivalent per year **Responsible officer:** Head of People Management	Create wellbeing at work to include: • Maintain (and improve upon level of) Investors in People Health and Wellbeing Award in 2022 • Enhance our safety culture by raising awareness, developing competence and improving compliance • Systematic review of relevant policies (such as Absence Management Policy, Wellbeing at Work Policy, Grievance Policy and Harassment	Main focus on safety, health and well-being of our workforce as a direct result of Covid-19. Regular staff surveys to monitor wellbeing and provide specific individual support. Provision of a series of 6 emotional resilience webinars to all workforce. Approx £7,200 committed to individual referrals for coaching/counselling. Covid-19 had a serious effect on the normal operation and staffing of the PDNPA. During this time, the profile of Occupational Safety and Health (OSH) and in particular risk assessment has been raised significantly.	**2020/21 target:** Under 6 days per full time equivalent per year **Year end result** Total is 3.88 days lost per fte (7.65 days lost in 2019/20) Q1: 0.83 Q2: 0.58 Q3: 1.57 Q4: 0.9 (2.6 days in same quarter 2019/20)	There were 232 absence occurrences (374 last year). Top reasons for occurrences • Anxiety: 90 (39%) • Other: 19 (8%) • Covid-19: 19 (8%) Absence reasons that lost the most hours: • Stress (20%) • Operations and recovery (14%) • Self-isolation (unable to work) (12%) Covid-19: 2020/21 sickness: 88.96 days total = 0.43 days/fte 657.6h lost (11% of all time lost to sickness absence)

	in the Workplace Statement			
KPI 19: Create a highly engaged workforce **2024 target:** 70% response rate to online Investors in People questionnaire **2020/21 target:** 70% response rate to online Investors in People questionnaire **Responsible officer:** Head of People Management	Create values based environment to attract and retain top talent	Core values revealed: Care, enjoy and pioneer. Incorporated into recruitment and selection and provides framework for new appraisal process.	**2020/21 target:** 70% response rate to online Investors in People questionnaire **Year end result:** 70% (185/265)	Survey response rate: 70%
	Deliver the actions in the Investors in People Action plan (identified from the Investors in People online report and assessor recommendations)	12 month assessment completed satisfactorily. Online questionnaire completed in Sept 2019. IIP Action Plan amended to reflect survey results and priorities by IIP Delivery Group. 3 priority project areas identified: 1. Communications – embed the values 2. Recognition and reward 3. Equality, diversity and inclusion		
	Management demonstrate responses in regular short snap surveys on key and current topics are used to inform decisions	Results from the three staff surveys on impact of Covid-19 and staff well-being have influenced management and operational decisions.		
KPI 20: Foster an inclusive working environment in which everyone feels that they belong **2024 target:** A workforce profile proportionately	Develop Equality, Diversity and Inclusion plan to foster an inclusive workplace by: • Involving all workforce in inclusion	An Equality, Diversity and Inclusion (EDI) project sub-group of the Investors in People delivery group has been formed. The group consists of a cross section of the	**2020/21 target:** A workforce profile proportionately representative of national protected characteristics in order	This target was not met. **Issues arising:** The information held on the workforce (employees, casual workers, and

representative of national protected characteristics in order to attract and retain diverse talent **2020/21 target:** Move towards the demographics of those within an hour's travel time of the National Park **Responsible officer:** Head of People Management	• Developing line manager capability • Building senior management commitment to inclusion • Evaluating policies and practices • Examining organisational culture, climate and values	organisation and includes the Volunteer Co-ordinator. Work on a revised Equality Policy is in its second draft after useful feedback in particular from two Members and the CEO. Policy to be finalised in Q1. The group have assessed a number of online training modules and have selected a module to be mandatory to all workforce in Q1. A management workshop to develop the EDI framework is scheduled for Q2.	to attract and retain diverse talent **Year end result:** Sex: 44% male 56% female Age range: 21-71 years old Ethnicity: 100% white british Disability: 0% (as reported by employees)	volunteers) is limited and unlikely to be accurate (it is not mandatory for individuals to provide personal information). The accuracy and level of completeness is likely to improve with trust and better understanding of why we are collating the information. **Actions to address:** Raise profile of EDI as part of our values work. Ensure ease of access to self-serve HR and volunteer database. Annual audit of data. New 2021 census data for future comparison.

We are **financially resilient** and provide value for money

KPI and targets	RAG status of strategic intervention	Commentary on strategic intervention	RAG status of 2020/21 KPI target	Commentary on 2020/21 KPI target
KPI 21: To have a medium term financial plan **2024 target:** Plan developed in 2020/21 and then monitored and updated	Develop a medium term financial plan (MTFP) that covers years 2-5 of the new Corporate Strategy (Year 1 - 2020/21 falls within the current MTFP)	The Medium Term Financial Plan has been developed and the required savings have been included in the 2021/22 budget.	**2020/21 target:** Plan developed in 2020/21 and then monitored and updated	The formal notification of the National Park Grant (NPG) for 2021/22 was delayed, so the MTFP was provisionally updated in February 2020, with a further review required

2020/21 target: Plan developed in 2020/21 and then monitored and updated **Responsible officer:** Head of Finance	Develop a new Capital Programme for the Authority (following the adoption of the corporate Asset Management Plan)	Delayed until 2021/22 following the completion of the management restructure. The Head of Asset Management role in the new management structure is a key role in developing the capital programme. This was finalised in January 2021, the capital programme has been delayed to allow for the transition to the new management structure and work will start in June 2021.	**Year end result:** The MTFP was agreed in February 2021 and is currently being reviewed.	once the final NPG position is confirmed. The Covid-19 reserve remains sufficient to cover the extended impacts into 2021/22 at present in line with the Government roadmap, and this continues to be monitored.
KPI 22: To have arrangements in place to secure economy, efficiency and effectiveness in all our operations **2024 target:** An unqualified value for money opinion (the best result possible) issued by External Audit **2020/21 target:** An unqualified value for money opinion (the best result possible) issued by External Audit **Responsible officer:** Head of Finance	Update our financial processes (regulations and standing orders) as a result of recommendations in the governance review	Financial Regulations and Standing Orders continue to be in place. Financial processes were updated following the move to homeworking due to the coronavirus pandemic. Changes to financial processes received high assurance from internal audit this year.	**2020/21 target:** An unqualified value for money opinion (the best result possible) issued by External Audit **Year end result:** On track. There are new external audit requirements and the final outcome will not be known until August 2021.	Updates will be considered as part of the external audit process should any weaknesses or issues be highlighted.
	Introduce electronic purchase order, authorisation and invoice scanning and the implementation of an electronic travel and subsistence claims system	Delayed by Covid-19 pandemic initially and further delayed by introduction of a new Head of Finance. Carried forward to 2021/22 delivery plan. Rollout of exchequer mobile delayed until after year end. Electronic travel and subsistence claims to be included as part of financial systems review in 2021.		

Our **well-maintained assets** support the delivery of our landscape, audience and community outcomes

KPI and targets	RAG status of strategic intervention	Commentary on strategic intervention	RAG status of 2020/21 KPI target	Commentary on 2020/21 KPI target
KPI 23: To have a corporate Asset Management Plan **2024 target:** Plan to be implemented **2020/21 target:** Plan to be adopted in 2020/21 **Responsible officer:** Head of Asset Management	Develop a corporate Asset Management Plan	Asset Management Plan approved by Authority in February 2020.	**2020/21 target:** Plan to be adopted in 2020/21 **Year end result:** Plan adopted	The approved asset management plan has been approved and will be implemented during the Corporate Strategy period.
	Develop and implement a new Carbon Management Plan for the Authority	Carbon Management plan 2020-2050 approved in July 2020.		

Our data is high quality, securely managed, and supports decision making and delivery

KPI and targets	RAG status of strategic intervention	Commentary on strategic intervention	RAG status of 2020/21 KPI target	Commentary on 2020/21 KPI target
KPI 24: To achieve at least reasonable assurance rating for the way we look after our data in an ever changing environment **2024 target:** For data controls and security arrangements to be rated at least reasonable assurance in all Audit reports **2020/21 target:** For data controls and security arrangements to be rated at least reasonable assurance in all Audit reports	Ensure security services and control frameworks (e.g. anti-virus, encryption, disaster recovery, business continuity, server and client hardware and software etc) are fit for purpose and reflect best practice and that staff awareness and preparedness is improved and measured	Security controls, disaster recovery, end point encryption and business continuity provisions have been well managed through the year and kept up to date. This is an ongoing management requirement and will continue into 2021/22.	**2020/21 target:** For data controls and security arrangements to be rated at least reasonable assurance in all Audit reports **Year end result:** Target met	Targets met for 2020-21. The infrastructure, connectivity solutions and security products that have been implemented, updated or replaced in the last year (and recent years before that) have continued to enable the high volumes of remote working.

Responsible officer: Head of Information and Performance Management				
KPI 25: More of our data is digitally accessible internally and externally and is used to inform our decision making **2024 target:** All services, capture, store and access data in a consistent and efficient manner **2020/21 target:** All services, capture, store and access data in a consistent and efficient manner **Responsible officer:** Head of Information and Performance Management	Support the work of the Authority-wide group established to develop new and enhance existing services using data	Good progress continues on the rollout of bespoke applications (based on the Arc platform) for managing volatile data. In particular, over the last six months the continuation of work with Moors for the Future and the Cultural Heritage Team on tree management. These applications are improving operational efficiency and providing structured data thereafter for use in future projects, reporting and analysis.	**2020/21 target:** All services, capture, store and access data in a consistent and efficient manner **Year end result:** Target met	2020-21 has seen good progress towards this target. The fundamentals are in place to enable this, and they have continued to be rolled out to key functions. This will be continued for other teams and other functions within teams during 2021/22.
	Investigate and deploy further self-service capabilities (e.g. increased spatial mapping tools on the Authority's website etc)	We have introduced further self-serving capabilities in three areas on the Authority's website. Customers can use a search facility on our website to see if a property is in a conservation area. There is an interactive map of development management policies on the planning page of our website. Finally, an interactive map of the landscape Character Areas has been developed on the Landscape Strategy page of our website.		
	Lead business change programmes with internal teams and services to	Data storage continues to grow; however, there is now significant buy-in from staff when specific time		

	improve efficiency and effectiveness of business processes and associated data management practices to improve data and information availability both internally and externally	is allocated to actively managing data. The "October Tidy" is clearly visible in the storage data metrics. Data relating to file age and file duplication has been captured for benchmarking. Work is ongoing with data asset owners and staff to develop a culture of continual data management. Mandated data security and data protection training courses were delivered to all staff. This training underpins data management best practices.			
	Design and implement with other landscape organisations shared ICT systems and services and explore/utilise joint procurement opportunities	Working with Severn Trent Water, work is progressing to deliver significantly improved network services to Upper Derwent Visitor Centre, Cycle Hire and Engagement Office. Joint procurement opportunities through the National Parks Partnership include video conferencing and collaboration, website security and accessibility tools. The planned closer integration with the Lake District National Park Authority has not progressed as envisaged due to a strategic shift at the Lake District National Park Authority, with their focus no longer on a shared hosted solution with the Peak District National Park Authority.			

The Authority is **well managed** to achieve its objectives and enhance its performance				
KPI and targets	**RAG status of strategic intervention**	**Commentary on strategic intervention**	**RAG status of 2020/21 KPI target**	**Commentary on 2020/21 KPI target**
KPI 26: To have best practice governance, risk and performance management arrangements in place **2024 target:** All internal and external audits relating to governance, risk and performance management are rated as providing substantial assurance or equivalent **2020/21 target:** All internal and external audits relating to governance, risk and performance management are rated as providing substantial assurance or equivalent **Responsible officer:** Head of Law	Undertake a review of Governance arrangements, including the delegations to committees and officers	Delegations to Committees and Officers are up to date. Initially the Chief Executive's emergency delegation was used until the transition to virtual meetings to allow Member decision making with public participation was permitted following changes to legislation. Appointment at the AGM to the Governance Working Group was agreed with a view to carry out a review of the impact of changes introduced, as a result of all recommendations contained within the Group's second report being approved in full.	**2020/21 target:** All internal and external audits relating to governance, risk and performance management are rated as providing substantial assurance or equivalent **Year end result:** Achieved	External Audit reported an unqualified Value for Money conclusion and a satisfactory AGS conclusion with no issues highlighted as well as reporting an unqualified audit opinion on the 19/20 financial statements with their final report to the Authority in February 2021 giving a 'clean bill of health'. The Internal Audit Plan for 20/21 was approved by Authority with remote audits taking place during Q3 & 4 in line with current restrictions. In March 2021, Substantial Assurance was given with no management actions required in the areas of Payroll, Creditors & Information Governance.
	Implement an online procurement portal, related processes and provide guidance and training for all relevant Authority staff	Further rollout of the online procurement portal In-Tend has not occurred as planned due to Covid-19 and remote working. However, procurement in line with our standing orders continues. **Issues arising:** The In-Tend system has been tailored & customised to the Authority's requirements and the cash-collection contract was procured		

	■	and awarded through the portal in the main in advance of lockdown. **Actions to address:** The next stage is to undertake the evaluation training so that this element can ultimately be carried out online. The Authority have banked 4 training days which can be rolled out to support further training when lockdown restrictions have been eased.	■
	Coordinate the delivery of the corporate strategy and drive through delivery and business planning, performance and risk management processes **Responsible officer**: Head of Information and Performance Management	The Authority's updated Corporate Strategy 2019-24 was adopted at the November 2020 Authority meeting. Updates were made in three areas – to ensure strategic interventions remain deliverable, that Key Performance Indicator targets remain achievable and the impact of the budget reduction is taken into account.	
KPI 37: Our Members are more representative of our audiences **2024 target:** Move towards greater diversity in our Members **2020/21 target:** Move towards greater diversity in our Members	**Not reported in Year 2**	**Not reported in Year 2**	

Responsible officer: Head of Law				
We have effective partnership arrangements in place				
KPI and targets	**RAG status of strategic intervention**	**Commentary on strategic intervention**	**RAG status of 2020/21 KPI target**	**Commentary on 2020/21 KPI target**
KPI 38: To identify all existing partnership arrangements and review their effectiveness **2024 target:** Complete review in 2020/21 and monitor effectiveness **2020/21 target:** Identify our strategic partners and review the Authority's existing partnership protocol to ensure it is fit for purpose **Responsible officer:** Head of Information and Performance Management	Identify our strategic partners and review the Authority's existing partnership protocol to ensure it is fit for purpose	The Authority's partnership protocol was reviewed and updated in 2019-20.	**2020/21 target:** Identify our strategic partners and review the Authority's existing partnership protocol to ensure it is fit for purpose **Year end result:** Partnership protocol reviewed and updated. Started to identify key partners.	The Authority's partnership protocol was reviewed and updated in 2019-20. As part of the National Park Management Plan, we have started to identify key partners that can help shape the strategy and deliver the actions associated with this.
	Monitor the implementation of the National Park Management Plan 2018-23 delivery plan	The National Park Management Plan Advisory Group has continued to oversee good progress with implementation of the plan. At the January 2021 meeting, the Advisory Group considered the Authority's approach to audience development.		
	Coordinate the development of the Peak District National Park Management Plan 2024-2029	At the January 2021 meeting, the Advisory Group agreed some principles of how the review of the current National Park Management Plan would be undertaken. This will enable the Authority to further develop a project plan for the development of the next National Park Management Plan.		

People

Q4 and full year overview

People

Current headcount: 249 (as at 31 Mar 2021)	Current FTE: 198.81 (average over year; this actual time being worked including temporary additional hours to contracts)	No. of vacancies as at 31 Mar 2021: 26.2 FTE (this includes 18 vacant posts and hours temporarily unused as part of work life balance arrangements)	Budget value: 228.15 (this is no. of FTE established posts as at 31.03.21; includes vacancies and additional fixed term posts/contractual hours – it doesn't include post holders working additional hours)

Employee engagement and culture

Indicator	Quarterly commentary	Issues arising	Actions to address
Employer Brand – net promoter score for starters and leavers **2024 target:** Baseline from first year	A Net Promoter Score NPS is a management tool that can be used to gauge the engagement of employees with an organisation. NPS is based on the answers given by employees in the survey to one question on a scale of 0 to 10, 'How likely is it that you would recommend PDNPA as an employer to a friend or colleague?' Employees who score 9 or 10 are called 'Promoters'. Those who score 7 or 8 are 'Passives' while any employee who gives a score of 6 or below is a 'Detractor'. Employee Net Promoter Score (eNPS) = % of Promoters minus % of Detractors.	There were 5 external new starters that would have been asked to complete in the reporting period, 4 completed the survey. Recruitment has been low over the last 12 months due to COVID and we have been running a vacancy control process. A number of vacancies have been recruited internally. This is a very low number of starters to give an adequate view of performance.	To enhance our employee engagement two sub groups of the Investors in People Delivery Group will focus on communications to embed our values and recognition and reward

Indicator	Quarterly commentary	Issues arising	Actions to address
	Theoretically an eNPS can range from as low as −100 (every respondent is a "Detractor") or as high as +100 (every respondent is a "Promoter"). Responses received from new starters give a **50%** net promoter score. Data on leavers gives a **0%** net promoter score.	Slight improvement at year end for leavers which is probably due to high scores from Directors.	
Appraisals – no. and % completed **2024 target:** 100%	95%		
Staff training cost – spend/headcount **2024 target:** £144/head from LGA workforce survey	£162 per head	Despite training spend per fte being down 45% on last year it remains higher than our target. Opportunities for learning and development, both internally and externally, have been affected by the pandemic. Focus for the corporate training budget has been on health and wellbeing initiatives, employer branding linked to the Investors in People action plan and the leadership development programme following the management restructure in Q4.	

Workforce profile

Indicator	Quarterly commentary	Issues arising	Actions to address

Staff turnover: percentage **2024 target:** 13.4%	Cumulative for the year our turnover is at 10%. Number of Starters: 18 Number of Leavers: 31	No issues.	
Staff turnover: no. of leavers in first 2 years **2024 target:** baseline from first year (3.5%)	2.86% (figure based on voluntary leavers only)	No issues.	
Recruitment: no. of days from close of advert to hire **2024 target:** baseline from first year	On average 131 calendar days (18.7 weeks) The following steps included during this time: • Shortlist applications • Interview candidates • HR08 – submit instruction to appoint • Ask for and receive two references • Conduct pre-employment checks	The increase in the overall time to hire figure has been significantly affected by a number of recruitments being put on hold due to COVID.	
Recruitment: average no. of applications per position (applicants/no. of vacancies) *For Information Only*	On average 47.2 applications per vacancy advertised. This is vacancies which closed within the six month period. This information is drawn from external advertisements only.		
Apprentices – no. and % age **2024 target:** Public Sector target 2.3% of workforce	The target equates to 6/7 new apprentice starts a year (i.e. excludes existing employee apprenticeships) In 2020/21 we had 2 new apprentices start (1 existing staff member and a new member or the Democratic Services Team) • Associate project manager, Level: 4 • Business and Administration, Level: 2 Managers in 2 areas are considering appointing apprentices.		

Gender pay gap – median **2024 target:** no gap	The median gender pay gap is 9.5% (9.4% in 31 March 2020). The distribution of staff by grade shows that all employees in our lowest paid grade, grade A, are women and c 60% of grade G or below are female. Only 34% of H or above are female. We continue to review and monitor the gender pay gap action plan.		
Additional resources – Casual hours and cost *For Information Only*	Total spend: 2020/2021 9,037.06 hours and £135,211.06 cost (hours don't include furlough) (A significant proportion of this has been claimed back from the HMRC as part of the Coronavirus Job Retention Scheme) (2019/20 48,707 hours and £272,205.8 cost)		
Additional resources – Additional hours and cost (plain time rate) *For Information Only*	Total spend: 2020/2021 1,989 hours and £26,779.97 cost (2019/2020 5,267 hours and £59,591.79 cost)		
Additional resources – Overtime hours and cost (enhanced rate) *For Information Only*	Total Spend: 2020/21 60.5 hours and £1,270.05 cost (2019/20 70.75 hours and £1,279.27 cost) Employees on Grade H and above do not receive enhanced pay rates		

Health and safety in the workplace

Indicator	Quarterly commentary	Issues arising	Actions to address
OSH training All senior managers (SLT and Heads of Service) complete IOSH *Leading Safely* within recent 3 years All designated managers (Team Managers and similar) complete IOSH *Managing Safely* within recent 3 years	Senior managers: Q4 overall performance 87% Designated managers: Q4 overall performance 84% PDNPA has developed a course specifically for NPAs. First delivered in February 2020. Since the delivery of the first IOSH Managing Safely for NPAs course, live at the Yorkshire Dales NPA in February 2020 the programme has been held up by COVID. A new remote 'live' version of the course is now prepared for delivery in 2021.	Impact of Covid-19	A new Safety Leadership course is being promoted for all NPAs for delivery in 2021

All staff (and relevant others) have completed *ELMS Introduction to Health and Safety* **2024 target:** 100% all measures	All staff: 86% Further OSH Elearning courses were added in 2020 including for fire safety, work at height and manual handling.		
Incident reporting Suitable levels of incident/near-miss reporting and for follow-up investigation/action **2024 target:** At least 50% of all incident reports received could be classified as near-misses	There were 11 accidents reported by staff and 2 by volunteers. This target was exceeded in 2019 but for 2020 has dropped to 24%.	It is difficult to be sure of the reasons for this but this may have been, at least in part, because many staff have been working from home for long periods during 2020.	The target will remain at 50% and near-miss reporting will continue to be encouraged.
Risk assessments The provision and availability of a set of generic risk assessments for all identified NPA priority OSH matters **2024 target:** 100%	Q4 performance: 100% The list of 'key NPA OSH matters' will be annually reviewed and agreed		

People

Q4 and full year overview

The outturn for 2020/21 has shown a very high level of underspend in the year. Before capital, slippage and reserves, the Authority budget is £1.449m underspent at the end of 2020/21. The coronavirus pandemic has had a significant impact on service delivery; therefore, there is a high level of requests for slippage and appropriations (additions) to reserves as a result. After accounting for these requests, the under spend for the Authority is £275k and, if approved by members, will be appropriated to a new resilience reserve. The full details are in the Outturn Report 21st May 2021.

Extract From Outturn Report 2020-21 Appendix A	(Overspend) in 000s	Underspend in 000s		Capital - (overspend) underspend in 000s	Slippage requests in 000s	Appropriations (to) from reserves in 000s	Final Surplus (Deficit) in 000s
Conservation and Planning	(4)	286		0	(269)	8	**21**
Commercial Development & Outreach	(108)	435		(459)	(118)	289	**40**
Corporate Strategy & Development	(58)	601		137	(504)	(52)	**124**
Projects - externally funded	(61)	292		0	(161)	63	**134**
Sub-Total	**(232)**	**1,614**		**(321)**	**(1,051)**	**309**	**319**
Unallocated contingency	0	119				(110)	**9**
Investment interest receipts	(52)						**(52)**
Transfer to Reserve						(275)	**(275)**
Sub-Total	**(52)**	**119**		**0**	**0**	**(385)**	**(318)**
Authority Total for 2020/21	**(284)**	**1,733**		**(321)**	**(1,051)**	**(76)**	**1**

This page is intentionally left blank

Foreword

This year marks the 70th anniversary of our National Park. The past year has given many of us time to reflect. Our over whelming thoughts are, firstly, gratitude for all the staff and partners who have been flexible and focussed on achieving the best outcomes possible in these times. And, secondly, the realisation that Covid-19 has highlighted how much our work matters – really matters – in these times as the nation seeks to recover.

Along with other UK national parks, we view a UK recovery from the impacts of the pandemic as also being a green recovery from the social and environmental impacts of the human driven climate crisis. We need bold approaches that will shift things by an order of magnitude and at scale and the UK national parks see our collective role as innovation engines for a green recovery. Here in the Peak District, we are building a coalition of partners and communities to pioneer a new more sustainable approach to travel across the National Park. This will help rebuild our tourism economy, maintain the gain we saw in 2020 of a greater diversity of people enjoying the national park and support a safer, less congested, home for communities that live in the national park.

In this Performance and Business Plan, we report on our second year (2020/21) of progress against our 2019-24 Corporate Strategy and set out our targets for the third year (2021/22). Despite the disruption of the pandemic, the 'Look Back' section shows that we have made some excellent progress across all of our outcomes (landscape enhancement, audience and community engagement, and being an agile and efficient organisation). However, we have not met all of our KPIs this year, despite having revised some of our targets. In particular, we are still working to develop our plans for landscape monitoring and audience engagement – this is partly due to the pioneering nature of what we are trying to achieve as well as a necessary focus on other pressing priorities.

The pandemic will continue to impact outcome delivery and income in year three of our Corporate Strategy. In planning for this year, with the help of our Members we have refined our community ambitions and revised some of our income and volunteering ambitions in line with the impacts of government restrictions. At the time of writing, many of our services are still being run via remote working, as the majority of our staff remain working at home. However, with the current easing of lockdown, our visitor facilities, including visitor centres, cycle hire centres and car parks, have re-opened and we are once again able to welcome people to the National Park. As always, partnership working remains at our heart, whether that's here in the Peak District or working across the 15 UK national parks to test new ways to help our green recovery.

In our 70th year, let's be proud of our history and of what we do now. And let's look to build on this, recognising the role we have to play in a green recovery for the nation – for climate leadership, on nature recovery, welcoming a more diverse audience base and supporting thriving and sustainable communities.

Sarah Fowler
Chief Executive

Andrew McCloy
Chair

APPENDIX 2: Performance and Business Plan 2020/21 draft content

Introduction

National parks

National parks were designated as protected landscapes for their natural beauty, wildlife and cultural heritage – the special qualities that make them so important. We are one in a network of 15 national parks across the UK and part of a global network. The purposes of our designation as a national park are to:

- Conserve and enhance the natural beauty, wildlife and cultural heritage; and
- Promote opportunities for understanding and enjoyment of the special qualities of the area by the public.

If there is a conflict between these purposes, conservation takes priority. In carrying out the purposes, national park authorities should seek to foster the economic and social wellbeing of local national park communities.

The Peak District National Park ('the National Park')

Located at the heart of the country, the Peak District National Park is 555 square miles of accessible, world-class landscapes. It is the first upland reached when travelling from the majority of the South and is the watershed of three of England's major water catchments. It features geological contrasts of white peak limestone plateau and dark peak gritstone outcrops, providing a unique contrast between dramatic upland moors and more gentle lowland grassland, both supporting internationally important habitats and species. This is a landscape shaped by people and industry since prehistoric times, with a wealth of internationally significant historical features and cultural heritage. It is a living park, with 38,000 residents, at least 20,000 jobs and around 13.25 million visitor days that generate over £1.5 billion for the economy each year.

The Peak District National Park Authority ('the Authority')

The Authority's mission is to speak up for and care for the Peak District National Park for all to enjoy forever. This role is as important today as in 1951 when the Peak District was designated a national park. Our knowledge and expertise is respected. We are an independent, reasoned voice caring for the whole National Park and the communities who enjoy, live and work in it. This work is not carried out alone, but in collaboration with partners and local communities to conserve and enhance the National Park's special qualities. As the UK's original national park, we are pioneering, always seeking to be one step ahead and looking to the future. This helps build and nurture public support for the National Park and our role in working to care for it.

As a national park authority, we make the biggest impact when our three main roles – as regulator, influencer and deliverer – work together. Throughout this corporate strategy period, we will use our mixture of funding to keep these roles in balance. Our government grant underpins our work as an independent statutory authority with a core planning and regulatory function. The Defra grant also supports our influencing and delivery roles.

The National Park Management Plan 2018-23 ('the NPMP')

The NPMP is the partnership plan for the place – providing the framework for all Peak District stakeholders to work together to achieve national park purposes and conserve and enhance the
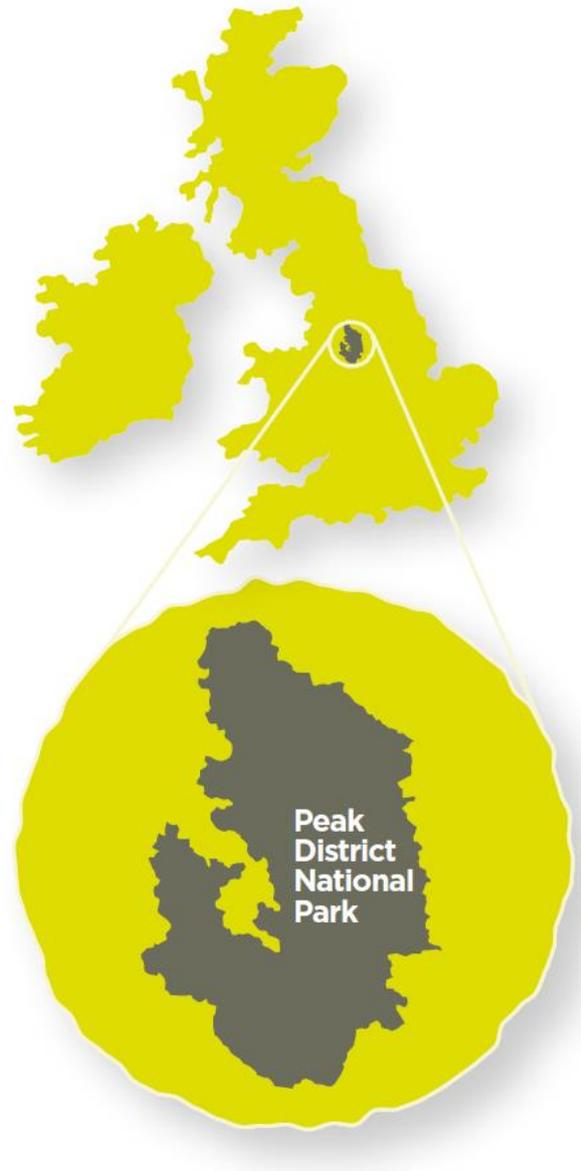
special qualities. It outlines the main issues and priorities for the place and sets out how, together, these will be tackled. Preparation has begun on developing the next NPMP.

Our Corporate Strategy 2019-24

Our corporate strategy for 2019-24 runs from April 2019 to March 2024. It focuses on enhancement and conservation, actively supporting communities in the National Park to feel part of this special place, and diversifying and re-awakening public support and love of national parks. It sets the outcomes we want to achieve for the Peak District National Park over this five-year period, as well as aspirations to 2040. It provides the framework for us to align our resources to help achieve this.

The strategy is organised around three outcomes. They work together as an integrated set, rather than in isolation. The outcomes are:

• A sustainable landscape that is conserved and enhanced
• A National Park loved and supported by diverse audiences
• Thriving and sustainable communities that are part of this special place.

We also have an additional outcome around our organisational performance:

• The Peak District National Park Authority is an agile and efficient organisation.

The full Corporate Strategy is available at: www.peakdistrict.gov.uk/corporatestrategy.

Our funding

Our three roles – as regulator, influencer and deliverer – remain critical. We have our biggest impact when they all work together. We will continue to   use our mixture of funding to keep these roles in balance. Our government grant of circa £6m per year is crucial to our work as an independent statutory planning authority. We will continue to make the most efficient and effective use of resources in this area. We will also support our influencing and delivery roles through the grant, but in addition we will have a programme to generate income from new sources to support this work. This will ensure the investment of government funding will lever at least an equal investment from other sources.

This page is intentionally left blank

IMPACT	LIKELIHOOD →	Low	Medium	High
	High		1. Four Principal financial risks within the Moorlife 2020 European funded project: exchange rate movements; the sterling ceiling set for the total project budget; the contractual treatment of partner contributions; and the possibility of expenditure being found ineligible *[reworded since start of the year]* 3. Failure to achieve sustainable gross revenue income targets (£140k) for the PDNP 4. Failure to develop nature recovery networks in the Peak District National Park 8. Fast changing Government priorities impact our ability to resource and deliver our Corporate Strategy and react to opportunities, in particular uncertainty over future national park grant and implications of Government focus on investment in the North	2. Area of NP land safeguarded in environmental land management schemes reduces due to Brexit uncertainty and Countryside Stewardship issues leading to the potential loss of a range of grassland habitats
	Medium		5. Failure to deliver the audience engagement plan targets and outcomes 7. Failure to adequately protect and prepare for Cyber Security threats 9. Impact of the coronavirus pandemic on delivery of planned Corporate Strategy outcomes, the Authority's financial position, staff wellbeing and how we maintain the #PeakDistrictProud message of 'care, respect and enjoy' for all audiences within and outside the National Park both during lockdown and as we come out of it	3. Failure to achieve sustainable gross revenue income targets (£140k) for the PDNP
	Low	6. Failure of a poorly maintained trails structure e.g. bridge, tunnel		
		Low	**Medium**	**High**

LIKELIHOOD

Corporate Risk Register 2020/21

Risk Rating Legend

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

Outcome	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					
A sustainable landscape that is conserved and enhanced Financial risk, Outcome /delivery risk	1. Four Principal financial risks within the Moorlife 2020 European funded project: exchange rate movements; the sterling ceiling set for the total project budget; the contractual treatment of partner contributions; and the possibility of expenditure being found ineligible	Capping Sterling budget.	High x High RED	Consider hedging transaction.	Impact	High	High	High		High		Periodic assessment	JW (Chief Finance Officer)	Chief Finance Officer Budget monitoring group Programme and Resources Committee or Authority	A comprehensive position statement, which includes details of individual projects currently being delivered and those that are in development, has been produced in Q4. This statement seeks to place a financial value on a variety of risk factors that have been identified, which will inform the adequacy of the specific reserve that has been created. It is envisaged that this statement will prove useful in monitoring project and programme risks and supporting future decision making.
					Likelihood	High	Medium	Medium		Medium					
					Rating	RED	AMBER	AMBER		AMBER					

Corporate Risk Register 2020/21

Outcome	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				
A sustainable landscape that is conserved and enhanced Outcome/ delivery risk	2. Area of NP land safeguarded in environmental land management schemes reduces due to Brexit uncertainty and Countryside Stewardship issues leading to the potential loss of a range of grassland habitats	National influencing for post Brexit agri/ environmental policies and support systems. Local communications across the farming & land management industry. NPMP work. National pilot of ELMS universal scheme will start in 2021 and run for 3 years. National rollout of ELMS in 2024.	High x High RED	Increase promotion of the service, working with agencies e.g. NFU, CLA, NE, EA, FC Public payment for public goods/ benefits Influencing role through PDNPA links and NPE's Future of Farming	Impact	High	High	High		High	On going	SLF (Head of Landscape)	Quarterly updates on progress	Agriculture Act 2020 was passed in November 2020 and introduces the concept of environmental land management schemes. However, the detail of how it will work has yet to be established and will require further regulation. Until ELMS is up and running, there will be no change to the risk rating. There is a continuing risk about accessing the data required in time for our Quarter 4 report.
					Likelihood	High	High	High		High				
					Rating	RED	RED	RED		RED				

Corporate Risk Register 2020/21

Outcome	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				
A National Park loved and supported by diverse audiences Financial risk, Outcome /delivery risk	3. Failure to achieve sustainable gross revenue income targets (£260k) for the PDNP (commercial income and fundraising via he Foundation)	Commercial Development & Engagement service delivery plans. Authority-approved budget. Peak District National Park Foundation.	High x Medium AMBER	Revamped online shop and new products. Resumption of Covid suspended trading activities at earliest opportunity. Development and promotion of Foundation fundraising plan and project pipeline. Bakewell and Derwent Visitor Centre refit and upgrades.	**Impact** High **Likelihood** High **Rating** RED	High High RED	High High RED		High Medium AMBER		Q1 – spend per head increase however lower footfall due to Covid restrictions. Q3 – enhance trading offer and visitor engagement. Q3 & Q4– fundraising workshop – sharpening our focus and increasing our impact. Shared fundraising strategy agreed with project pipeline.	SW (Head of Engagement)	Trading and fundraising income levels.	Corporate strategy target revised downwards to a more realistic number and approved by Members in October 2020. Visitor services have worked hard and successfully to mitigate Covid losses. Commercial strategy written, consulted and presented to Members for approval (19 March). Business case prepared for extending car park charging. Foundation developed and approved high net worth and sponsorship plans. c£40k donations into Foundation. Members, staff and volunteers to promote more widely.

Corporate Risk Register 2020/21

Outcome	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				
A sustainable landscape that is conserved and enhanced Outcome/ delivery risk	4. Failure to develop nature recovery networks in the Peak District National Park	Dark Peak focus on birds of prey. Part of the Birds of Prey initiative. Breeding birds surveys. Engagement with moorland owners. Engagement with Police and Crime Commissioner. Glorious Grasslands project as part of SWP Partnership.	High x High RED	White Peak pilot engaging with farmers and land managers to address biodiversity loss in the farmed landscape. Promoting the White Peak Pilot as a test and trial for ELMS. Encouraging creation of new native woodlands with species not vulnerable to diseases like ash die-back.	Impact		High	High	High		High	Ongoing	SLF (Head of Landscape)	Breeding birds survey Birds of Prey initiative meetings and conference calls Ongoing monitoring of SWP and WP projects	Working with other national parks through National Parks England to promote the use of nature recovery networks and nature recovery strategies to protect and enhance biodiversity in national parks. The report on the White Peak test of the ELMS scheme was published in December 2020 and uploaded to our website. We have agreed a methodology with the consultants for reviewing the data collected for the breeding birds survey. The 2020 Birds of Prey initiative report has been finalised and published this quarter.
					Likelihood		Medium	Medium	Medium		Medium				
					Rating		AMBER	AMBER	AMBER		AMBER				

Corporate Risk Register 2020/21

Outcome	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				
A National Park loved and supported by diverse audiences Outcome/ delivery risk	5. Failure to deliver the audience engagement plan targets and outcomes	Audience engagement plan (strategic direction approved by P&R July 2020). 6 monthly NFP Synergy survey (November and March) to monitor and track progress.	Medium x Medium AMBER	Develop a funded engagement delivery plan aligned with the Glover Review recommendations and building on baseline evidence. Share and influence with partners to build collaboration and joint funding opportunities. Amplify contact with supporters, audiences and clients via digital channels.	Impact	High	Medium	Medium		Medium	Ongoing Delivery plan to P&R Committee December 2020	SW (Head of Engagement)	Through corporate strategy KPI reporting mechanism	Funded engagement delivery programme paused to align with corporate savings plans. Successful green recovery bid (c£3m) led by YHA for young people. Post Covid lockdown / 70th anniversary / #peakdistrictproud / Foundation project delivery continue to amplify and target contact with diverse audiences.
					Likelihood	High	Medium	Medium		Medium				
					Rating	RED	AMBER	AMBER		AMBER				

Outcome	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				
A National Park loved and supported by diverse audiences Outcome /delivery risk, Financial risk, Reputation risk	6. Failure of a poorly maintained trails structure e.g. bridge, tunnel	Strategy and inspection contract of the trails structures in place since 2015. Requires renewal in 2020. Strategy for high and medium priority remedial works to trails structures as per the report.	Medium x Low AMBER	Complete work as per the strategy	Impact	Low	Low	Low		Low	Work to be completed throughout the year. Implementation ongoing. Retender for inspection contract in Q2.	ES (Head of Asset Management)	Active management of implementation	High priority work on the Trail tunnel structures has commenced. Inspection contract tender documentation awarded.
					Likelihood	Low	Low	Low		Low				
					Rating	GREEN	GREEN	GREEN		GREEN				

Corporate Risk Register 2020/21

Outcome	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				
An agile and efficient organisation Outcome/ delivery risk, Reputation risk	7. Failure to adequately protect and prepare for Cyber Security threats	Client and Server access controls; anti-virus; anti-spam; user access controls; locked down devices; storage encryption; active managed firewalls; Mobile device management; email and web filtering and monitoring; user awareness training; comprehensive backup and disaster recovery provisions; penetration testing and vulnerability scanning.	High x Medium Amber	Network Access Control (NAC); further user training and scenario testing; intra-service firewall reviews; Removable device controls; IT 'run books' development; investigation of external support for incident management and response; Security assessment reviews; skills training.	Impact	Medium	Medium	Medium		Medium	See Service Risk Register.	EF (Head of Information and Performance Management)	Regularly reviewed through SLT monitoring and quarterly performance management. The risk area is assessed by the Authority's Internal Auditors when developing the annual programme of audit work to be undertaken.	The Authority has recently engaged the services of a specialist ICT security company. In Q4, the company conducted a test to determine the level of cyber-security awareness across the Authority. The results of this exercise have been reviewed and a series of ICT security training courses have recently been launched with the aim of safeguarding the Authority's systems and data.
					Likelihood	Medium	Medium	Medium		Medium				
					Rating	Amber	Amber	Amber		Amber				

Corporate Risk Register 2020/21

Outcome	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				
All outcomes Outcome /delivery risk, Financial risk, Reputation risk	8. Fast changing Government priorities impact our ability to resource and deliver our Corporate Strategy and react to opportunities, in particular uncertainty over future national park grant and implications of Government focus on investment in the North	Working collectively with other English NPs on progressing the NPE road map in response to the Landscapes Review report.	Medium x High	10 English NPAs have agreed the collective focus for our road map as: national parks to be leading nature recovery; shaping the future of farming; being national parks for everyone; and being leaders in tackling the climate change emergency. As well as collectively engaging with Defra to secure certainty on future national park grant. Working with LEPs and devolved administrations of our constituent authorities to help shape future government investment towards green growth.	Impact	High	High	High		High	Ongoing	SF (Chief Exec)	Budget report for national park grant. Success of the roadmap in gaining traction with Defra.	A balanced budget for 2021/22 has been approved by Members, achieved through delivery of a strategic savings review, including implementation of a management restructure from January 2021. The Corporate Strategy was updated in November 2021 to align with resources.
					Likelihood	Medium	Medium	High		Medium				
					Rating	AMBER	AMBER	RED		AMBER				

Corporate Risk Register 2020/21

Outcome	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				
All outcomes Outcome /delivery risk, Financial risk, Reputation risk	9. Impact of the coronavirus pandemic on delivery of planned Corporate Strategy outcomes, the Authority's financial position, staff wellbeing and how we maintain the #PeakDistrictProud message of 'care, respect and enjoy' for all audiences within and outside the National Park both during lockdown and as we come out of it	Government legislation and guidance. Working with partners via Local resilience forums. Monitoring impact on our people. Monitoring impact on our finances.	High x High	Seeking to reduce costs. Use of the Governments support schemes (such as the Job Retention Scheme). Outturn – support from reserves from 19/20 resources. Good recovery planning in line with government guidance. Working closely with local partners and nationally.	Impact Likelihood Rating	High High RED	High High RED	High High RED		Medium Medium AMBER	Recovery plan developed and implemented in Q1. Monthly financial monitoring of income shortfalls in 2020-21. Mid-year review. As yet unknown government claim timescales.	SF (Chief Exec)	SLT, RMM, quarterly performance monitoring NP CEOs Financial information (monthly) Chairs and vice chairs meeting Monitoring of impact on 2020/21	Developed a good rhythm of planning and decision making, which can be, and has been, scaled up and down as the government guidance changes. Strong partnership working in place with the aim to maintain the gain in new visitors whilst mitigating the impacts. Reserves have been managed well to support the impacts. Reduced productivity in staff with caring and home schooling requirement, yet we have still maintained a good level of service through a package of resilience and support to staff. Cross-Park working group set up sharing good practice and common messages on easing of lock down.

This page is intentionally left blank

IMPACT		Low	Medium	High
High			3. Failure to achieve sustainable gross revenue income targets (£260k) for the PDNP (commercial income and donations including from the Foundation) 4. Failure to develop nature recovery networks in the Peak District National Park 10. Potential impact on national park purposes if the A57/A628 Mottram Hollingworth tunnel doesn't go ahead 12. Failure to influence the design of Farming in Protected Landscapes Fund (FiPL) so that it supports the range of projects that help farmers, land managers and land owners to prepare for ELM and improves access opportunities and sustainable business growth. Failure to implement the effective delivery of FiPL including appropriate recruitment and the reputational risk to the Authority if the programme is not a success 13. Climate change impacts: fires could lead to local emergency	2. Area of NP land safeguarded in environmental land management schemes reduces due to Brexit uncertainty and continuing Countryside Stewardship issues leading to the potential loss of a range of grassland habitats 9. Reduced core funding for MFFP (£55k deficit) leading to insufficient funding for core team and loss of key personnel, impacting delivery of elements of the Corporate Strategy and National Park Management Plan
Medium			1. Four Principal financial risks within the Moorlife 2020 European funded project: exchange rate movements; the sterling ceiling set for the total project budget; the contractual treatment of partner contributions; and the possibility of expenditure being found ineligible 6. Implications of the Landscapes Review 2019 7. Impact of the coronavirus pandemic on delivery of planned Corporate Strategy outcomes, the Authority's financial position, staff wellbeing and how we maintain the #PeakDistrictProud message of 'care, respect and enjoy' for all audiences within and outside the National Park both during lockdown and as we come out of it 8. Not being financially stable in the medium term due to uncertainty of national park grants	5. Failure to adequately protect and prepare for Cyber Security threats 11. Not achieving volunteer hours due to Covid-19 impacts, limited volunteering opportunities and suspension of volunteer recruitment to new volunteering roles
Low				
		Low	Medium	High
		LIKELIHOOD		

Corporate Risk Register 2020/21

Risk Rating Legend

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

Outcome	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				
A sustainable landscape that is conserved and enhanced	1. Four Principal financial risks within the Moorlife 2020 European funded project: exchange rate movements; the sterling ceiling set for the total project budget; the contractual treatment of partner contributions; and the possibility of expenditure being found ineligible	Capping Sterling budget	High x High RED	Consider hedging transaction Project has claimed 70% of Euro funding, and interest rates more favourable; therefore, exchange rate risk has fallen Reserve of £500k to mitigate impacts of ineligible expenditure. Continuous monitoring of budget	Impact — Medium; Likelihood — Medium; Rating — Amber						Periodic assessment	JW (Chief Finance Officer)	Chief Finance Officer Budget monitoring group Programme and Resources Committee or Authority	

Corporate Risk Register 2020/21

Outcome	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				
A sustainable landscape that is conserved and enhanced	2. Area of NP land safeguarded in environmental land management schemes reduces due to Brexit uncertainty and continuing Countryside Stewardship issues leading to the potential loss of a range of grassland habitats	National influencing for post Brexit agri-environmental policies and support systems

Local communications across the farming and land management industry

Agri-environment scheme promotion and support for farmers and land managers through the 44 Protected Landscape organisations

NPMP work

Environmental Land Management (ELM) Defra Test and Trial using the National Character Area approach

National pilot of ELM Sustainable Farm Incentive phase 1 will start in 2021 with phase 2 (with more upland options) being rolled out in 2021. A national pilot for Local Nature Recovery is being developed for later in 2021/22. There is also call for up to 10 Landscape Recovery pilots in 2021. National rollout of ELM is planned for late 2024 | High x High

RED | Increase promotion of the service, working with agencies e.g. NFU, CLA, NE, EA, FC, Protected Landscape organisations

Public payment for public goods/ benefits

Influencing role through PDNPA links and NPE's Future of Farming, national stakeholder meetings and through the forthcoming Farming in Protected Landscapes Programme | **Impact** High; **Likelihood** High; **Rating** RED | | | | | | On going | SLF (Head of Landscape) | Quarterly updates on progress | |

Corporate Risk Register 2020/21

Outcome	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				
A National Park loved and supported by diverse audiences	3. Failure to achieve sustainable gross revenue income targets (£260k) for the PDNP (commercial income and donations including from the Foundation)	Service delivery plans Authority-approved budget Peak District National Park Foundation	High x Medium AMBER	Revamped online shop and new products Resumption of Covid suspended trading activities at earliest opportunity Development and promotion of Foundation fundraising plan and project pipeline Bakewell and Derwent Visitor Centre refit and upgrades	Impact / Likelihood / Rating	High / Medium / AMBER					Q1 – spend per head increase however lower footfall due to Covid restrictions Q2 and Q3 – support by additional part time officer to secure more Peak Partners Q3 – enhance trading offer and visitor engagement	SW (Head of Engagement)	Trading and fundraising income levels.	

Corporate Risk Register 2020/21

Outcome	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				
A sustainable landscape that is conserved and enhanced	4. Failure to develop nature recovery networks in the Peak District National Park	Development of a Peak District Nature Recovery Prospectus including a high level map through NPE. This will be one of 10 for all English National Parks as part of the further development of the NPE Nature Recovery Plan

Participation in the Greater Manchester Local Nature Recovery Strategy Pilot

Provision of farmer and land manager support through the Authority's farm advice service, the South West Peak Landscape Partnership (Glorious Grasslands, Slowing the Flow, Wonderful Waders, Future Farmscapes) and Moors for the Future Programmes

Dark Peak and South West Peak moorland focus on birds of prey through the Birds of Prey initiative

Breeding birds surveys

Engagement with moorland owners though the Moorland Liaison Group

Engagement with Police and Crime Commissioner | High x High

RED | Development of one more detailed Nature Recovery Plan for the Peak District with partners and stakeholders

Further develop and (if funding is obtained) expansion of the White Peak practical field trials, engaging with farmers and land managers to address biodiversity loss in the farmed landscape. Promoting the results of the White Peak Defra ELM test and trial and the practical field trials

Encouraging creation of new native woodlands, wood and scrub pasture and trees in the landscape with species not vulnerable to diseases like ash die-back | Impact — High; Likelihood — Medium; Rating — AMBER | | | | | | | Ongoing | SLF (Head of Landscape) | Delivery of the Peak District Nature Recovery Prospectus

Development of a more detailed nature recovery plan for the Peak District

Breeding birds survey

Birds of Prey initiative meetings and conference calls

Ongoing monitoring of M4F, SWP and WP programmes | |

Corporate Risk Register 2020/21

Outcome	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				
An agile and efficient organisation	5. Failure to adequately protect and prepare for Cyber Security threats	Client and Server access controls; anti-virus; anti-spam; user access controls; locked down devices; storage encryption; active managed firewalls; Mobile device management; email and web filtering and monitoring; user awareness training; comprehensive backup and disaster recovery provisions; penetration testing; vulnerability scanning; Network Access Control (NAC); and patch management.	High x Medium Amber	User training and scenario testing Intra-service firewall reviews Removable device controls IT 'run books development Investigation of external support for incident management and response Security assessment reviews Skills training Vulnerability and activity reporting	Impact — Medium / Likelihood — High / Rating — AMBER						See Service Delivery Plan	EF (Head of Information and Performance Management)	Through the security incident log. Significant failures or breeches will be escalated to Management Team The risk area is assessed by the Authority's Internal Auditors when developing the annual programme of audit work to be undertaken	

Corporate Risk Register 2020/21

Outcome	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				
All outcomes	6. Implications of the Landscapes Review 2019. Need to swiftly understand the implications on, and appropriately respond to, any funding, and policy and governance framework proposals. A risk the government response fails to help amplify our positive impact both locally and nationally. Alongside a risk that legislation in the form of the Environment and Agriculture Bills fails to recognise the importance of National Parks and role of National Park Authorities in supporting policies for nature recovery.	Working collectively with other English NPs on progressing the NPE road map in response to the Landscapes Review report	Medium x High	10 English NPAs have agreed the collective focus for our road map as: national parks to be leading nature recovery; shaping the future of farming; being national parks for everyone; and being leaders in tackling the climate change emergency As well as collectively engaging with Defra to secure certainty on future national park grant and identifying key principles for how any possible new National landscapes Service can act in the best service of national parks	Impact	Medium					Ongoing	SF (Chief Exec)	Budget report for national park grant Success of the NPE delivery plans in gaining traction with Defra and other Government departments and partners. A governance and policy framework that helps amplify our local and collective national impact	
					Likelihood	Medium									
					Rating	AMBER									

Corporate Risk Register 2020/21

Outcome	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				
All outcomes	7. Impact of the coronavirus pandemic on delivery of planned Corporate Strategy outcomes, the Authority's financial position, staff wellbeing and how we maintain the #PeakDistrictProud message of 'care, respect and enjoy' for all audiences within and outside the National Park both during lockdown and as we come out of it	Government legislation and guidance Working with partners via Local resilience forums Monitoring impact on our people Monitoring impact on our finances	High x High	Seeking to reduce costs Use of the Governments support schemes (such as the Job Retention Scheme) Outturn – support from reserves from 19/20 resources Good recovery planning in line with government guidance Working closely with local partners and nationally	Impact	Medium						Easing of lockdown planning framework in place at strategic, tactical and operational level RMM quarterly monitoring – people, money, outcomes - and monitoring of income impact and COVID-19 reserve use 6 month performance monitoring in place for corporate strategy delivery	SF (Chief Exec)	RMM, quarterly performance monitoring – on people, money outcomes Authority 6 monthly performance reporting	
					Likelihood	Medium									
					Rating	AMBER									

Corporate Risk Register 2020/21

Outcome	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				
The Peak District National Park Authority is an agile and efficient organisation	8. Not being financially stable in the medium term due to uncertainty of national park grants	Budget set for 2021/22 includes £610k of savings	Medium x High

AMBER | Workshop in March to highlight requirements to management team

MTFP review early in 2021/22

Alternative options for savings from CFO | Impact | | Medium | | | | | March

Q1

Q2 | Head of Finance (JW) | Review presented to RMM April 2021

Budget monitoring

Further report to RMM | |
| | | | | | Likelihood | | Medium | | | | | | | | |
| | | | | | Rating | | AMBER | | | | | | | | |

Corporate Risk Register 2020/21

Outcome	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				
A sustainable landscape that is conserved and enhanced	9. Reduced core funding for MFFP (£55k deficit) leading to insufficient funding for core team and loss of key personnel, impacting delivery of elements of the Corporate Strategy and National Park Management Plan	Partial funding of the core team. Core contributions secured via projects where possible Reduce hours / redundancy of core team	High x High RED	High level advocacy by PDNPA Management Team with Partners Identify funding opportunities that support the partnership infrastructure with bidding, supported as appropriate. Financial contingency in place for redundancy Monitoring of core income with Chief Finance Officer through MFFP Programme Tracker	Impact		High					Q1 Core Income monitoring added to MFFP Programme Tracker	Head of Moors for the Future Partnership (CD)	Core budget monitored monthly and reported to the CFO quarterly	
					Likelihood		High								
					Rating		RED								

Corporate Risk Register 2020/21

Outcome	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				
A sustainable landscape that is conserved and enhanced	10. Potential impact on national park purposes if the A57/A628 Mottram Hollingworth tunnel doesn't go ahead	Holding objection Good communication with Highways England and supportive partners in Friends of the Peak District and DCC	Medium x High AMBER	Assess and comment on Development Consent Order (DCO) Reaffirm objection at NPA if concerns upheld Seek support from partners	Impact		High					Q1 receipt of DCO Q1/Q2 take decision to object to Authority	BT (Head of Planning)	Quarterly updates on DCO position	
					Likelihood		Medium								
					Rating		MEDIUM								

Corporate Risk Register 2020/21

Outcome	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				
All outcomes	11. Not achieving volunteer hours due to Covid-19 impacts, limited volunteering opportunities and suspension of volunteer recruitment to new volunteering roles	Communication and engagement plan to assist volunteer retention Volunteer activities restarting Working closely cross departmentally to ensure consistency Volunteer Engagement Ranger training programme underway	High x High	Implement volunteer action plan 2021-24 to better align opportunities for volunteering with PDNPA outcomes and increase diversity amongst our volunteers and offer Restart recruitment of new volunteer roles	Impact	Medium						Throughout 2021	TR (Head of People Management)	Volunteer hours and numbers from Better Impact	
					Likelihood	High									
					Rating	AMBER									

Corporate Risk Register 2020/21

Outcome	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)		Start	Q1	Q2	Q3	Q4	Timeframe of mitigating actions	Lead officer	How monitor/ indicator	Quarterly update
A sustainable landscape that is conserved and enhanced	12. Failure to influence the design of Farming in Protected Landscapes Fund (FiPL) so that it supports the range of projects that help farmers, land managers and land owners to prepare for ELM and improves access opportunities and sustainable business growth. Failure to implement the effective delivery of FiPL including appropriate recruitment and the reputational risk to the Authority if the programme is not a success	Involvement in the Defra Core Working Group developing the details of the programme	High x High RED	Continue to prioritise involvement in the Defra Core Working Group and other groups to ensure the scheme is delivered successfully e.g. subsidy regime control, avoidance of double funding	Impact	High						Ongoing to 31 March 2022	SLF (Head of Landscape)		
					Likelihood	Medium									
					Rating	AMBER									

Outcome	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)		Start	Q1	Q2	Q3	Q4	Timeframe of mitigating actions	Lead officer	How monitor/ indicator	Quarterly update
A sustainable landscape that is conserved and enhanced	13. Climate change impacts: fires could lead to local emergency	Ranger resource, staff and equipment FOG – partnership working	MxH	Maintain FOG and ranger resource New fire watch volunteer role Training event in Spring 2021	Impact	High						Training event Spring 2021	SW (Head of Engagement)	Quarterly reporting	
					Likelihood	Medium									
					Rating	AMBER									

This page is intentionally left blank

Quarter 3, Quarter 4 and Year End Report on Complaints and Freedom of Information and Environmental Information Regulations Enquiries

<u>**Complaints**</u>

Summary of Complaints in YTD	Q1	Q2	Q3	Q4	YTD	2020/21 Target
Number of Complaints Received in Quarter:	1	2	4	6	**13**	**<20**
Percentage of complaints dealt with in accordance with agreed deadline of 15 working days	100%	50%	100%	100%	**92%**	**100%**
Number of Complaints in Quarter regarding an Authority Member:	1	0	0	0	**1**	**-**

Complaints Received

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.481 01/12/2020 Stage 1	Development Management. Complaint regarding property neighbouring the complainant's property, summarised as: • Lack of response/time to respond from officers • Rebuilding of listed wall (lack of initial action, lack of prosecution) • Removal of trees/shrubs • Surfacing material (chippings not bound and	08/12/2020 Within 15 working day deadline.	• Response from Officers to high volume of correspondence deemed satisfactory in the circumstances. • Wall rebuilt to a satisfactory standard so no further action required in this respect. • Removal of trees found to not require any extra permission. • Monitoring and Enforcement Team in discussion with property owner and Highways Authority regarding suitable surface for parking area. • Owner of property agreed to apply for listed building consent for those of the issues that required it (re-roofing of outbuilding).	None required.

	cobbles are inappropriate granite) • Whether LBC consent needed and advice taken in relation to outbuildings			
C.482 08/12/2020 Stage 1	Development Management Complaint regarding referring a planning application to a Planning Committee meeting before the public consultation period has ended. Also objected to the wording of the recommendation in the report, and delegation of final decision to officers as this would be undemocratic.	08/12/2020 Within 15 working day deadline.	Complainant advised that responses have been adequately considered and the delegation to officers is in accordance with the Authority's standard procedures and is not undemocratic.	None required.
C.483 09/12/2020 Stage 1	Development Management Complaint regarding representations against a planning application published on the Authority's website which allegedly contained slanderous comments regarding the Complainant.	17/12/2020 Within 15 working day deadline.	Representation should not have been published to website, doing so was in contravention of our procedure. There is usually diligent checking and redaction of representations but acknowledge that in this instance the diligence was not achieved. Apologised to customer and explained the Planning Officers don't check representations until the consultation period has closed; however, in this instance due to the Complainant raising the issue it had been checked and removed.	Training increased and repeated in Customer and Business Support Team to prevent reoccurrence.
C.484 18/12/2020 Stage 1	Information Management Complaint that the Authority was unable to notify Complainant direct, as house owner, about neighbouring planning	07/01/2021 Within 15 working day deadline.	Explained to customer that Authority has no obligation to notify absent owners of properties and it would be impossible to maintain accurate records that would enable it to do so.	None required.

			Suggestion made that in future tenant is required to pass on any correspondence addressed to "The Occupier".	
applications and can only send notifications to the addresses in the area of any neighbouring properties; one of which is a house Complainant owns but has a tenant in situ. Complainant requests that the Authority should notify house owner either instead of, or as well as, the current occupier of the tenanted house. Also alleged there was no notification of latest planning application, the development of which would affect a right of way critical for maintenance of property owned by Complainant.				
08/01/2021 Escalated to Stage 2		22/01/2021 Within 20 working day deadline	Stage 2 response advised the following: • that Stage One complaint was dealt with by Officers in a professional and polite manner • that the Authority is unable to notify absent property owners of planning applications as there is no way of keeping up to date with this information. • that it is the responsibility of the tenant to advise the owner of the property of any planning notifications.	None required.
C.485 15/01/2021 Stage 1	Asset Management Complaint regarding the handling of an Authority asset and impact on local residents.	04/02/2020 Within 15 working day deadline	Stage One - Clarification provided on the following points: • the planning history of the site • the circumstances that led to the Authority's purchase of the site • the Authority's policy regarding new tracks on farm land	None required

			• the process for determining applications on land owned by the Authority • the Authority's approach in seeking to avoid significant loss of public funds • the timescale that has been given to the local community to provide a detailed plan to purchase the site.	
08/02/2021 Stage 2	Complaint escalated to Stage 2	08/03/2020 Within 20 working day deadline	Stage Two – Further clarification provided on the following: • The Authority's knowledge regarding any potential access issues to the site at the time of purchase and the future approach on this. • The steps the Authority is taking to consider alternative plans for the site from members of the local community.	None required
C.489 05/02/2021 Stage 1	Landscape and Conservation Complaint about the Park allowing grouse shooting and the killing of rare and beautiful raptors.	26/02/2021 Within 15 working day deadline	• Explained the Authority's position on persecution of birds of prey and the measures that the Authority is taking to combat this issue. • Advised that had these measures not been taken it is likely that the situation would be worse. • Explained Authority's position regarding grouse shooting	None required
C.490 02/02/2021 Stage 1	Policy and Communities Complaint alleging use of 'loaded questions' within the Authority's Local Plan consultation/survey.	08/02/2020 Within 15 working day deadline	Stage One - Explained parameters and remit of survey and that the intention was not for the survey to be loaded. Stated that based on some of the feedback received a decision had already been made to develop an alternative and simpler version of the survey.	An alternative, simpler survey developed.
08/03/2021 Stage 2	Complaint escalated to stage 2	17/03/2021 Within 20 working day deadline	Stage Two – Explained that the survey is part of the scoping stage of the local plan review, designed to encourage debate on various issues. The survey received over 900 responses which will be considered alongside the responses to the young person's survey which was still	None required

			ongoing. Afterwards there will be further engagement over the rest of the year. Analysis of the survey could be sent to Complainant if this was desired. The Local Plan review will be discussed with the Member steering group regarding next steps.	
C.491 09/03/2021 Stage 1	Landscape and Conservation Complaint regarding lack of communication by an Authority Officer regarding permission to remove a sycamore tree from Complainant's property	11/03/2021 Within 15 working day deadline	Apologised for delays in responding to correspondence regarding the tree prior to submission of complaint. Arranged for an assessment of the tree with a view to reaching a compromise solution.	None required
23/03/21 Stage 2	Complaint escalated to Stage 2.	Response due 20/4/2021	Stage 2 response will be reported in Quarter 2 of 2021-22	
C.492 09/03/2021 Stage 1	Landscape and Conservation Complaint regarding damage caused to trees, flora and soil by creation of new paths for mountain bikes by individuals on Authority owned land.	17/03/2021 Within 15 working day deadline	• Issue reported to Derbyshire Rural Crime Team by Officer • Customer advised that works later in the year will be modified in order to disrupt the cycle route • Ranger notified and asked for support in resolving the issue • Offered to meet / speak to the Complainant to discuss the issue further if desired.	Works taking place later in year to be modified in order to disrupt the cycle route
C.493 26/03/2021 Stage 1	Development Management Complaint regarding potential enforcement breaches of field shelters that have been erected without planning permission. Complainant feels discriminated against for following correct planning procedure when others gone unnoticed. Also alleged lack of action by officer.	Response due by 20/04/2021	Response will be reported in Quarter 1 of 2021-22	

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.453 21/10/20 Ombudsman This complaint had been through Stage 1 and 2 in 2018/19.	Development Management Complaint about the Authority's decision to serve a repairs notice on the Complainant in 2010 which it withdrew in 2018 following a change of staff. The Complainant alleges the Authority acted unreasonably in taking enforcement action over a period of several years.	Not required	The Ombudsman decided not to investigate this complaint. This is because it concerned matters which the Ombudsman previously investigated in 2011 and which took place more than 12 months ago. The Complainant did not complain about the decision to withdraw the repairs notice within 12 months of being informed of the decision.	None required.

Complaints Review

Since 2015, at Members' request, we have included a review and update on trends in complaints over the past 3 years in the Quarter 4 report.

Numbers of Complaints Received Over Last 3 Years												
Year	No of Total Complaints					No of Stage 1 Complaints		No of Stage 2 Complaints		No of Ombudsman Complaints		
Period 1 April to 31 March	Received	Withdrawn	Against Development Management (Previously Planning Service)	Against Other Services	Against Members	Development Management (Previously Planning Service)	Other Services	Development Management (Previously Planning Service)	Other Services	Development Management (Previously Planning Service)	Other Services	Members
2018/19	13	0	9	4	1	9	4	2	2	3	0	0
2019/20	19	0	11	6	2	11	6	8	3	2	1	0
2020/21	13	0	5	8	1	5	8	0	4	3	0	0

The following trends in complaints have been identified:

2018/19 – Development Management Service: handling of planning applications lack of responses and actions of officers.
Other Services: Actions of officers.

2019/20 – Development Management Service: handling of planning applications and enforcement issues.
Other Services: No trends identified.

2020/21 – Development Management Service: handling of planning applications and enforcement issues.
Other Services: – Covid-19 related issues and actions of officers

The number of complaints received overall has decreased this year, as shown in the table above, and is still in line with our annual target of receiving less than 20 complaints per year. However there has been an increase in complaints regarding other services, particularly in the last two quarters. Of those complaints which were pursued to the Local Government Ombudsman, none were upheld.

Quarter 3 and Quarter 4 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	4	5	8	1	3	0
Q2	7	11	18	0	2	0
Q3	4	7	0	0	2	0
Q4	7	9	16	0	2	0
Year end (cumulative)	**22**	**32**	**42**	**1**	**2**	**0**

14.   <u>**RISK MANAGEMENT POLICY (A91941/HW)**</u>

1.   **Purpose of the report**

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

2.   **Key Issues**

- The Risk Management Policy and its supporting documents (Risk Register Template and Risk Scoring System) have been reviewed and revised following changes to the senior management structure and frequency of risk reporting.
- Substantial changes have been made to the Risk Management Policy in terms of roles and responsibilities and the process and frequency of reporting.
- Minor updates have been made to the Risk Register Template.
- The Risk Scoring System 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 System in Appendix 3 are approved.

     How does this contribute to our policies and legal obligations?

4.   Risk management contributes to our Corporate Strategy outcome of being *an agile and efficient organisation*. 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 previously reported annually to Audit, Resources and Performance Committee (ARP). It was last revised and approved by ARP in January 2018.

10.   The last 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 System 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, 13 May 2021

Peak District National Park Authority
Risk Management Policy (January 2021)

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, Management Team, Chief Finance Officer, 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 Management 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, 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 proactively 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.

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 Management 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 twice yearly 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 Deputy Chair of the Authority which is audited by the External Auditor and approved by the Authority)).

Role of the Management Team (Chief Executive and Heads of Service) and Chief Finance Officer

6.   Key roles of the Management 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;

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 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 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 Service / Team / Partnership;

b. Identify and evaluate the significant risks faced in the Service / Partnership;

c. Provide adequate information in a timely manner to Management 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 Risk Register as considered appropriate.

Role of Heads of Service, Team Managers and Lead Officers of strategic partnerships or major delivery partnerships where the Authority is not the accountable body

9. Key roles are to:

a. Undertake an initial risk assessment for the partnership and review on an annual basis with the relevant 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 six-monthly basis, with relevant 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 Management Team 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 every quarter;

   d. Report the Corporate Risk Register to the Authority at Q2 and Q4 as part of six-monthly Corporate Strategy reporting;

   e. Cascade new and escalated risks to the Authority at Q1 and Q3;

   f. Support Management 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 Authority with any recommendations for change.

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 Management Team and approved by Authority. 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. Every six months (at Q2 and Q4), the Corporate Risk Register is presented to Authority. At alternate six months (Q1 and Q3), new and escalated risks are reviewed and cascaded to Authority through an informal process. Improvement actions are also monitored through Authority.

   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 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 Management Team through the six-monthly performance meetings. 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. If there is a significant risk (red), the project will be put on the respective Service Risk Register.

As stated in the Partnership Policy, 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 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.

B. <u>Monitoring of Risk</u>

a. Six-monthly monitoring

Comprehensive six-monthly reporting (at Q2 and Q4) is designed to monitor key risks and their controls. Decisions to rectify problems, if appropriate, are made at regular meetings of:
  i) the Management Team and Authority for corporate risks,
  ii) the Management Team for service level risks (at the six-monthly performance meetings),
  iii) Project Managers and Heads of Service for major project risks.

At alternate six months (Q1 and Q3), new and escalated risks are reviewed and cascaded through an informal process.

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. <u>Reporting</u>

a. Authority

The Authority Committee receives six-monthly reports on risk and responds 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. Six-monthly Performance Meetings

Management Team and other staff, as needed, meet every six months to progress and consider issues relating to risk as part of this meeting and decisions to rectify problems, if appropriate, are made.

D. <u>Assurance</u>

a. Internal Audit Programme

Internal audit monitors the effectiveness of our internal control systems including our management of risk and reports to Authority 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

Page 286

against criteria specified by the National Audit Officer. This includes 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 as part of our ongoing assessment of risk.

d. Annual Insurance Report

Management Team approves 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

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

2021/22 Service Risk Register for xxxxxxxxxx service

		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

Outcome	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 (expressed as Red, Amber, Green)			Time frame of action	Lead officer	How monitored/ Indicator	Quarterly update
					Start	Q2	Q4				
Which Corporate Strategy outcome this relates to	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 bi-annual meetings

Appendix 2

2021/22 Service Risk Register for xxxxxxxxxx service

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

Health and Safety risks

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 (expressed as Red, Amber, Green)			Time frame of action	Lead officer	How monitored/ Indicator	Quarterly update
				Start	Q2	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 bi-annual meetings

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:

Likelihood	Description
Low	Unlikely to occur / Only in exceptional circumstances
Medium	Possibly would occur / May occur
High	Likely to occur / Probable

Impact	Description
Low	• Less than £20k in unplanned cost • Little or no reputational damage • Little or no effect on service delivery

APPENDIX 3: RISK SCORING GUIDE

	• Minor delay or interruption • Little or no effect on the environment • Minor or no legal implications
Medium	• £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 (e.g. legal challenge may be successful)
High	• 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 (e.g. legal challenge likely to be successful)

15.   <u>**CREATION OF A MEMBER TASK AND FINISH GROUP FOR REVIEWING THE NATIONAL PARK MANAGEMENT PLAN AND CORPORATE STRATEGY (EF)**</u>

1.   **Purpose of the report**

This report seeks approval to establish a Member Task and Finish Group for reviewing the National Park Management Plan and Corporate Strategy, agree the Group's Draft Terms of Reference and agree arrangements to appoint Members to the Group.

Key Issues

- Officers have identified the need for a Member Task and Finish Group for reviewing the National Park Management Plan and Corporate Strategy to be created.

- At the first meeting of the Task and Finish Group, a Chair will be appointed and the draft Terms of Reference (at Appendix 1) will be reviewed.

2.   **Recommendations(s)**

1. **To establish a Member Task and Finish Group until October 2022 for reviewing the National Park Management Plan and Corporate Strategy.**

2. **To approve the Draft Terms of Reference for the Group (set out in Appendix 1).**

3. **To implement the appointment arrangements as described in the report. This includes delegating authority to the Chief Executive to determine the membership of the Task Group, following consultation with the Chair of the Authority, should more than six Members of the Committee express an interest in joining the Task Group..**

4. **To confirm that attendance at meetings of the Task and Finish Group is an approved duty for the purpose of claiming travel and subsistence allowances.**

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

3.1   Section 66 of 1995 Environment Act requires National Park Authorities to produce a National Park Management Plan (NPMP) which '*formulates policy for the management of the relevant Park and for the carrying out of its functions in relation to that Park*' and should reflect national park purposes. This should be updated at least every 5 years.

3.2   The UK Government vision and circular 2010 for the English National Parks and the Broad states that 'Park Management Plans are the over-arching strategic document for the Parks and set the vision and objectives which will guide the future of the Park over the next 10 to 20 years. The Park Management Plans are for the Parks and not just the Authorities. They should be supported by clear strategies with evidence of significant 'buy-in' from key partners and stakeholders, including communities, land owners and land managers. The Government expects public agencies and authorities active within or bordering a Park to cooperate in the development of the Park Management Plan and the achievement of the Management Plan objectives.'

3.3   The Corporate Strategy (CS) sets the high-level direction of the Authority and identifies the outcomes that we wish to achieve over the longer-term, plus our targets for this five-

year strategy. It sets out how the Authority will deliver its commitment to the National Park Management Plan and work to the purposes and duty of the National Park.

4.   Background Information

4.1   Members will be aware that currently we have a NPMP that runs from 2018 to 2023, which is one of the Authority's statutory plans, and the partnership plan for the place. This is coordinated by the Authority and agreed and delivered with partners. Although the Authority coordinates development and performance management of the NPMP, it is a partnership plan that the NPMP Advisory Group have a role to play in both its development and implementation. The NPMP has a vision, things we want to achieve, called the areas of impact, and a set of actions in the delivery plan that assist in achieving the areas of impact. It also introduces the seven National Park special qualities.

4.2   We also have our own Corporate Strategy that runs from 2019 to 2024, for the Authority only, with a vision, mission, set of outcomes and set of actions, or strategic interventions, that assist in achieving the outcomes. It sets out how the Authority will deliver its commitment to the National Park Management Plan and work to the purposes and duty of the National Park. The Authority develops, approves and performance manages our Corporate Strategy.

4.3   The majority of other National Park Authorities fully align their NPMP and Corporate Strategy, and have one strategy for both the place and the Authority. Furthermore, the Landscapes Review recommends that National Park Authorities should give greater emphasis to their NPMPs. Therefore, to ensure we learn from this best practice, give weight to the Landscapes Review and are as efficient as possible, in the future, we propose to have one strategy for both the Corporate Strategy and NPMP. This will ensure that what the Authority seeks to achieve will be the same as what we are seeking to achieve with partners.

4.5   This is a significant change for the Authority. As such, in addition to the established ways of working with Members, as discussed at the April 2021 Members Forum, we would like to establish a Member Task and Finish Group for reviewing the National Park Management Plan and Corporate Strategy. The Task and Finish Group will work with officers over the strategy review period, which ends by October 2022. For clarification, it will not be involved with overseeing delivery of the NPMP, which will follow adoption of the plan.

5.   Proposals

Member Task and Finish Group - Scope of activities

5.1   The Task and Finish Group has been created to provide a way for Members and officers to engage with each other on developing the Authority's approach to reviewing and aligning the NPMP and Corporate Strategy. It will focus on the following key areas:

Strategy

The Group will steer on the development of the aligned NPMP and CS. More specifically, development of the revised vision for the strategy, the strategy outcomes and the strategy text.

Performance monitoring

The Group will steer on performance management of the strategy. More specifically, development of key performance indicators, targets and reporting mechanisms to Members and partners.

Delivery plans

The Group will steer on the partnership and Authority delivery plans for the strategy. More specifically, development of both delivery plans and what type of actions fit in which delivery plan.

Partner engagement

The Group will steer on how Members of the Authority should secure ownership of the NPMP strategy and delivery plan actions with key partners, with emphasis on local authority partners.

Establishment of the Task Group

5.2   It is proposed that there will be a maximum of six Members on the Task Group.

5.3   Members of the Task Group will be selected via expressions of interest from all Members. There should be a mixture of Members appointed by the Secretary of State, local authority and parish councils.

5.4   Subject to this report being approved, Authority Members will be asked to submit an expression of interest to join the Task Group. Should more than six Members express an interest, it is proposed that the Chief Executive be delegated the authority to determine the membership of the Task Group, in consultation with the Chair of the Authority.

Member Engagement

5.5   Although the Task Group will take the lead on reviewing and aligning the NPMP and Corporate Strategy on behalf of the Authority, it is important to ensure all Members remain informed and engaged.

5.6   It is therefore proposed that notes from Task Group meetings will be shared with Members Forum so the full membership can see how the review is progressing. Furthermore, we will continue to engage with Members throughout the time of the review via informal discussions at the Members Forum or bespoke meetings / workshops, and at appropriate times, formally through Authority meetings.

Ways of working

5.7   The group will replicate as best practice how the Member climate change steering group meets and works. The climate change steering group's ways of working have been to meet regularly at Members' convenience (every four to six weeks, with a proposed break in summer), with meetings lasting 2-3 hours. At the moment, all meetings are held virtually. As the proposed Task and Finish Group is not a decision making body, it would be able to meet virtually if that is what the group wishes.

Are there any corporate implications members should be concerned about?

6.   Financial:
The financial implications of any future NPMP and CS work has not yet been evaluated,

but will be a core aspect of developing this combined strategy.

As attendance at meetings of the Task Group are an approved duty there will be additional costs relating to claims for travel and subsistence. As the Task Group has been established part way through the 2021/22 financial year, no provision has been made for this. Any additional costs can be minimised by holding meetings on the same day as other meetings or holding them virtually.

7.   Risk Management:

There is a potential risk of Members, who are not on the Task Group, becoming disenfranchised. This will be mitigated by regular updates to Authority and Members Forum.

8.   Sustainability:

Attempts will be made to reduce the environmental impact of convening meetings by minimising the volume of paperwork produced and, if face-to-face meetings are held on days when no other events are taking place, encouraging Members to car share or use public transport.

9.   Equality:

In appointing Members to the Task Group consideration must be given to making sure the membership is diverse and representative. In developing proposals the Task Group will need to consider how they may impact on the 9 protected characteristics set out in the Equality Act 2010.

10.   Human Resources:

There are no significant Human Resources issues to highlight at this stage as the Task Group's initial activities can be supported by existing officers.

11.   Climate Change

The National Park Management Plan sets the framework for climate change in the National Park. In the current NPMP climate change is an area of impact, 'preparing for a future climate'. This aims to coordinate the action of partners in a concerted effort to address this challenge. It is likely that this focus will be replicated and enhanced in the development of the next National Park Management Plan and Corporate Strategy.

12.   Background papers (not previously published)

None

13.   Appendices

Appendix 1 - Draft Terms of Reference for the National Park Management Plan and Corporate Strategy Review Member Task and Finish Group

Report Author, Job Title and Publication Date

Emily Fox, Head of Information and Performance Management, 11 May 2021
emily.fox@peakdistrict.gov.uk

APPENDIX 1

NATIONAL PARK MANAGEMENT PLAN AND CORPORATE STRATEGY REVIEW
MEMBER TASK AND FINISH GROUP
DRAFT TERMS OF REFERENCE

1.   TASK AND FINISH GROUP: COMPOSITION AND REPORTING PROCEDURES

a) The Task and Finish Group will comprise a maximum of six Members that are appointed at the Authority's Annual General Meeting and are representative of the different categories of Authority Members.
b) Members of the Group will agree a Chair at the first meeting. In the absence of the Chair, the Group will agree a Chair (by majority if required).
c) The Task and Finish Group does not make formal decisions; however, it can make recommendations (which are agreed by a Group majority) to be considered by Authority or the Members Forum, dependent on which is the most appropriate mechanism (see second paragraph below).
d) The Group will welcome input and advice from officers and Members as appropriate.
e) The Group's focus is on reviewing the National Park Management Plan and Corporate Strategy and will not oversee implementation. Therefore, the Group will finish at the end of the review period for the National Park Management Plan and Corporate Strategy, which is October 2022.

The Group will provide a way for Members and officers to engage on developing the Authority's approach to reviewing and aligning the National Park Management Plan (NPMP) and Corporate Strategy (CS). The Group will not have any decision making powers, as these reside with the Authority.

Reporting lines are to the Authority when recommendations are made that require a decision. The Members Forum will receive notes of the meetings, regular updates and discussion items to engage all Members and promote understanding of the NPMP and CS in the full Membership.

Meetings of the Task and Finish Group can be a mixture of formal and informal. There is no requirement to publish agendas and make meetings open to the public. Transparency will be achieved by the requirement for the Task and Finish Group to report all recommendations for decision to Authority.

Although there is no budget established for this Task and Finish Group, attendance at formal meetings of the Group is classified as an Approved Duty to allow the payment of travel expenses to Members.

2.   TERMS OF REFERENCE

The Task and Finish Group has been created to provide a way for Members and officers to engage with each other on developing the Authority's approach to reviewing and aligning the NPMP and Corporate Strategy. It will focus on the following key areas.

Strategy
The Group will steer on the development of the aligned NPMP and CS. More specifically, development of the revised vision for the strategy, the strategy outcomes and the strategy text.

Performance Monitoring
The Group will steer on performance management of the strategy. More specifically, development of key performance indicators, targets and reporting mechanisms to Members and partners.

Delivery Plans
The Group will steer on the partnership and Authority delivery plans for the strategy. More specifically, development of both delivery plans and what type of actions fit in which delivery plan.

Partner Engagement
The Group will steer on how Members of the Authority should secure ownership of the NPMP strategy and delivery plan actions with key partners, with emphasis on local authority partners.

3.   NEED FOR THE GROUP

Benchmarking demonstrated that other national parks have greater synergy between their NPMP and CS. Additionally, combining the NPMP and CS will ensure that the Authority and partners are working to the same vision and outcomes. Furthermore, the Landscapes Review recommends that National Park Authorities should give greater emphasis to their NPMPs.

The Authority needs to review the current NPMP and have the reviewed plan in place by April 2023. To allow time for planning implementation of the delivery plan, the Authority is committed to adopting the next NPMP by October 2022. This Task and Finish Group will act as an advisory group to officers during this review period. This will enable officers to have regular engagement with and gain a steer from Members.

Establishing the Member Task and Finish Group will:

- Allow Members a greater opportunity to shape the development of a combined NPMP and CS.

- Provide focussed time for Members and officers to discuss the development of a combined NPMP and CS.

- Provide Members with the opportunity to shape the future performance management processes of the NPMP and CS.

4.   INITIAL WORK PROGRAMME

It is envisaged that the first meeting of the Task and Finish Group will:-

- Appoint a Chair.

- Review and agree the Draft Terms of Reference of the Task and Finish Group.

- Discuss and agree an initial work programme, based on the briefing notes presented to the 13 April 2021 Members Forum. An initial focus will be to update the NPMP vision.

16. **PROGRAMMES AND RESOURCES COMMITTEE PROGRAMME PLAN FOR 2021-22 (SLF)**

1. **Purpose of the report**

To approve the programme themes for Programmes and Resources Committee for 2021-2022 and onwards.

Key Issues

- **One of the tasks for Programmes and Resources Committee is to have a confirmed set of 3 – 4 programme themes is considers for the year ahead. It was agreed at the Authority meeting on 24 May 2019 that this annual programme would be set by the Authority and would compose of 3 - 4 themes.**

- **There have been four programmes running for the Committee since it was set up in July 2019. Since then we have had the Landscapes Review Report (published in September 2019) and have been responding to the COVID-19 pandemic. It is timely to review what has changed in this period to ensure the programmes are fit for these times and the future.**

- **It is recommended that the themes for Committee are amended for 2021-22 and that they would be the four areas of the National Parks England's Delivery Plans – climate leadership, wildlife and nature recovery, sustainable farming and land management, and landscapes for everyone.**

2. **Recommendations**

1. **Members are asked to approve the proposal that the four programme themes for the Programmes and Resources Committee from 2021-22 will align to National Parks England four delivery priorities of:**
   - **climate leadership;**
   - **wildlife and nature recovery;**
   - **sustainable farming and land management;**
   - **landscapes for everyone.**

2. **Members are asked to note that, once the themes are approved for Programmes and Resources Committee, the Committee will be able to then consider a forward work plan for the themes to enable it to maintain its oversight on work to move them forward.**

How does this contribute to our policies and legal obligations?

3. The proposed work programme supports delivery of the 2019-24 Corporate Strategy, the National Park Management Plan 2018-2023 and National Parks England's response to the publication of the Landscape Review: Final Report, published in September 2019. These programmes will also help develop our thinking as, with partners, we being the review the National Park Management Plan for 2023 onwards.

Background Information

4.   The Authority meeting on 5 July 2019 set up the Programmes and Resources Committee and its first meeting was on 4 October 2019. This Committee replaced the Audit, Resources and Performance Committee.

5.   It was agreed that the Programmes and Resources Committee will have an oversight of 3-4 major development programmes for the year that help deliver the strategic interventions of the Corporate Strategy.

6.   The Authority meeting on 19 July 2019 confirmed the current work programme for the Programmes and Resources Committee (P&R Committee) as the following 4 themes:
- Climate change
- Volunteering
- Landscape programmes monitoring and delivery
- Visitor management and recreation hubs

7.   On 4 October 2019 Members approved both the proposed approach for member and officer engagement on each of the 4 programmes and also the proposed work plan activity for 2 of the 4 programme areas – climate change and landscape programmes monitoring and delivery.

8.   On 6 December 2019 Members approved the proposed work plan for the remaining 2 programmes – volunteering and visitor management and recreation hubs.

9.   Over the past 2 years good progress has been made on the work plans of these 4 programmes themes. An up-date on progress with each of these programmes is provided in the following paragraphs.

10.   Climate change:
- 15th October 2019 – National Park Management Plan climate change conference held in Buxton.
- 6 December 2019 - a Member–led steering group established, reporting its meetings and progress to Programme and Resources Committee.
- 17 July 2020 - Programme and Resources Committee approved the Carbon Management Plan 2.
- 4 December 2020 – P&R Committee approved and adopted the Peak District climate change vulnerability assessment.
- 19 March 2021 – Authority received an annual report from the climate change member's task group and approved the group's priorities for 2021-22.

11.   Volunteering
- Up-date report was provided to Programme and Resources Committee on 30 April 2021, with a recommendation that future work on this form part of the Diverse Audience Plan.

12.   Landscapes programmes monitoring and delivery:
- 1 November - Members Forum received up-dates on woodland management plan, Landscape Strategy and landscape monitoring methodology update.
- On 15 May 2020 and 29 April 2021 – the Moors for the Future Operational Plan was approved by P&R Committee.

13.   Visitor Management and Recreation Hubs:
- 6 December 2019 – P&R Committee received a report on the proposed approach of strengthening partnership arrangements, including stakeholder financial support for the future development of the Hope Valley Explorer.
- 17 July 2020 – P&R Committee approval of the strategic direction of the Diverse Audience Plan.
- 4 December 2020 – P&R Committee confirm the programme brief, vision and definitions and that the sustainable transport plan is part of the visitor management and recreation hub delivery plan.

14.   Since these programmes have been set up a number of external changes have impacted our priorities and focus:

- The 'Landscapes Review: Final report' was reported to Government in September 2019. This set out number of recommendations for national landscapes (National Parks and Areas of Outstanding Natural Beauty) and the organisation charged with furthering the purposes of these places. These recommendations were summarised under 4 key outcomes: Landscapes alive for nature and beauty; landscapes for everyone, living in landscapes; more special places and news ways of working. A headline priority recommendation was "working together".

- Since this report, England's nine National Park Authorities and the Broads Authority, working under the auspices of National Parks England (NPE) have come together and agreed four collective priorities that will guide our work as a family of National Parks, and in partnership with many others. Our vision is for National Parks to be national beacons for a sustainable future, where nature and people flourish. To help us get there, we have developed four Delivery Plans covering:
  1. Wildlife and Nature Recovery
  2. Climate Leadership
  3. Sustainable Farming and Land Management
  4. Landscapes for Everyone

- The COVID-19 pandemic has had an impact on ways of working, the move to virtual meetings of the Authority and virtual meetings and delivery of these programmes. Of particular note is the impact of the Visitor Management and Recreation Hub programme, where teams have been re-directed to respond to reactive work with the easing of lockdown.

- In January 2021 the Authority transitioned to a new management structure and refreshed the outcomes in the Corporate Strategy 2019-24, in the light of the impact of the COVID pandemic and funding pressures.

    Proposals

15.   There has been good progress with the programmes, some progressing further and faster than others.

16.   There have also been significant changes in the landscape we are operating in and so it is timely to review the 4 programmes for P&R Committee.

17.   Over the next year we are anticipating the Government response to the 'Landscapes Review: Final Report' that was published in September 2021 and we need to, individually as the Peak District National Park Authority and collectively as NPE,

constructively respond. The 4 delivery plans priorities identified by NPE in response to this review have been positively received by Defra ministers and officials.

18.   It, therefore, proposed that the 4 programmes for P&R Committee from 2021-22 focus on the NPE 4 delivery plan priorities, which are set out below (with the Head of Service leads identified in brackets):
- Wildlife and Nature Recovery (Head of Landscape)
- Climate Leadership (Head of Performance and Information Management)
- Sustainable Farming and Land Management (Head of Landscape)
- Landscapes for Everyone (Head of Engagement)

19.   Once the headline programme themes are confirmed by members at the Authority meeting, Programme and Resources Committee will be able to take these forward into a forward work plan for the Committee.

Are there any corporate implications members should be concerned about?

Financial:
20.   The proposed work programme supports delivery of the 2019-24 Corporate Strategy and the implications on resources will be identified and considered as the programmes are developed.

Risk Management:
21.   The proposed work programme supports delivery of the 2019-24 Corporate Strategy.

Sustainability:
22.   There are no sustainability issues to highlight.

Equality:
23.   There are no significant equality issues.

11.   Climate Change

Climate leadership is identified as one of the 4 key programme themes for the Programme and Resources Committee and will also run through the other three themes.

24.   Background papers (not previously published)

None.

25.   Appendices - None

Report Author, Job Title and Publication Date

Sarah Fowler, Chief Executive, 13 May 2021
sarah.fowler@peakdistrict.gov.uk

17. MEMBERSHIP OF THE APPOINTMENT PROCESS PANEL (RC)

1. **Purpose of the report**

To confirm the membership of the Member Appointment Process Panel.

Key Issues

- **The Authority has established a Panel to oversee the process for making appointments to key positions at the Annual Meeting each year.**

- **In the run up to the Annual Meeting on 2 July the Authority are asked to confirm the Membership of the Panel as there is currently one Local Authority Member vacancy.**

- **Any Members who are considering being nominated to the roles of Chair or Deputy Chair of the Authority or as a Chair or Vice Chair of a Standing Committee should not participate in the work of the Panel.**

2. **Recommendations**

1. **To appoint four Members to the Member Appointment Process Panel.**

2. **To confirm that the Panel will look at expressions of interest in the context of the appointment principles set out in paragraph 6**

How does this contribute to our policies and legal obligations?

3. There is no legal requirement to have a Member Appointment Process Panel. However in previous years the Panel has proved to assist decision making at the Authority's Annual Meeting by Panel Members attempting to resolve any potential issues before the meeting. The Governance Review Working Group in its report to the Authority in May 2020 concluded that the working of the Appointment Process Panel did make a significant contribution to the smooth running of the Annual Meeting and should therefore continue.

Background Information

4. In March 2013 the Authority established a Member Appointments Process Panel to assist with appointments to key positions at the Annual Meeting. Usually the Panel comprises of two Local Authority Members, one Parish Member and one Secretary of State Member. Last year Cllr P Tapping, Miss Y Witter and Cllr B Woods were appointed as Panel members, with one Local Authority Member vacancy.

5. The purpose of the Panel is to:

- invite, receive and consider expressions of interests from Members in the annual appointments

- apply the agreed existing appointment principles to identify any issues that conflict with the agreed principles

- contact relevant Members to discuss and resolve issues if possible

- compile a list of candidates for the appointments for consideration at the Annual meeting.

6.   Following this meeting of the Authority Members will be contacted to establish their preferences regarding appointments to Committees, Sub-Committees and Advisory Groups and key positions such as Chair and Deputy/Vice Chair positions. Towards the end of June the Panel will meet to consider the responses and check them against the appointment principles.   The Authority agreed the amended appointment principles proposed by the Governance Review Working Group in May 2020 (Minute No 34/20) and these are set out below:

> *"The Peak District National Park Authority seeks to apply transparent and democratic principles in the appointment of Members to elected positions within the Authority in order to promote fairness and trust. They are not intended to limit either a Member's right to stand for office nor any Member's duty to make decisions on merit, but instead:*
>
> - *open opportunities for Members to stand for office*
> - *take into account that some Members have time-limited appointments to the National Park Authority, which may limit their options for standing for office*
> - *recognise that there is strength in office-holders coming from different categories of Members*
> - *are based upon good practice learned from past experience*
>
> *To this end, the following apply:*
>
> 1.   *Any Member is eligible to stand for election for any post.*
>
> 2.   *Members will not normally be appointed to the position of Chair and Deputy Chair of the Authority or the Chair and Vice Chair of its standing committees in their first year of office.*
>
> 3.   *All appointments to the position of Chair and Deputy Chair of the Authority or the Chair and Vice Chair of its standing committees should be limited to continuous periods of no more than four full terms.*
>
> 4.   *Appointments should seek to achieve a balance of different categories of Members, namely national Secretary of State appointees, Parish Members and Local Authority Members.*
>
> 5.   *All Members will have the opportunity to vote for their preferred candidates at the AGM.*
>
> 6.   *Members wishing to stand for elected positions must be able to demonstrate:*
>
>   - *A commitment to the purposes of the Authority and their successful delivery.*
>   - *A willingness to act on behalf of all Members of the Authority and not one particular group or interest.*
>   - *An understanding of the roles and responsibilities associated with the position for which they are applying and a skill set relevant to that position.*
>
> *It is the responsibility of all Members to consider these principles before and during the appointments process before making their decision.*"

7.   If there are any issues identified prior to the meeting, Panel Members will attempt to resolve them before the meeting. This approach has worked well in previous years and has led to quicker but more informed decision making at the Annual Meeting.

Proposals

8.   At the time of establishing the Panel the Authority agreed that Members seeking appointment to become the Chair or Deputy Chair of the Authority or the Chair or Vice Chair of a Standing Committee should not be a member of the Panel. In anticipation of this year's Annual Meeting, the current Panel Members have been contacted to establish whether any of them intend to be nominated for any of these positions.

9.   Cllr Tapping and Ms Witter have indicated that they are happy to continue on the Panel. Cllr Woods has also indicated her intention to continue, subject to her re-appointment following the local elections in May; however as there is currently one Local Authority member vacancy on the Panel, the Authority is asked to reconsider appointments to the Panel before the Annual Meeting.

Are there any corporate implications members should be concerned about?

Financial:

10.   None – Attendance at meetings of the Member Appointment Process Panel qualify as an approved duty so Panel Members can claim travel and subsistence. The revenue costs associated with this can be met within the 2021/22 Revenue Budget.

Risk Management:

11.   None.

Sustainability:

12.   None.

Equality:

13.   None.

Climate Change:

14.   None.

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

None

16.   **Appendices**

None

Report Author, Job Title and Publication Date

Ruth Crowder, Democratic Services Manager, 13 May 2021

This page is intentionally left blank

18. <u>GREEN LANES IN THE PEAK DISTRICT (A7622/SAS)</u>

Purpose of the report

1. This report relates to the approach agreed by Members to encourage wider engagement and understanding of green lanes and their special qualities.

2. The report also provides an update on progress in 2020/21 relating to the implementation of the Authority's strategy for the management of recreational motorised vehicles on unsealed highways and off-road (the Strategy) and action plans for green lanes, illegal use and communications for 2021/22.

3. **Key issues include:**
    - Integration of green lanes into the access and rights of way network
    - Involvement in interpretation, protection and enhancement
    - Responsible use

Recommendation

4. **(i) That the report is noted.**

How does this contribute to policies and legal obligations?

5. The work contributes to:
    (i) Corporate Strategy 2019-24
    Outcome: A National Park loved and supported by diverse audiences
    Strategic interventions: Implement plans to increase public connection with the National park through the development of quality engagement opportunities that encourage responsible behaviours and by growing sustainable tourism products
    (ii) National Park Management Plan 2018-23
    The relevant areas of impact are:
    - A National Park for everyone – relevant action is to overcome physical barriers to access
    - Encouraging enjoyment with understanding - relevant actions are: to balance opportunities for enjoyment with conserving a fragile environment; to ensure shared responsibility.
    (iii) Strategy for the Management of Recreational Motorised Vehicles in their Use of Unsealed Highways and Off-road, and Procedure for Making Traffic Regulation Orders (TROs), 2012.
    (iv) Sections 5(1) and 11A of the National Parks and Access to the Countryside Act (NPACA) 1949

Background Information

6. In February 2012, the Authority adopted its revised strategy for the management of recreational motorised vehicles in their use of unsealed highways and off-road (Minute 6/12). The Strategy sets out that actions for implementing this strategy will be defined and progress measured. Action plans and progress reports have been reported to the Programmes and Resources Committee (formerly the Audit and Performance Committee) and the Peak District Local Access Forum (PDLAF) and published annually at www.peakdistrict.gov.uk/vehicles.

7. In May 2020, Programmes and Resources Committee noted the report and that year's actions and resolved that the requirement and scope of a follow-up report to that committee would be considered in the context of a broader recreational review (Minute 13/20).

8.   In March 2021, the Green Lanes Annual Report 2020/21 (Appendix 1) and the 2021/22 action plans for green lanes, illegal use and communications (Appendices 2-4) were reported to the Peak District Local Access Forum (the Forum), as the statutory adviser on public access, and its input sought to deliver actions. At the meeting, the Forum considered representations from speakers on a number of routes.

9.   In April 2021, the Forum's Green Lanes Sub-group met to discuss in detail issues referred by the Forum for reporting to the June 2021 Forum meeting. These included:
   * the issues on the routes raised by speakers
   * actions relating to an area-based approach at Bradwell Moor
   * the development of Keep on Track
   * messages and values relating to anti-social behaviour.

10.   Green lane branding and work on history, environment, and accessibility will raise the recognition of these multi-user routes and their special qualities. In turn, this contributes to the development of an inclusive and integrated network, the encouragement of enjoyment with understanding, the provision of access for all, and for the enhancement of routes and their environments through fostering respect and a shared responsibility.

11.   The Forum is a key part of the engagement work to develop input and involvement from the various interest groups represented by its members. The Forum has been engaged with the issue of recreational motorised vehicle use for 15 years. It advises not just its appointing authorities but other relevant parties and seeks to provide a consensus-based approach.

12.   Illegal use has been and continues to be the predominant and overriding issue. Area-based initiatives as proposed at Bradwell Moor, and undertaken previously at Longstone Edge through the Black Harry Trails, provides a means of working in partnership to protect the National Park's special qualities.

13.   Authority Members have been kept informed of this work by way of updates to the respective Chairs and Vice Chairs and notice of the publication of the annual reports and plans. There is also the scope for update at a future Members forum. The action plans and annual report are attached to this report for information (Appendices 1-4).

Summary

14.   Wider engagement and integration through instilling inclusiveness, understanding and respect in line with a broader recreation approach is required to protect the special qualities of the National Park. The actions plans identify areas of work to meet these objectives to focus the officer resource and the involvement of partners and for targeting funding for the protection and enhancement of green lanes across the National Park.

Proposals

15.   The report be noted.

Are there any corporate implications members should be concerned about?

16.   **Financial**
        Funding relates to officer input to allow progress on the matters identified in the action plans and which are drafted in terms of realistic parameters, subject to supplementary costs and additional funding, including from external sources, dependant on the scope, scale or mechanism of delivery.

17.   **Risk Management**
       This report outlines the management proposals for the coming year in order to manage the risk to the Authority. The likelihood of reputational and financial damage to the Authority are considered to be medium (public reputation and possible legal challenge) and the impact of possible damage to the Authority is also medium. The overall risk as described in the risk scoring methodology is therefore assessed as Medium – ie 'requires management effort to mitigate the risk'. Management actions are set out in the annual action plans which have been drafted within realistic parameters in terms of deliverability and the Strategy and Procedure which is grounded in respect of the Authority's legal powers and abilities.

18.   **Sustainability**
       This report addresses sustainability issues in the context of both the National Park Management Plan and the Authority's statutory purposes, duty and legal powers.

19.   **Equality**
       The requirements of the Equality Act 2010 have been met in the consideration of actions and the Authority will continue to have regard to its duties under the Act.

20.   **Climate Change**
       The work on green lanes provides a mechanism for the Authority to engage with visitors to the National Park regarding issues associated with climate change and for engagement with actions to protect its assets. The Authority does not promote recreational motorised use or unsustainable transport decisions nor do the action plans directly contribute to carbon net zero targets.

21.   **Background papers:**
       None.

22.   **Appendices**
           1. Green Lanes Annual Report – 2020/21
           2. Green Lanes Action Plan 2021/22
           3. Illegal Use Action Plan 2021/22
           4. Green Lanes Communication Action Plan 2021/22

       Report Author, Job Title and Publication Date

23.   Sue Smith, Rights of Way Officer, 13 May 2021

This page is intentionally left blank

Green Lanes Annual Report 2020/21

PEAK DISTRICT NATIONAL PARK

March 2021

Green lanes are tracks across the National Park used by walkers, cyclists, horse riders and motor vehicles.

This is our fourth annual report. It reports on the work done in partnership over this last year.

1) Involvement

Keep on Track

Keep on Track involves signage, volunteers and preventative measures to encourage understanding of the impacts that occur and limit them.

Green Lanes Annual Report 2020/21

PEAK DISTRICT NATIONAL PARK

Peak District Local Access Forum

In 2020, the Local Access Forum (LAF) held their first virtual meeting, at which we reported the green lanes action planning for wider engagement, protection and enhancement of these valued routes. The Green Lanes Sub-group has built up over 10 years of experience in recreational motorised vehicles and green lanes and will be contributing to the focus on accessibility, protecting verges, telling the story of the trails, and promoting Peak District Proud.

www.peakdistrict.gov.uk/vehicles

Green Lanes Annual Report 2020/21

PEAK DISTRICT NATIONAL PARK

2) Improvements

Repairs by Highway Authorities
In December 2020, Derbyshire County Council completed Phase 1 of their works at Bamford Clough.

In September 2020, Sheffield County Council completed their repairs at the Redmires end of Long Causeway.

www.peakdistrict.gov.uk/vehicles
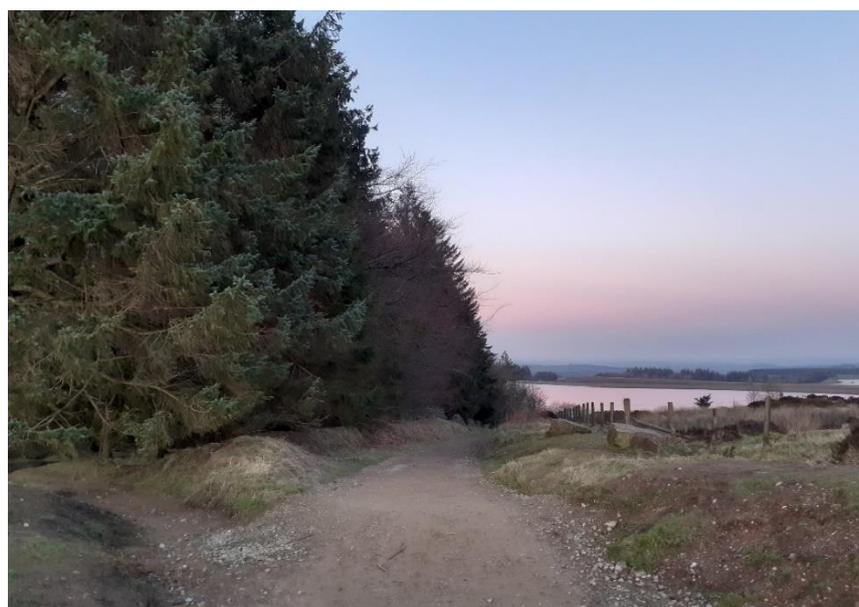
Green Lanes Annual Report 2020/21

PEAK DISTRICT NATIONAL PARK

In January 2021, Staffordshire County Council consulted on its repairs at Swan and Limer Rake, near Hollinsclough.

Work by National Park Authority
We've been keeping on top of clearing out the gulleys at Long Causeway, Stanage.

www.peakdistrict.gov.uk/vehicles

4

Green Lanes Annual Report 2020/21

PEAK DISTRICT NATIONAL PARK

In May 2020, we resurfaced the permissive bridleway, which avoids the road between Roych and Chapelgate,

In November 2020, we put in new signage on the track from Eldon Quarry.

www.peakdistrict.gov.uk/vehicles

Green Lanes Annual Report 2020/21

PEAK DISTRICT NATIONAL PARK

Work by Others

Eastern Moors Partnership took measures in February 2021 to prevent vehicle users driving on verges and adjoining land on the Houndkirk Moors. This action is needed to allow this environmentally-sensitive land to recover.

3) Monitoring & Managing

Data Logging
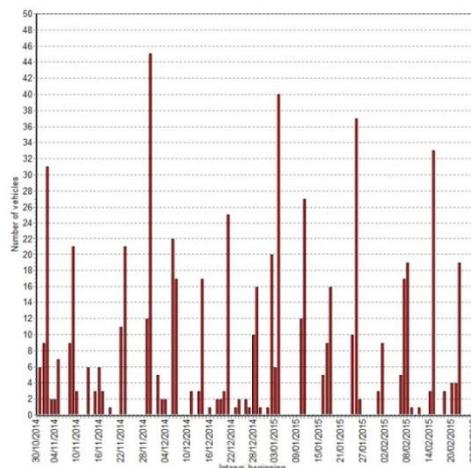
We use electronic logging devices to monitor vehicle use and share data with the police to enable them to make evidence-led decisions on their operations.

www.peakdistrict.gov.uk/vehicles

# Green Lanes Annual Report 2020/21

PEAK DISTRICT NATIONAL PARK

During 2020-21 we have monitored 15 sites. This includes the TRO routes, as well as monitoring at Pindale and Rowter Farm, near Castleton, Black Harry, near Stoney Middleton, Pretty Wood, at Eyam, Fernilee Reservoir, Swan Rake, at Hollinsclough, Moscar Cross, and Clough Lane, at Birchover.

Signage

We've been putting up signage in the Bradwell Moor area to help deal with the illegal use. We are working with partner organisations to manage the escalating impacts in this area.

Education
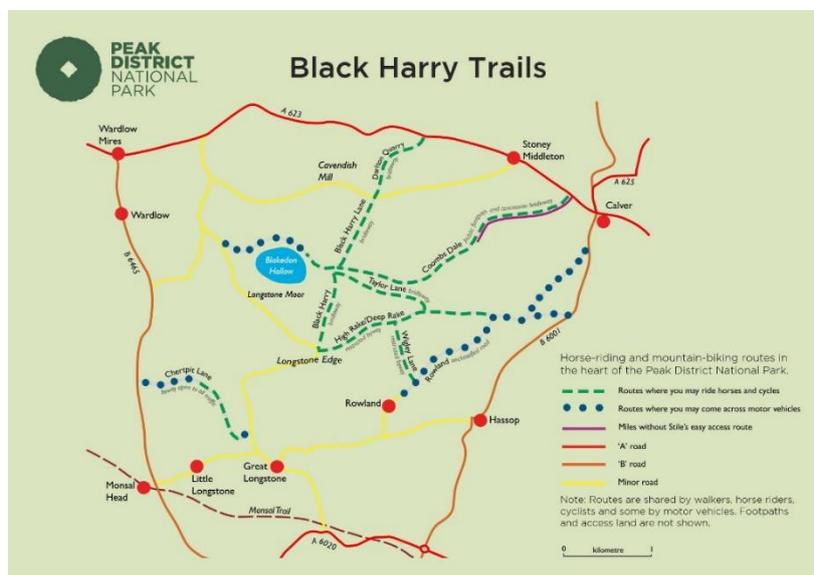
www.peakdistrict.gov.uk/vehicles

Green Lanes Annual Report 2020/21

PEAK DISTRICT NATIONAL PARK

Ten years ago, we worked with a number of user groups in the Longstone Edge area to highlight routes for cycling and horseriding and routes where there might be motorised vehicles. Since then Derbyshire County Council has clarified the legal status of a number of these routes. More information at www.peakdistrict.gov.uk/blackharry

Enforcement

From February 2020 to February 2021, Derbyshire police have investigated over eighty Traffic Offences in relation to illegal use of footpaths/bridleways/TRO routes and farmland. The majority of these have resulted in conditional offers for penalty points. In addition, there have been six reports of criminal damage already this year resulting from people entering onto private land and moorland. This includes five drivers currently under investigation for causing damage to SSSI land after traveling off designated roads and onto private land getting their 4x4's stuck in the heavy snowfall experienced early this year.

4) Restraint and Restrictions

Traffic Regulation Order Exemptions

At Derby Lane there was one exemption to the traffic regulation order issued for caving access to Waterfall Swallet.

Neither the Reliance Cup Trial nor the Bemrose Trial took place at Washgate.

www.peakdistrict.gov.uk/vehicles

Green Lanes Annual Report 2020/21

PEAK DISTRICT NATIONAL PARK

5) Reporting

Action plans to protect the special qualities of the National Park were considered by National Park Members in May 2020 and reported to the Peak District Local Access Forum in September 2020. This report and the current action plans can be viewed at www.peakdistrict.gov.uk/vehicles.

This page is intentionally left blank

Peak District National Park
Green Lanes Action Plan 2021/22

Engagement

Finding Out

Green Lanes are our trackways across the National Park - a story of people and industry, wildlife and habitats, links to communities, beautiful views, tranquility and inspiration for the benefit of all. They have the potential to be a valuable part of the access and right of way network.

Aim: to embed Green Lanes in the access and rights of way network and the public's consciousness.

Action 2021/22:
1) **Green Lanes branding as multi-user routes.**
2) **Content on Green Lanes webpage to be further developed.**
3) **Green Lanes Communication Plan messages.**
4) **Waymarking of identified routes.**
5) **Development of an area-based approach at Bradwell Moor.**

Understanding

Green Lanes can be important for their heritage, conservation, communities and/or recreation. Some routes are key for supporting health and well-being, linking to wider access and for exploration and enjoyment of the special qualities of the National Park.

Aim: to identify what is special about Green Lanes and encourage that understanding.

Action 2021/22
1) **Sharing the History on the Peak's Packhorse Trails.**
2) **Using an area-based approach at Bradwell Moor.**
3) **Considering future inputs based on Green Lanes contributory value.**

Involving

The Peak District Local Access Forum advises on access and recreation, adopts a consensus-based approach, and reflects and disseminates information. An appreciation of issues is required to involve all those using and caring for Green Lanes.

Aim: to identify, appreciate, and manage issues relating to use of Green Lanes.

Action 2021/22
1) **Action planning and progress reports to the Local Access Forum.**
2) **Green Lanes Sub group for detailed involvement relating to engagement, protection and enhancement of Green Lanes.**

Supporting

Working in partnership recognises that everyone can make a difference. Volunteering and funding opportunities supports the work on Green Lanes.

Aim: to encourage involvement and for its recognition.

Action 2021/22
1) **Peak Park Conservation Volunteers involvement in Keep on Track.**
2) **Partnership involvements for Sharing the History.**
3) **Funding and donations for access improvements to include Bradwell Moor, Miles without Stiles, Keep on Track and Sharing the History.**

Protection

Use
Some Green Lanes may have vehicle rights, others not. The clarification of legal status is carried out by the Highway Authorities. The Highway Authorities are also responsible for the signing of public rights of way, supported by the Authority.

Aim: to clarify Green Lanes which do not have motorised vehicle rights.

Action 2021/22
1) **Respond to Highway Authority consultations with any relevant information held.**
2) **Green lanes waymarking and Keep on Track signage as and where appropriate.**
3) **Other signage in accordance with Illegal Use Action Plan.**

Monitoring
Vehicle logging is carried out where there is intensification or excessive or inappropriate use or for considering the suitability of routes for accessibility needs. Surveying and auditing is also undertaken to assess changes in condition and suitability.

Aim: to target and prioritise Green Lane actions for protection or enhancement.

Action 2021/22
1) **Vehicle logging prioritised on Green Lanes in accordance with the Illegal Use Action Plan, Keep on Track, and for contributing to Miles without Stiles.**
2) **Green Lane surveys and audits as required including Keep on Track, and for contributing to Miles without Stiles.**

Respect
The National Park's Green Lanes Code promotes responsibility by all users. Peak District Proud encourages responsible use.

Aim: for respect for others and the environment and a recognition of impacts.

Action 2021/22
1) **Local Access Forum input into a review of the Green Lanes Code.**
2) **Adoption of Peak District Proud approach for Green Lanes.**

Restraint
Voluntary restraint on routes helps to manage impacts.

Aim: for respect for others and the environment and the management of impacts.

Action 2021/22
1) **Support and monitor proposals for voluntary restraint on Green Lanes.**
2) **Encourage compliance with Keep on Track.**

Restriction
Where respect and restraint are not proving sufficient to manage impacts, the Authority has similar powers to the Highway Authorities to make Traffic Regulation Orders. The Authority has made seven Traffic Regulation Orders.

Aim: to protect the area in accordance with National Park purposes.

Action 2021/22
1) **Consider applications for TRO exemptions, and for compliance with the terms on which they may be granted.**
2) **Keep under review any Green Lanes where a TRO may be a possible course of action.**
3) **Respond to any consultations on TROs by the Highway Authorities.**
4) **Facilitate consultation responses by the Peak District Local Access Forum, as required.**

Enhancement

Repairs
Highway Authorities have a duty to maintain Green Lanes. The Authority supports this with the use of volunteers for small-scale works including routine maintenance.

Aim: for ease of use and to protect the environment of the National Park.

Actions 2021/22:
1) **Identification of works relating to impact on National Park or to meet accessibility requirements.**
2) **Provision of advice on schemes of repairs and to monitor during and following the works.**

Verge protection
By working with users and other partner organisations, the Keep on Track campaign will help to limit damage to lane verges and help to reinstate any areas of damage.

Aim: to foster respect and recognition of impacts and to mitigate those impacts.

Actions 2021/22
1) **Funding and installation of signage.**
2) **Identification of routes and locations for signage in conjunction with Local Access Forum.**

Accessibility

Green lanes can be particularly suitable for accessible routes. Some Green lanes may be suitable for promotion as Miles without Stiles easy access routes. The Peak District National Park's Foundation and Access Fund supports the funding of access improvements and Miles without Stiles.

Aim: to reduce barriers to access and promote opportunities for access for all.

Actions 2021/22
1) **Surveys and audits of Green Lanes to assess suitability and barriers to access.**
2) **Funding and undertaking of works to improve access.**
3) **Promotion of Green Lanes as Miles without Stiles routes, where suitable.**

Peak District National Park
Illegal Use Action Plan 2021/22

Recording Use

Vehicle logging
Vehicle use is monitored using electrical vehicle loggers on Traffic Regulation Order routes, where the legal status has recently been resolved, as prioritised on an area basis, or in response to reports received over sustained illegal use.

Aim: to target and prioritise action.

Action 2021/22
1) **Vehicle logging onTRO routes and other illegal use routes.**
2) **Vehicle logging as part of an area-based focus at Bradwell Moor.**

Reporting illegal use
The police take action in response to the reports they receive from the Authority, landowners and the public.

Aim: to target and prioritise action.

Action 2021/22
1) **Field-based staff to report incidents of illegal use to the police.**
2) **Website updates to improve the reporting of illegal use, in liaison with the police.**

Enforcement

Erecting & maintaining signage
Signage is required to clarify the legal status of routes, to support the making of Traffic Regulation Orders, and to prevent harm.

Aim: to prevent illegal use and harm.

Action 2021/22
1) **To erect and maintain signage on TRO routes made by the Authority.**
2) **To identify routes where there is a need for replacement signage.**
3) **To identify locations where additional signage is required.**

Police action
Areas of focus for police operations include TRO routes, routes and areas where there are repeated or increasing illegal use, or where there are designations and harm could or is resulting from motorised vehicle use.

Aim: to prevent illegal use and harm.

Action 2021/22
   1) **To continue to identify areas of focus for police activity on an evidential basis.**
   2) **To support police operations, as required, through information, signage or presence.**

Managing Use

Preventing use & remediation

Detailed schemes of action may be identified and undertaken in conjunction with landowners, the Highway Authorities, Natural England, or Historic England, if driving or riding is taking place on or off-road and results in harm to acknowledged interests. The Keep on Track work will also protect verges for their conservation interest.

Aim: to prevent harm and restore the environment and amenities of the locality.

Action 2021/22
   1) **Adopt a partnership approach for inputs into schemes for prevention and reinstatement.**
   2) **Support and contribute to work undertaken for the management of motorised vehicles.**
   3) **Provide advice on impacts on acknowledged interests or accessibility.**
   4) **Facilitate the involvement of the Peak District Local Access Forum and volunteers.**

Accessibility Improvements

Where barriers to accessibility are removed, there is the potential for this to open up an area to use by motorised vehicles.

Aim: to balance accessibility with potential for harm occurring.

Action 2021/22
   1) **Vehicle logging to monitor and assess any resulting illegal use.**
   2) **Consideration of alternative measures, as required.**

Peak District National Park
Green Lanes Communications Action Plan 2021/22

Key Messages

- Green lanes are a valuable part of the access network for a range of different uses and abilities.
- Green lanes provide a sense of place in the landscape, for health and well-being, and for the understanding and enjoyment of nature.
- All users can reduce impact on other users and the environment by using the lanes in a legal, responsible and sustainable manner.
- Partnership working on green lanes will help to contribute to an integrated, maintained, accessible and safe rights of way network.
- Where there is conflict with the conservation of the special qualities of the National Park, action will be taken including the use of TROs as appropriate.
- Illegal use is unacceptable.

NPA's Role & Actions

- Work to conserve and enhance the special qualities of green lanes and the National Park.
- Promote opportunities for everyone to understand, enjoy and celebrate these special qualities in a responsible way.
- Work with Highway Authorities, Peak District Local Access Forum, communities and user groups to identify interests and to minimise impacts of use.
- Support the police in their enforcement of illegal use.

Highway Authorities' Role & Actions

- Carry out their duties in relation to management of use, maintenance, enforcement, signage and determining legal status.
- Support the PDNP purposes and priorities, work together on delivering improvements and have regard to statutory requirements.

Police Role & Actions

- Carry out their duties in relation to enforcement.

Peak District Local Access Forum

- Provide advice and guidance and support public involvement in green lane matters.

Users' Role & Actions

- Use green lanes responsibly and minimise negative impacts on the special qualities of the National Park.
- Promote and implement voluntary actions.
- Implement and promote the Green Lanes Code as part of the wider #peakdistrictproud – Respect Protect Enjoy campaign.

This page is intentionally left blank