

# Public Document Pack

**Peak District National Park Authority**

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



**Our Values: Care – Enjoy – Pioneer**

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Our Ref: A.1142/3364

Date: 26 January 2023



## NOTICE OF MEETING

Meeting: **National Park Authority**

Date: **Friday 3 February 2023**

Time: **10.00 am**

Venue: **Aldern House, Baslow Road, Bakewell**

PHILIP MULLIGAN  
CHIEF EXECUTIVE

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**Link to meeting papers:**

<https://democracy.peakdistrict.gov.uk/ieListDocuments.aspx?MId=2398>

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## AGENDA

1. **Roll Call of Members Present, Apologies for Absence and Members Declarations of Interest**
2. **Minutes of previous meetings held on the 11th November & 2nd December 2022** *(Pages 7 - 16)* 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.

## ITEMS FOR INFORMATION

5. **Chair's Briefing** 5 mins
6. **Chief Executive Report** *(Pages 17 - 26)* 5 mins  
Appendix A  
Appendix B

## ITEMS FOR DECISION

7. **External Audit 2021/22 Annual Report** *(Pages 27 - 62)* 15 mins  
Appendix 1
8. **Statement of Accounts 2021/22 (JW)** *(Pages 63 - 124)* 20 mins  
Appendix 1
9. **2021/22 Annual Governance Statement and Amended Code of Corporate Governance (AGM)** *(Pages 125 - 162)* 10 mins  
Appendix 1  
Appendix 2
10. **Internal Audit Report Block 2021/22** *(Pages 163 - 194)* 15 mins  
Appendix 1  
Appendix 3  
Appendix 2  
Appendix 4

11. **Revenue Budget, 2023/24 and Medium-Term Financial Plan 2023/24 to 2026/27 (JW)** *(Pages 195 - 206)* 30 mins  
Appendix 1A  
  
Appendix 1B  
  
Appendix 2

#### **ITEMS FOR DISCUSSION**

12. **Car Parks Review - Consultation Outcomes** *(Pages 207 - 218)* 20 mins  
Appendix 1  
  
Appendix 2  
  
Appendix 3
13. **Peak District National Park Foundation Partnership Agreement and Annual Report** *(Pages 219 - 224)* 20 mins

#### **ITEM FOR INFORMATION**

14. **Reports from Outside Bodies - None Submitted** 5 mins
15. **Exempt Information S100(A) Local Government Act 1972**  
The Committee is asked to consider, in respect of the exempt items 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 16 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**

16. **Organisational Change (PM)**

#### **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**

Since the Coronavirus restrictions have eased the Authority has returned to physical meetings. However, meetings of the Authority and its Committees may still take place at venues other than its offices at Aldern House, Bakewell when necessary. Public participation is still 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 816362, email address: [democraticandlegalsupport@peakdistrict.gov.uk](mailto: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 makes either a visual recording or 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 from the date of the meeting.

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

Since the Coronavirus restrictions have eased the Authority has returned to physical meetings. However, meetings of the Authority and its Committees may still take place at venues other than its offices at Aldern House, Bakewell when necessary, the venue for a meeting will be specified on the agenda. 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 either visually broadcast via YouTube or audio broadcast and the broadcast will be available live on the Authority's website.

This meeting will take place at Aldern House, Baslow Road, Bakewell, DE45 1AE.

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



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

**To: Members of National Park Authority:**

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

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

Constituent Authorities  
Secretary of State for the Environment  
Natural England

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## MINUTES

Meeting: **National Park Authority**

Date: Friday 11 November 2022 at 10.00 am

Venue: Aldern House, Baslow Road, Bakewell

Chair: Cllr A McCloy

Present: Mr J W Berresford, Cllr W Armitage, Cllr P Brady, Cllr M Chaplin, Cllr C Farrell, Cllr C Furness, Cllr C Greaves, Cllr A Gregory, Prof J Haddock-Fraser, Mr Z Hamid, Ms A Harling, Cllr A Hart, Cllr Mrs G Heath, Cllr I Huddleston, Cllr C McLaren, Cllr D Murphy, Cllr Mrs K Potter, Cllr V Priestley, Cllr K Richardson, Miss L Slack, Mr K Smith, Cllr P Tapping, Cllr J Wharmby and Ms Y Witter

Apologies for absence: Cllr D Chapman, Cllr D Taylor and Cllr B Woods.

### **83/22 ROLL CALL OF MEMBERS PRESENT, APOLOGIES FOR ABSENCE AND MEMBERS' DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **84/22 MINUTES OF THE PREVIOUS MEETING HELD ON THE 2 SEPTEMBER 2022**

The minutes of the meeting of the National Park Authority held on 2<sup>nd</sup> September 2022 were approved as a correct record.

### **85/22 URGENT BUSINESS**

There was no urgent business.

### **86/22 PUBLIC PARTICIPATION**

There were no members of the public present to make representations to the meeting.

### **87/22 CHAIR'S BRIEFING**

The Chair of the Authority provided a verbal update to Members on the following:

- That he intended to speak to Members regarding the updated funding situation for National Parks at the Members Forum following this committee.
- There had been a rapid turnover of personnel at ministerial level at DEFRA recently, but Trudy Harrison MP was now the Parliamentary Under Secretary of State and that he had written to her in his capacity as Chair of National Parks England.

That he had attended several events including:

- The “One Team” celebration at Aldern House
- Annual Parishes Day event
- A meeting at Chatsworth regarding Whole Estate Planning
- A meeting with Friends of the Peak District (Council for the Protection of Rural England), with the Chief Executive
- A briefing with Derbyshire County Council leader Cllr Barry Lewis about the East Midlands combined authority.

The Chair also advised Members of the passing away of Peter Townsend, who had formerly been the principal Officer at Losehill Hall and of Michael Dower, a former National Park Officer.

## **88/22 CHIEF EXECUTIVE REPORT**

The Chief Executive’s report gave updates to Members on the following:-

- The CEO had been getting to know the National Park by visiting cycle hire and visitor centres, meeting various staff members and volunteers, as well as spending time with Teams in Aldern House and at Edale.
- He had been working with Officers and Members to complete the National Park Management Plan.
- Preparations were underway on the budget for the next financial year.
- He had attended the National Parks UK Conference in Exmoor at the end of September.
- A successful bid had been made by the Moors for the Future Partnership in an application to the National Peatland Grant Scheme, with an award of over £1 million which would be used to restore 35,000 hectares of degraded peat in England.

A short video, which had been produced by the National Parks UK conference organisers, giving a brief summary of the event was shown to Members.

Cllr Chaplin joined the meeting at 10.16.

### **RESOLVED:**

**To note the report.**

## **89/22 2022/23 QUARTER 2 CORPORATE PERFORMANCE REPORT (A91941/EF)**

The Head of Information & Performance Management introduced the report to provide Members with monitoring information for the period up to the end of Quarter 2 2022/23 (April to September 2022) to review performance against the third year of the Authority’s 2019-24 Corporate Strategy.

Mr Berresford left the meeting during consideration of the item at 10:25am.

Members had the following queries:

KPI 2b - the Landscape Strategy states the importance of field barns in the White Peak landscape and the desirability of their conservation, but it does not specify how this should be achieved.

It was suggested that this indicator could be amber rather than red due to the qualifying comments at the end of it.

KPI 14 - regarding volunteering hours, Members asked how the given value had been arrived at. The Head of Engagement advised that this was via the Heritage Lottery Fund (HLF) values which give different values to different types of volunteering.

KPI 11 - The Chair congratulated the Mosaic Partnership on its successful HLF bid.

KPI 15 – Members suggested that as well as focussing on creating thriving communities via Planning, more engagement could take place with Communities and not only through Parish Councils.

KPIs 18-20 – Members enquired how many staff vacancies the Authority had at the moment and were advised by the CEO that currently there was an 18% turnover rate which was twice what the figure had been previously. Some vacancies were proving difficult to fill and there were various reasons for this. The Authority was working to ameliorate the reasons that were within its own control. Members commented that neighbouring authorities were experiencing the same issues.

Regarding the Corporate Risk Register, the following information was provided by Officers in response to queries from Members:

- the highest risk areas had been inspected and assessed for Ash Die Back and that work was ongoing in lower risk areas.
- the wording of the section regarding the impact of Covid may need to be adjusted to make it clearer.
- Planning Service performance standards, the national standard for the determination of minor applications (which make up most of the Authority's case load) was that 70% should be determined within 8 weeks. The Authority's percentage was currently around 60%. Several actions were being taken to tackle this.
- Conversations had been taking place between the Head of Planning and the Planning Advisory Service on how the two organisations can work together to improve the situation regarding determination rates.
- An action plan was also emerging from the Planning Service Review.
- New staff had been recruited and would be starting in the New Year.

Members requested that Planning, Monitoring & Enforcement be noted and that if improvements were not seen to be occurring that it would need to be reflected in the serve risk register.

The recommendations as set out in the report were moved, seconded, put to the vote and carried.

#### **RESOLVED:**

- 1. That the performance report up to the end of Quarter 2, given in Appendix 1, of the report, is reviewed and any actions to address issues agreed.**
- 2. That the corporate risk register up to the end of Quarter 2, given in Appendix 2 of the report is reviewed and the status of risks accepted.**

3. That the status of complaints, Freedom of Information and Environmental Information Regulations requests, given in Appendix 3 of the report, are noted.

## **90/22 ANNUAL REPORT ON MEMBER LEARNING & DEVELOPMENT**

The Democratic Services Manager (the 'DSM') introduced the report which set out the Member Learning and Development Framework and the proposals for the next annual programme of Member learning and development events for January to December 2023. The DSM reported that although the Member Learning Champion, Cllr Becki Woods, had sent her apologies for this meeting, she had been consulted on the report and had commented that she wished to encourage all Members to have a Personal Development Plan, to support the Buddy system and to attend the UK National Parks Member induction.

Two Members Cllr Greaves and Miss Slack, had just returned from the UK National Parks Member induction event and confirmed that it had been very useful, having offered many opportunities to learn about other National Parks and their approach.

Members expressed concern that the training programme should not cause an undue burden on Officers, there was a suggestion that a standard approach across National Parks could be beneficial, and that this could be done via increased online training. The Essential Planning Training was considered to have been very useful, but several sessions had to be held to ensure all Members could attend. Officers confirmed that learning from internal staff briefings would be used to standardise planning training in the coming year to reduce the burden on Officers.

Members agreed that although there was no specific sanction in place for Members who do not attend training, training labelled as "essential" should be considered as just that and that a good level of training was necessary to equip Members with the skills to carry out their role.

The recommendations, as set out in the report, were moved, seconded, put to the vote and carried.

### **RESOLVED:**

1. To agree the Member Learning and Development Framework (Appendix 1 of the report) and the events programme for January to December 2023 as set out in Appendix 2 of the report.
2. To continue to record Member learning and development activities in terms of hours and include personal learning and development by Members outside of events organised by the Authority, with the target of 20 hours per Member in every 12 months.

## **91/22 REPORTS FROM OUTSIDE BODIES: CLLR A MCCLOY - REPORT ON UK NATIONAL PARKS CONFERENCE**

### **RESOLVED**

To note the report

## **92/22 EXEMPT INFORMATION S100(A) LOCAL GOVERNMENT ACT 1972**

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**RESOLVED**

**That the public be excluded from the meeting during consideration of agenda item 11 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).**

**93/22      CONFIDENTIAL MINUTES OF THE PREVIOUS MEETING HELD ON 2 SEPTEMBER 2022**

The confidential minutes of the meeting of the National Park Authority held on the 2<sup>nd</sup> September 22, were approved as a correct record.

The meeting ended at 11.15 am

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## MINUTES

Meeting:	<b>National Park Authority</b>
Date:	Friday 2 December 2022 at 10.00 am
Venue:	Aldern House, Baslow Road, Bakewell
Chair:	Cllr A McCloy
Present:	Mr J W Berresford, Cllr W Armitage, Cllr P Brady, Cllr M Chaplin, Cllr D Chapman, Cllr C Farrell, Cllr C Furness, Cllr C Greaves, Cllr A Gregory, Prof J Haddock-Fraser, Mr Z Hamid, Cllr Mrs G Heath, Cllr C McLaren, Cllr D Murphy, Cllr V Priestley, Miss L Slack, Mr K Smith, Cllr P Tapping, Ms Y Witter and Cllr B Woods
Apologies for absence:	Ms A Harling, Cllr A Hart, Cllr I Huddleston, Cllr Mrs K Potter, Cllr K Richardson, Cllr D Taylor and Cllr J Wharmby.

### **94/22 ROLL CALL OF MEMBERS PRESENT, APOLOGIES FOR ABSENCE AND MEMBERS DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **95/22 URGENT BUSINESS**

There was no urgent business.

### **96/22 PUBLIC PARTICIPATION**

No members of the public were present to make representations to the Authority Meeting.

### **97/22 CHAIR'S BRIEFING**

The Chair gave the following verbal updates:

- The visit that had been expected from the Parliamentary Under-Secretary Minister for National Parks, Trudy Harrison, had been postponed but should take place before the end of December.
- The disposal of the Brosterfield site had been completed.

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**98/22 ADOPTION OF THE NATIONAL PARK MANAGEMENT PLAN 2023-28 AND AUTHORITY PLAN 2023-28**

The report, which sought approval to adopt the National Park Management Plan ('NPMP') 2023-28 and Authority Plan 2023-28, was introduced by the Chief Executive ('CEO').

The CEO, and the Deputy Chair of the Authority who chairs the National Park Management Plan Task and Finish Group, thanked Officers and Members for their work on the NPMP and Authority Plan.

This was endorsed by the Chair who advised that he and the CEO would be promoting the NPMP in upcoming meetings with key partners.

It was expected that DEFRA, in the New Year would be producing Guidance for NPMP's and in addition an outcome framework which intends to establish targets for Protected Landscapes and the NPMP could be revised in the light of these if it was deemed necessary.

A motion to approve the recommendations as set out in the report was moved.

Members raised the following points:

- The NPMP being central to objective setting for Officers was welcomed and it was suggested that this could be tied in with improvements to the process for the assessment of Member performance, if Member's objectives were also linked to the NPMP.
- On page 67 of the Authority Plan, Objective 10 regarding Thriving and Sustainable Communities should be worded more broadly than "housing authorities" as housing is also provided by other organisations and by individuals. "Housing providers" would be more reflective of the situation which was accepted by Officers.
- On page 19, it should be stated in the target as well as in the objective, that it refers to emissions within the Authority's influence.
- It was suggested that Objective 2, on page 19, should lead the Authority to reconsider its current approach to funding the Moors for the Future Partnership.

Members asked what the role of the Management Plan Advisory Group would be in the future. The CEO advised that the Group was constituted for the term of the current Management Plan and its future role would be considered, in consultation with the Group, in due course.

The motion to approve the recommendations was seconded, put to the vote and carried.

**RESOLVED:**

1. **To adopt the Peak District National Park Management Plan 2023- 28 provided at Appendix 1 of the report.**
2. **To adopt the Authority Plan 2023-28 provided at Appendix 2 of the report.**

3. **That any changes needed in the final National Park Management Plan 2023-28, as a result of giving partners notice to adopt the Plan, are delegated to the Chief Executive in consultation with the Chair and Deputy Chair of the Authority.**

## **99/22 PEAK DISTRICT LANDSCAPE STRATEGY 2023-32**

The report, which sought approval for the Peak District Landscape Strategy 2023-32 was presented by the Natural Environment and Rural Economy Manager and the Landscape Architect.

The meeting adjourned at 10.46 due to the sounding of the fire alarm and reconvened at 11.00.

Cllr Gregory left the meeting at 11.00.

Members congratulated Officers on the document, which it was agreed was an excellent read as well as an exemplary piece of work.

Members made the following suggestions

- There may be benefit in producing a summary document or an interactive map, to point users towards the content that is particularly relevant to them.
- A long-term view should be taken regarding the management of the trees and the effect of new trees on ecosystems which ties in with the recently approved Wooded Landscape Plan.
- The document sets out the impact of people on the National Park, e.g. damage to walls, increased car parking, but this was not incorporated into the strategy so would need to be picked up elsewhere.
- Further consideration should be given to how the aims of the strategy will be achieved and monitored. Members should then be informed how the issues set out in the strategy are addressed.
- There is no mention of the damage done to the landscape by off road vehicles.
- The Landscape Strategy contributes to the vision of the recently approved National Park Management Plan 2023-28 rather than having its own vision.
- GIS could be used to monitor loss of dry-stone walls.

A motion to approve the recommendations as set out in the report was moved, seconded, put to the vote and carried.

### **RESOLVED:**

**To adopt the revised Landscape Strategy 2023-32, subject to any further amendments arising from outstanding consultation responses, acceptance of which is delegated to the Head of Landscape in consultation with the Authority's Chair and Deputy Chair.**

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**100/22    2022/23 REVISED REVENUE BUDGET**

The report which presented revisions to the 2022/23 revenue budget as a result of external economic factors in year, was presented by the Head of Finance whom explained that the Authority was required to set a balanced revenue budget and that she was recommending the introduction of a vacancy factor at 4% for 2022/23 and future years.

A motion to approve the recommendations as set out in the report was moved, seconded, put to the vote and carried.

**RESOLVED:**

1. **To approve the changes to the revenue budget for 2022/23 set out in Table three of the report at paragraph 25.**
2. **To approve the introduction of a vacancy factor at 4% when revising the Authority pay budget for 2022/23 and setting the Authority pay budget following financial years**

The meeting ended at 11.30 am

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**6. CHIEF EXECUTIVE REPORT**

**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**

**Update on meetings of Chief Executive** – I have continued to speak with many of our partners over the last few months including:

- Hope Valley Climate Change Action Group
- Chatsworth Chief Executive, Stephen Vickers
- Forestry England
- Chief Executive and Leader, Derbyshire Dales District Council
- Chief Executive Campaign for National Parks
- Chief Executive Derbyshire Wildlife Trust
- Chief Executive Sheffield City Council
- Sports England
- Chief Executive Oldham Council
- Chief Executive Staffordshire County Council
- Area Manager, Natural England
- Visit to Yorkshire Dales National Park

I have also attended the:

- Peak District Land Managers Forum
- Moors for the Future Business Options Partnership meeting
- Great North Bog Board Meeting
- Cultural Heritage & Tourism Board
- Business Peak District meeting

As you can see there is a wide variety of organisations and people which has been really helpful in increasing my knowledge of the National Park and work of the Authority. I have many more meetings arranged in the coming months, if you have any questions about the specific meetings above please let me know.

**Nature Prescription Launch** – Wednesday 4 January saw the launch of a novel ‘prescription for nature’ in Derbyshire as a trial following the success of a project by RSPB in Scotland. Working in partnership with social prescribing services in High Peak, Derbyshire, the Nature Prescriptions trial includes a calendar of ideas to enable people to connect with nature and boost their health and wellbeing – from searching for frost on leaves to listening to the sounds of nature.

There is growing evidence indicating the physical and mental health benefits of connecting with nature, including reduced stress, fatigue, anxiety and depression.

Nature Prescriptions are a free to use, accessible and flexible way to improve wellbeing and could provide a crucial support option at a time of significant cost of living pressures.

The National Park Authority have been involved in the project through our Communities and Wellbeing Ranger, Jo Hanney, who has welcomed the opportunity to

reach a far wider and more diverse audience using this new tool.

**National Park Partnership Bulletin** – attached is the latest bulletin (appendix A) which highlights the latest areas the Partnership has been working on including some video update.

**National Parks England Bulletin** – attached is the bulletin from National Parks England (appendix B) covering the period October – November 2022 and provides updates on some of the key activities across all the English National Parks including the Board meeting which took place in the North York Moors in November.

**Planning Performance Designation** – a letter has been received from the Director of Planning at the Department for Levelling Up, Housing & Communities. The letter is notification that the Authority may be liable for designation for the speed of its decision on applications for non-major development under section 62A of the Town and Country Planning Act 1990.

The statistics show that the Authority determined 61.2 per cent of applications for non-major development within the statutory determination period where the target is 70%. The Head of Planning will now prepare a response to the letter providing information regarding the exceptional circumstances due to resource issues and any corrections to the data provided by DLUHC. The response is required by 2 February 2023.

#### 4. **Appendices**

**Appendix A – National Parks Partnership Bulletin**

**Appendix B – National Parks England Bulletin**

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

Belinda Wybrow, PA to Chief Executive & Chair 26 January 2023



**Here is an update on news and events from  
National Parks Partnerships**

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### Partner Update

#### **New Partnerships**

NPP have been successful in their grant funding bid with **AMEX**. A joint bid application with the South Downs NPA has initially been approved for one year with grants supporting tree planting and educational visits, with half of the funding going to the South Downs. Funding for subsequent years is promising if the first year is successful.

Recent licensing agreements have been agreed with **Pawprint** who will be designing a range of embroidered stitch-on badges for each park. They have agreed to a 3-year term with a 10% royalty rate to the Foundation. **Mapelio** have agreed to donate 10% of their beautiful, sustainably produced National Parks map print sales to the Foundation.

## Partnerships in Action

### BMW UK

In addition to adding electric-vehicle charging infrastructure throughout the 15 National Parks, BMW UK will also work with National Parks UK to support locally delivered initiatives, focussed on enabling more sustainable tourism, nature restoration, biodiversity and wellbeing through The Recharge in Nature Fund.

These projects, one in each National Park, will enable the Parks to promote more sustainable UK tourism, enhance wellbeing and to restore nature and biodiversity, helping the National Parks to progress faster and with greater impact in these priority areas. Watch the video below to learn more about what the partnership means to BMW, the National Parks and the communities that live and work there.



The Recharge in Nature Project | BMW UK



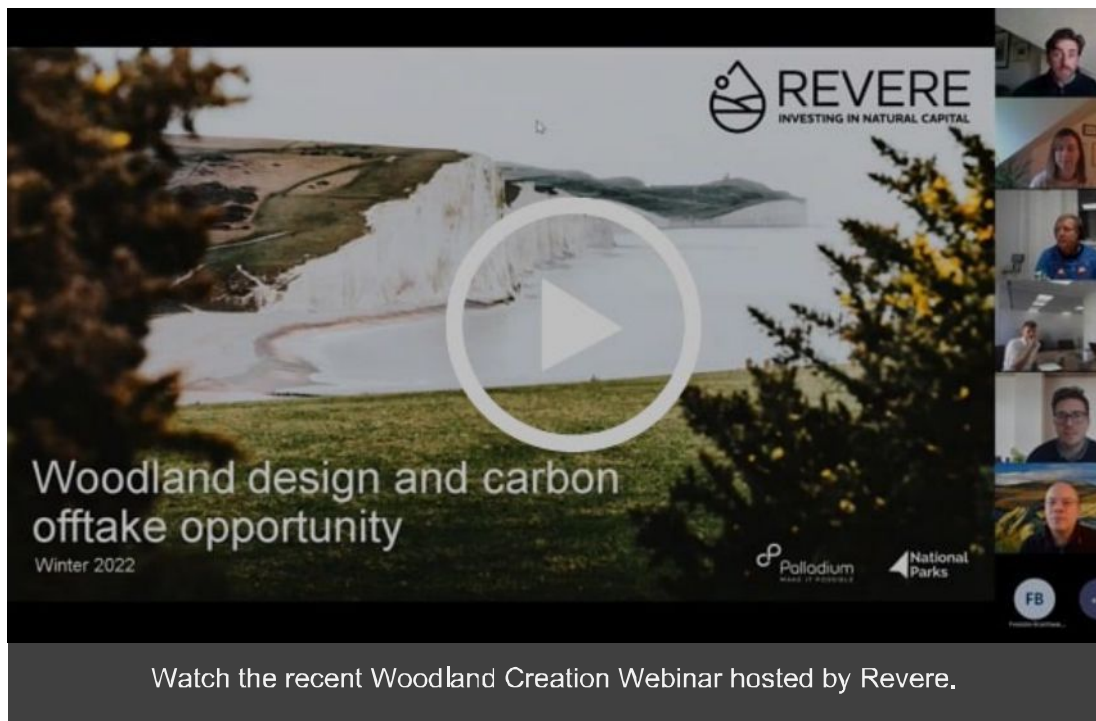
## Forest Holidays

Forest Holidays continued support of the *National Parks Futures* fund with New Forest, Peak District & Northumberland NPAs benefitting this year. The funding has enabled a range of sessions in Northumberland NPA, connecting hundreds of young people with nature. Little Larks Forest School were able to test the concept of Wild Wednesdays over the summer. They are aiming to connect 20,000 young people with nature in the next five years, inspiring the next generation to care for and protect our precious green spaces and improving their well-being through time spent in nature.



## Revere Woodland Creation Webinar

Revere is looking for funding partners to support the design and delivery of more locally owned woodland carbon projects within the UK National Parks. NPP's Naomi Conway took part in a webinar to help SBTi-aligned businesses understand the opportunity to secure a large amount of UK generated verified credits which benefit nature and communities.



Woodland design and carbon offtake opportunity

Winter 2022

REVERE  
INVESTING IN NATURAL CAPITAL

Poliodium  
MADE IT POSSIBLE

National Parks

Watch the recent Woodland Creation Webinar hosted by Revere.

## A year in National Parks Partnerships

NPP has taken time to reflect on the contribution of UK-level partners in the past twelve months in a website blog published today.

Find out more about National Parks partners and the impact that has been

achieved in 2022. A selection of seasonal offers on products from partners can also be found towards the end of the article linked below.

[Read NPP's blog](#)



## Finally...

As always, please let [Naomi](#) or [Lisa](#) know if your Park is engaging with companies so that we can be aware, and feel free to be in touch with any corporate contacts you think could help us nationally, or if you'd like any support with your own local corporate initiatives.

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Cyclists on the Keswick to Threkeld trail, Lake District NPA

Oct-Nov 2022

# NPE Bulletin

## A Message from Andrew McCloy, NPE Chair:

*"The recent political volatility has made it challenging for us to develop relationships with successive ministers and secretaries of state and explain the value of our work. Despite, or possibly because of this, we have been ever more strident in our message that National Parks need to be adequately resourced if we are to deliver our ambitious agenda for the country. However, given the seriousness of the situation now faced by us all, we have no alternative but to amplify our voice further and get across to politicians and the public alike that National Parks in England are at crisis point."*

## Meetings & correspondence

- **New Government:** as per Andrew's message above, there have been further changes to Ministerial and other senior members of Government. We have written to new Ministers Thérèse Coffey and Trudy Harrison, as well as key opposition MPs. We have also been briefing CEOs and NPE Directors on the personnel in the Rishi Sunak government and their links to National Parks
- **NPE Board:** the NPE Board meeting took place in York on 3rd November. We are delighted to say that Neil Heseltine has been elected as Vice-Chair of NPE. An important outcome from the meeting was the commitment to focus on NPE communications in the months ahead - against a backdrop of policy and financial uncertainty for National Park Authorities
- **Landscapes, Parks and Trails Partnership (LPT):** - NPE's contribution to the establishment of the LPT has picked up pace recently, with weekly meetings supporting the development of a Business Case for Defra to submit for funding. Trevor Beattie and Jo Swiers have been supporting this work. The aim is for the partnership to be up and running by April 2023.
- **Pre-finance meetings with Defra:** annual finance meetings between individual National Park Authorities and Defra are currently underway, with each Authority presenting an update on their achievements in the past year. A short note highlighting the NPA's joint achievements has been shared with Defra to set the context.

- **NPE Task and Finish Working Group:** a paper prepared by David Butterworth at the recent Board meeting set out options for a future funding model for the NPE secretariat, also looking at the split of NPE work between individual NPA's and the secretariat. It was agreed that the current model of delivery should be sustained for the next year, with a commitment to review this in more detail in the coming months
- **APPG for National Parks:** due to the recent changes in Government and uncertainty around personnel, a decision was made jointly with NPE and Gary Streeter, Chair of the APPG, to postpone the meeting which was due to take place on 14th November. We will be discussing next steps and will update once we have more information.

## Key events & activities

- **Landscapes for Everyone:** Generation Green, the 16 month partnership project, provided more than 115,000 opportunities to connect young people to nature, many for the first time. A case is now being prepared to obtain support from the Dormant Assets Fund and Lottery Community Fund. We have had positive feedback from DCMS to support this approach.
- **Sustainable Farming & Land Management:** our report showcasing FiPL projects has been shared widely, and Defra requested an additional copy to share with the new Minister. The FiPL programme has funded many projects, including almost 200 supporting public engagement and 150 making landscape more inclusive for visitors. 1,831 farmers have engaged in the programme, working with Protected Landscapes teams to deliver projects.

*continued overleaf...*

## Spotlight

**Core grant and National Park funding** – you will no doubt have seen coverage of the financial plight facing National Parks, both individually and as a whole, and the potential impact on future programmes. NPE issued a statement at the beginning of COP27 this month, linking the financial predicament we face and the impact this will have on our, and Government, ambitions to combat climate change. A Guardian article (8th November) highlighted some of these issues and used some of the information NPE has been gathering regarding financial shortfalls. We drafted a statement to use with media if approached for further comment, which was also highlighted in a BBC online article. In addition, we have been working with individual NPA coms colleagues to respond to, and support, CEO media queries.

1

Made with VISME

## Key Events & activities

*continued*

- **Nature Recovery:** NPE Nature Recovery lead Alison Barnes recently convened a joint meeting of the NPA Conservation Directors and RSPB, hosted by colleagues in the Lake District NPA. Attendees discussed diverse topics including the Revere Windermere water quality finance model and biodiversity net gain. A trip to RSPB Haweswater revealed nature recovery and catchment resilience in action, including tree planting on bracken areas and re-wiggling of the river. This autumn, we are offering a series of three webinars to key stakeholders, to present the findings of our Business Case earlier this year. We have also completed a program of work with each National Park to gauge progress of the Delivery Plan.
- **COP27:** we ensured that the National Park voice was included as part of the wider focus on tackling climate change. NPE lead Officer for Climate Leadership Richard Leafe published a blog for CNP, highlighting the collective action we are taking to reduce carbon use across all 15 National Parks. He also echoed the message that significant Government focus and resources are urgently needed to up-scale and increase the number of projects to deliver our vision, and that of Government, to achieve net zero.
- **Strategic Engagement Manager:** this Defra funded role will support NPE with the establishment of the Landscape Partnership along with a wider set of responsibilities to drive forward our delivery plans. We have recently interviewed for this post and hope to share news on the successful candidate soon.
- **Landscapes Review webinar:** Paul Hamblin attended a webinar run by CNP and the Centre for National Parks and Protected Areas looking at the powers that NGOs felt NPAs need in order to take forward the ambitious agenda set by the Landscapes Review.

- **North York Moors visit:** as part of the Board meeting in November, NPE Directors and secretariat were invited for a tour of the Sutton Bank Centre in the North York Moors. We got to see first-hand the great facilities available, including a new interactive exhibition of the Ryevitalise project and a family friendly cycling trail. We also visited the site marking the Battle of the Byland and tested out the seating area of the Dark Skies Discovery site!
- **Social Media highlights:** with lots of discussion around **National Park budgets** and **COP27** on social media, we have been highlighting our key messages around the importance of National Parks. We have been showing what can be achieved through collaborative nature recovery projects during **Net Zero with Nature Week**, and putting National Parks at the forefront of the fight against climate change. Please do continue to share our posts if you are on social media.



*Did you know?.....National Parks have taken a lead role in over £50m of landscape management schemes in the past 10 years?*



Some of the NPE secretariat visiting the North York Moors NPA in Helmsley. l-r: Lucy Hooper; Wendy Totts; Jo Swiers

## UK Collaboration

- **Principles for private investment into nature:** NPP and a working group have met to discuss the drafting of a Principles for Private Investment into Nature document, following NPE endorsement of this idea earlier in the year. William Hawes, NPP's Nature-based Solutions Lead, has joined the group and is helping to shape a first draft which will be shared for wider input in the coming period.
- **NPUK and climate action:** it's been a busy period with Net Zero with Nature Week and COP 27 across October and November. NPUK and NPE collaborated to share messaging and social media posts across the COP27 fortnight. It was a great opportunity to showcase initiatives and projects across the National Park family, including peatland restoration and nature recovery, and a re-share of the NPE compendium from earlier this year. Net Zero with Nature Week in October included a focus on NPP and Revere's restoration work within National Parks and looking back at a year of Revere from last year's launch.



NPA Conservation and RSPB colleagues visit Haweswater, in the Lake District

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**7. EXTERNAL AUDIT 2021/22 ANNUAL REPORT (JW)**

**1. Purpose of the report**

This report asks Members to consider the External Auditors' (Mazars) 2021/22 annual report. Tom Greensill of Mazars will be at the meeting to present the report. The related reports on the statement of accounts and annual governance statement follow later on the agenda.

**Key Issues**

**The External Auditor expects to give an unqualified audit opinion on the 2021/22 financial statements.**

- **The External Auditor will also report that the Annual Governance Statement for 2021/22 complies with the guidance issued by CIPFA/SOLACE (Chartered Institute of Public Finance and Accountancy/Society of Local Authority Chief Executives) and anticipates issuing an unqualified Value for Money (VFM) conclusion.**
- **The External Auditor requires a signed copy of the management representation letter (Appendix A within Appendix 1) prior to issuing his audit opinion.**

**2. Recommendations**

- 1. To consider and note the External Auditor's report at Appendix 1.**
- 2. To note that the letter of management representation at Appendix A within Appendix 1 needs to be signed by the Chief Finance Officer.**

**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 to ensure the Authority has a solid foundation supporting achievement of our outcomes, as set out in the Corporate Strategy, by making sure the Authority is an agile and efficient organisation. Achieving an unqualified opinion on the financial statements and satisfying the Auditor that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources are corporate performance indicators.

**Background Information**

4. The duties and powers of auditors are set out in the Local Audit and Accountability Act 2014, the Local Government Act 1999, the Statement of Responsibilities of Auditors and Audited Bodies and the Code of Audit Practice. Considering the Auditor's report is part of the agreed Authority work programme.

**Proposals**

5. The full report for consideration is given at Appendix 1.
6. The External Auditor plans to issue an audit report that includes an unqualified opinion on the financial statements subject to Authority considering this report, approving the financial statements and receiving the letter of management representations at Appendix A within the audit report at Appendix 1.
7. The Chief Finance Officer has responded to a number of issues raised by the External



Auditors as given in her report on the same agenda.

8. The External Auditor has raised two internal control recommendations, both, one medium level. The recommendations are regarding segregation of duties on the final year end journals and the fixed asset register not holding the required data in the most efficient manner.

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

**Financial:**

9. The fees for external audit are funded from the Finance Services budget. The audit fee for the 2021/22 audit has been increased from £10.2k plus VAT. There are estimated additional fees of £8.7k as advised by Mazars in their audit strategy report which came to Authority on 20 May 2022 (Minute No. 36/22). This will be funded partly from the Finance Services budget and the mid-year review inflation budget. The Authority has been informed that the scale fee for the 2022/23 audit will increase to £13.7k based on recurring fees for Pension and Property, Plant and Equipment valuations.

**Risk Management:**

10. The scrutiny and advice provided by external audit is part of our governance framework. The Auditor's work is based on an assessment of audit risk. Appendix 1 describes the Auditor's conclusions against the risks identified in the 2021/22 audit plan.

**Sustainability:**

11. There are no issues to highlight.

**Equality:**

12. There are no issues to highlight.

**Climate Change:**

13. There are no issues to highlight.

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

None

15. **Appendices**

**Appendix 1** - External Audit (Mazars) 2021/22 Audit Completion Report.

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

Justine Wells, Head of Finance and Chief Finance Officer, 26 January 2023  
[Justine.wells@peakdistrict.gov.uk](mailto:Justine.wells@peakdistrict.gov.uk)



# Audit Completion Report

Peak District National Park Authority  
Year ended 31 March 2022

03 February 2023



- 01 Executive summary
- 02 Status of the audit
- 03 Audit approach
- 04 Significant findings
- 05 Internal control recommendations
- 06 Summary of misstatements
- 07 Value for Money

Appendix A: Draft management representation letter

Appendix B: Draft audit report

Appendix C: Independence

Appendix D: Other communications

Our reports are prepared in the context of the 'Statement of Responsibilities of auditors and audited bodies' and the 'Appointing Person Terms of Appointment' issued by Public Sector Audit Appointments Limited. Reports and letters prepared by appointed auditors and addressed to the Authority are prepared for the sole use of the Authority and we take no responsibility to any member or officer in their individual capacity or to any third party. Mazars LLP is the UK firm of Mazars, an international advisory and accountancy group. Mazars LLP is registered by the Institute of Chartered Accountants in England and Wales.



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Dear Authority Members

**Audit Completion Report – Year ended 31 March 2022**

We are pleased to present our Audit Completion Report for the year ended 31 March 2022. The purpose of this document is to summarise our audit conclusions.

The scope of our work, including identified significant audit risks and other areas of management judgement, was outlined in our Audit Strategy Memorandum. We have reviewed our Audit Strategy Memorandum and concluded that the original significant audit risks and other areas of management judgement remain appropriate. We would like to express our thanks for the assistance of your team during our audit.

If you would like to discuss any matters in more detail then please do not hesitate to contact me on +44 (0)7875 974 291.

Yours faithfully

Mark Surridge

Mazars LLP

# 01

## Section 01: **Executive summary**

# 1. Executive summary

## Principal conclusions and significant findings

The detailed scope of our work as your appointed auditor for 2021/22 is set out in the National Audit Office's (NAO) Code of Audit Practice. Our responsibilities and powers are derived from the Local Audit and Accountability Act 2014 and, as outlined in our Audit Strategy Memorandum, our audit has been conducted in accordance with International Standards on Auditing (UK) and means we focus on audit risks that we have assessed as resulting in a higher risk of material misstatement.

In section 4 of this report, we have set out our conclusions and significant findings from our audit. This section includes our conclusions on the audit risks and areas of management judgement in our Audit Strategy Memorandum, which include:

- Management override of controls
- Valuation of the net defined benefit pension liability; and
- Valuation of land and buildings

## Misstatements and internal control recommendations

Section 5 sets out internal control recommendations and section 6 sets out audit misstatements; unadjusted misstatements total £14k. Section 7 outlines our work on the Authority's arrangements to achieve economy, efficiency and effectiveness in its use of resources.

## Status and audit opinion

We have substantially completed our audit in respect of the financial statements for the year ended 31 March 2022. At the time of preparing this report, there are no significant matters outstanding.

Subject to the satisfactory conclusion of the remaining audit work, we have the following conclusions:



### Audit opinion

We anticipate issuing an unqualified opinion, without modification, on the financial statements. Our proposed audit opinion is included in the draft auditor's report in Appendix B.



### Value for Money

We anticipate having no significant weaknesses in arrangements to report in relation to the arrangements that the Authority has in place to secure economy, efficiency and effectiveness in its use of resources. Further detail on our Value for Money work is provided in section 7 of this report.



### Whole of Government Accounts (WGA)

We have not yet received group instructions from the National Audit Office in respect of our work on the Authority's WGA submission. We are unable to commence our work in this area until such instructions have been received.



### Wider powers

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 to consider any objection made to the accounts. No such correspondence from electors has been received.

# 02

## Section 02: **Status of the audit**

## 2. Status of the audit

Our work is substantially complete and there are currently no matters of which we are aware that would require modification of our audit opinion, subject to the outstanding matters detailed below.

Audit area	Status	Description of the outstanding matters
Whole of government accounts	<div><div></div><div>[Green]</div></div>	We are awaiting further guidance from central government in relation to the 2021/22 process, therefore, this work is yet to start. The Authority is likely to remain below the threshold for reporting, however until guidance is received we cannot plan our work.
Completion procedures	<div><div></div><div>[Green]</div></div>	Our audit work is undergoing final stages of review by the Engagement Lead. In addition, there are residual procedures to complete, including updating post balance sheet event considerations to the point of issuing the opinion and obtaining final management representations.

Likely to result in material adjustment or significant change to disclosures within the financial statements.

Potential to result in material adjustment or significant change to disclosures within the financial statements.

Not considered likely to result in material adjustment or change to disclosures within the financial statements.

# 03

## Section 03: **Audit approach**



# 3. Audit approach

## Changes to our audit approach

We provided details of our intended audit approach in our Audit Strategy Memorandum. We have not made any changes to our audit approach since we presented our Audit Strategy Memorandum.

## Materiality

Our provisional materiality at the planning stage of the audit was set at £322k using a benchmark of 2% of gross operating expenditure. Our final assessment of materiality, based on the final financial statements and qualitative factors, is £319k using the same benchmark.

We set our trivial threshold (the level under which individual errors are not communicated to the Authority, at £10k based on 3% of overall 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. In setting performance materiality we have taken into account our view that there is relatively low inherent risk. We have therefore set our performance materiality at 80% of our overall materiality being £255k.

## Reliance on internal audit

As outlined in the ASM, we have not relied upon the work of internal audit, however the work of internal audit was used to inform our assessment of the control environment.

## Use of experts

As outlined in the ASM, PwC were appointed by the NAO as consulting actuary. We have used PwC as auditor's expert to assist us in obtaining sufficient appropriate audit evidence in relation to the defined benefit pension liability.

## Service organisations

International Auditing Standards (UK) (ISAs) define service organisations as third-party organisations that provide services to the Authority that are part of its information systems relevant to financial reporting. We are required to obtain an understanding of the services provided by service organisations as well as evaluating the

design and implementation of controls over those services. We have not identified any relevant service organisations.

# 04

## Section 04: **Significant findings**

# 4. Significant findings

In this section we outline the significant findings from our audit. These findings include:

- our audit conclusions regarding other significant risks and key areas of management judgement outlined in the Audit Strategy Memorandum;
- our comments in respect of the accounting policies and disclosures that you have adopted in the financial statements. On page 11 we have concluded whether the financial statements have been prepared in accordance with the financial reporting framework and commented on any significant accounting policy changes that have been made during the year;
- any further significant matters discussed with management;
- any significant difficulties we experienced during the audit; and

## Significant risks

Management override of controls	Description of the risk
	<p>In all entities, 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, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits.</p>
	<p><b>How we addressed this risk</b></p> <p>We addressed this risk through performing audit work over:</p> <ul style="list-style-type: none"><li>• Accounting estimates impacting amounts included in the financial statements;</li><li>• Consideration of identified significant transactions outside the normal course of business; and</li><li>• Journals recorded in the general ledger and other adjustments made in preparation of the financial statements.</li></ul>
	<p><b>Audit conclusion</b></p> <p>Our testing has not identified any material incidences of management override of controls.</p> <p>We did, however, identify that a member of staff was instructed to post a journal prepared by the journal authoriser who did not have posting access. This is understandable given the small size of the finance team, but is not best practice as the lack of segregation increases the risk of management override of controls or fraudulent reporting. This finding has arisen as it relates to our prior year recommendation to include capital journals within the general ledger and shows action on our previous recommendations.</p> <p>In Section 5 of this report, we have raised an internal control weakness along with a medium priority recommendation.</p>

# 4. Significant findings

Defined benefit liability valuation	<div data-bbox="496 219 2476 401"> <p><b>Description of the risk</b></p> <p>The defined benefit liability relating to the Local Government pension scheme represents a significant balance on the Authority’s balance sheet.</p> <p>The Authority uses an actuary to provide an annual valuation of these liabilities in line with the requirements of IAS 19 Employee Benefits.</p> <p>Due to the high degree of estimation uncertainty associated with this valuation, we have determined there is a significant risk in this area.</p> </div> <div data-bbox="496 401 2476 796"> <p><b>How we addressed this risk</b></p> <p>We:</p> <ul style="list-style-type: none"> <li>critically assessed the competency, objectivity and independence of the Derbyshire Pension Fund’s Actuary;</li> <li>liaised 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;</li> <li>tested payroll transactions at the Authority to provide assurance over the pension contributions which are deducted and paid to the Pension Fund by the Authority;</li> <li>reviewed 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 PWC and consulting actuary engaged by the National Audit Office; and</li> <li>agreed 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.</li> </ul> </div> <div data-bbox="496 796 2476 1025"> <p><b>Audit conclusion</b></p> <p>Mazars advised management of a matter brought to their attention by the Derbyshire Pension Fund auditors. The Pension Fund auditors had identified a 0.42% difference (increased) between the estimated 2021/22 Fund investment asset value used by the Actuary to prepare the employers’ IAS19 valuation reports and the 2021/22 Fund financial statements being audited. The estimated increase was approximately £280k to the Authority’s carrying value of pension fund assets, which is greater than Performance Materiality. Therefore, a subsequent actuarial report was requested by the Authority to determine the actual return, which showed an actual movement of misstatement of £301k which is material.</p> <p>The adjusted misstatement is discussed in part 6 of this report.</p> </div>
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# 4. Significant findings

Valuation of property, plant and equipment (land and buildings)	<b>Description of the risk</b>
	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.
	<b>How we addressed this risk</b>
	We addressed this risk by:
	<ul style="list-style-type: none"><li>critically assessed the Authority's valuers scope of work, qualifications, objectivity and independence to carry out the required programme of revaluations;</li><li>considered whether the overall revaluation methodologies used by the Authority's valuers are in line with industry practice, the CIPFA Code of Practice and the Authority's accounting policies;</li><li>assessed whether valuation movements are in line with market expectations by using third party information provided by Gerald Eve to provide information on regional valuation trends;</li><li>critically assessed 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;</li><li>critically assessed the approach that the Authority adopts to ensure that assets are not subject to revaluation in 2021/22 are materially correct, including considering the robustness of that approach in light of the valuation information reported by the Authority's valuers; and</li><li>tested a sample of items of capital expenditure, disposals and reclassifications (where balances are material) to confirm that the amounts used and accounting treatment applied is appropriate in line with the CIPFA Code of Practice.</li></ul>
	<b>Audit conclusion</b>
	Our testing identified that a significant number of assets with a total net book value prior to revaluation of £3.09m had not been revalued by the DVS as per valuation instructions. This presented a significant risk that the draft financial statements were materially misstated. As a result, the Authority requested an updated valuation report to include these assets.
	The resulting revaluation movement of £212k was above our trivial threshold, but beneath Performance Materiality. This error has been recorded as an adjusted misstatement in Section 06.

# 4. Significant findings

## Qualitative aspects of the Authority’s accounting practices

We have reviewed the Authority’s accounting policies and disclosures and concluded they comply with the 2021/22 Code of Practice on Local Authority Accounting, appropriately tailored to the Authority’s circumstances.

We noted some areas where accounting practice should be improved, and we have raised internal control recommendations in Section 05 on:

- The segregation of duties relating to the posting of journals (Section 04)
- The maintenance of the Fixed Asset Register

Draft accounts were received from the Authority on 27/06/22 and were of a good quality.

## Significant difficulties during the audit

Two significant difficulties were encountered during the audit:

- IAS 19 work was significantly delayed as a result of delayed receipt of the IAS 19 assurance letter from the Pension Fund auditor. This is as a result of additional procedures being required this year to gain assurance over the Fair Value of Level 3 Investments which are not quoted on an active market.
- Valuations of Land and Buildings work was significantly delayed due to incomplete valuation work and slow responses from the District Valuer Service with the final pieces of audit evidence needed being delivered on 16/01/23. We understand that this is partially as a result of staff turnover at the DVS.

## Wider responsibilities

Our powers and responsibilities under the 2014 Act are broad and include the ability to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to law; and
- issue an advisory notice under schedule 8 of the 2014 Act.

We have not exercised any of these powers as part of our 2021/22 audit.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. No such objections have been raised.



# 05

## Section 05: **Internal control recommendations**

The purpose of our audit was to express an opinion on the financial statements. As part of our audit we have considered the internal controls in place relevant to the preparation of the financial statements in order to design audit procedures to allow us to express an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation.

The matters reported are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and that we consider to be of sufficient importance to merit being reported. If we had performed more extensive procedures on internal control we might have identified more deficiencies to be reported or concluded that some of the reported deficiencies need not in fact have been reported. Our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

Our findings and recommendations are set out below. We have assigned priority rankings to each of them to reflect the importance that we consider each poses to your organisation and, hence, our recommendation in terms of the urgency of required action. In summary, the matters arising fall into the following categories:

Priority ranking	Description	Number of issues
1 (high)	In our view, there is potential for financial loss, damage to reputation or loss of information. This may have implications for the achievement of business strategic objectives. The recommendation should be taken into consideration by management immediately.	
2 (medium)	In our view, there is a need to strengthen internal control or enhance business efficiency. The recommendations should be actioned in the near future.	
3 (low)	In our view, internal control should be strengthened in these additional areas when practicable.	



# 5. Internal control recommendations

## Deficiencies in internal control – Level 2

### Description of deficiency

Insufficient segregation of duties relating to journal posting within the finance team. We noted as part of journals testing that finance team staff were instructed to post a year end capital journal prepared by the journal authoriser where they do not have access to post journals. This is in response to a previous recommendation raised by Mazars to include all capital journals within the general ledger.

### Potential effects

There is a heightened risk of management override of controls and fraudulent posting of journals where there is insufficient segregation of duties. We note that it would be very difficult to misappropriate Authority assets and this risk relates to manual journals with an impact on financial performance (in this instance, the associated depreciation). From our testing we have not identified any instances of this occurring.

### Recommendation

Monitoring officer review and discussion with the finance team regarding appropriateness of appropriation journals and other high value manual journals raised at year end which may impact on the General Fund. This should be documented to show this has occurred along with details of the discussion showing consideration of journals has been made.

### Management response

Recommendation accepted. Management will ensure that a review of the significant year end journals is completed by the Monitoring Officer. The Authority intends to procure a new finance system which will also include improved system authorisations. It is expected to be procured within the next 12 months but not in time for the 2022/23 accounts.

### Description of deficiency

The fixed asset register lacks sufficient clarity to facilitate accurate accounting. Each year the net book value of fixed assets is rolled forward in a new iteration of the register and subsequent additions, disposals, depreciation, impairments and valuations are added to result in the closing net book value. This fails to retain information on the gross book value of assets and the previous date of revaluation

### Potential effects

There is the potential for material misstatement in the financial statements as a result of information on assets being missed in the preparation of the financial statements, particularly around ensuring assets are revalued within 5 years of the previous valuation.

### Recommendation

To update the fixed asset register to ensure all required information is retained

### Management response

Recommendation accepted. The Authority is looking to invest in a new asset management system which will include a capital accounting module to hold the fixed asset register. It is expected to be procured within the next 12 months but not in time for the 2022/23 accounts.

# 06

Section 06:

## **Summary of misstatements**

# 6. Summary of misstatements

This section outlines the misstatements identified during the course of the audit, above the trivial threshold for adjustment of £10k. The first table outlines the misstatements that were identified during the course of our audit which management has assessed as not being material either individually or in aggregate to the financial statements and does not currently plan to adjust.

The second table outlines the misstatements that have been adjusted by management during the course of the audit.

## Unadjusted misstatements

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
1	Dr: General Fund Reserves			14	
	Dr: Comprehensive Income and Expenditure Statement	14			(14)
	Cr: Receipts In Advance				
Income testing identified one item where income had been recognised in the 2021/22 financial year which relates to 22/23. Our cut off procedures identified that only 7 days of income from this invoice should be included in the current year where the full amount had been recognised. Management have conducted a review and have noted the actual error is £14,197.					
Total unadjusted misstatements		14	0	14	(14)

# Summary of misstatements

## Adjusted misstatements

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
1	Dr: Pension Reserve			301	
	Cr: Pension Liability				(301)
	Cr: Actuarial (gains) losses on pension assets / liabilities		(301)		
<p>Updated Pension Fund Actuarial Gain 2021/22: Mazars advised management of a matter brought to their attention by the Derbyshire Pension Fund auditors. The Pension Fund auditors had identified a 0.42% difference (increased) between the estimated 2021/22 Fund investment asset value used by the Actuary to prepare the employers' IAS19 valuation reports and the 2021/22 Fund financial statements being audited. The estimated increase was approximately £280k to the Authority's carrying value of pension fund assets, which is greater than Performance Materiality. Therefore, a subsequent actuarial report was requested by the Authority to determine the actual return, which showed an actual movement of misstatement of £301k.</p>					
2	Dr: Land and Buildings – Valuation			212	
	Cr: Assets Held For Sale – Valuation				(71)
	Dr: CAA			18	
	Cr: Revaluation Reserve				(159)
<p>Our testing identified that a significant number of assets with a total net book value prior to revaluation of £3.09m had not been revalued by the DVS as per valuation instructions. This presented a significant risk that the draft financial statements were materially misstated. As a result, the Authority requested an updated valuation report to include these assets.</p> <p>The resulting revaluation movement of £212k was above our trivial threshold, but beneath Performance Materiality.</p>					
Total adjusted misstatements			-301	531	(531)

# 07

## Section 07: **Value for Money**

### Approach to Value for Money

We are required to consider 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 and sets out the reporting criteria that we are required to consider. The reporting criteria are:

- **Financial sustainability** - How the Authority plans and manages its resources to ensure it can continue to deliver its services
- **Governance** - How the Authority ensures that it makes informed decisions and properly manages its risks
- **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

At the planning stage of the audit, we undertake work to understand the arrangements that the Authority has in place under each of the reporting criteria and we identify risks of significant weaknesses in those arrangements. Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest significant weaknesses in arrangements exist.

The table overleaf outlines the risks of significant weaknesses in arrangements that we have identified, the risk-based procedures we have undertaken, and the results of our work.

Where our risk-based procedures identify actual significant weaknesses in arrangements we are required to report these and make recommendations for improvement. Where such significant weaknesses are identified, we report these in the audit report.

The primary output of our work on the Authority’s arrangements is the commentary on those arrangements that forms part of the Auditor’s Annual Report. We intend to issue the Auditor’s Annual Report in 2023 once we have received NAO instructions and completed our work on Whole of Government Accounts.

### Status of our work

We are yet to complete our work in respect of the Authority’s arrangements for the year ended 31 March 2022. At the time of preparing this report, we have not identified any significant weaknesses in arrangements that require us to make a recommendation, however we continue to undertake work on the Authority’s arrangements.

Our draft audit report at Appendix B outlines that we have not yet completed our work in relation to the Authority’s arrangements. As noted above, our commentary on the Authority’s arrangements will be provided in the Auditor’s Annual Report.



# Appendices

A: Draft management representation letter

B: Draft audit report

C: Independence

D: Other communications

# Appendix A: Draft management representation letter

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

Dear Sirs

## Peak District National Park Authority - audit for year ended 31 March 2022

This representation letter is provided in connection with your audit of the financial statements of Peak District National Park Authority (the Authority) for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the Code) and applicable law.

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy ourselves that I can properly make each of the following representations to you.

### My responsibility for the financial statements and accounting information

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the Code and applicable law.

### My responsibility to provide and disclose relevant information

I have provided you with:

- Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other material;

- Additional information that you have requested from us for the purpose of the audit; and

Unrestricted access to individuals within the Authority you determined it was necessary to contact in order to obtain audit evidence.

I confirm as Executive Director of Resources that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information.

As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

### Accounting records

I confirm that all transactions that have a material effect on the financial statements have been recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all Authority and committee meetings, have been made available to you.

### Accounting policies

I confirm that I have reviewed the accounting policies applied during the year in accordance with the Code and International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Authority's financial position, financial performance and cash flows.

### Accounting estimates, including those measured at fair value

I confirm that any significant assumptions used by the Authority in making accounting estimates, including those measured at current or fair value, are reasonable.

I confirm that I am satisfied that the actuarial assumptions underlying the valuation of pension scheme liabilities for IAS19 disclosures are consistent with my knowledge. I confirm that all settlements and curtailments have been identified and properly accounted for. I confirm that all significant retirement benefits have been identified and properly accounted for (including any arrangements that are statutory, contractual or implicit in the employer's actions, that arise in the UK or overseas, that are funded or unfunded).





# Appendix A: Draft management representation letter

## Contingencies

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the Authority have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the Code and applicable law.

## Laws and regulations

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

The Authority has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

## Fraud and error

I acknowledge my responsibility as Corporate Finance Manager (& Section 151 Officer) for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

I have disclosed to you:

- All the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- All knowledge of fraud or suspected fraud affecting the Authority involving:
  - management and those charged with governance;
  - employees who have significant roles in internal control; and

others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Authority's financial statements communicated by employees, former employees, analysts, regulators or others.

## Related party transactions

I confirm that all related party relationships, transactions and balances, have been appropriately accounted for and disclosed to you in accordance with the requirements of the Code and applicable law.

I have disclosed the identity of the Authority's related parties and all related party relationships and transactions of which I am aware.

## Impairment review

To the best of my knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the property, plant and equipment and intangible assets below their carrying value at the balance sheet date. I have considered the impact of Covid-19 on the Authority's Investment Properties. An impairment review is therefore not considered necessary.

# Appendix A: Draft management representation letter

## Charges on assets

All the Authority’s assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

## Future commitments

I am not aware of any plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

## Subsequent events

I confirm all events subsequent to the date of the financial statements, and for which the Code and applicable law require adjustment or disclosure, have been adjusted or disclosed.

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

## Covid-19

We confirm that we have carried out an assessment of the on-going impact of the Covid-19 Virus pandemic on the Authority, including the impact of mitigation measures and uncertainties, and that the disclosure in the Statement of Accounts fairly reflects that assessment.

## Brexit

We confirm that we have carried out an assessment of the potential impact of the United Kingdom leaving the European Union, including the potential outcomes at the end of the Implementation Period, and that the disclosure in the Statement of Accounts fairly reflects that assessment.

## Ukraine

We confirm that we have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and that the disclosure in the Narrative Report fairly reflects that assessment.

## Going concern

To the best of my knowledge there is nothing to indicate that the Authority will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

I have updated our going concern assessment in light of the on-going Covid-19 pandemic. I continue to believe that the Authority’s financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that current and future sources of funding or support will be more than adequate for the Authority’s needs. We believe that no further disclosures relating to the Authority’s ability to continue as a going concern need to be made in the financial statements.

## Annual Governance Statement

I am satisfied that the Annual Governance Statement (AGS) fairly reflects the Authority’s risk assurance and governance framework and I confirm that I am not aware of any significant risks that are not disclosed within the AGS.

## Narrative report

The disclosures within the Narrative Report fairly reflect my understanding of the Authority’s financial and operating performance over the period covered by the financial statements.

## Unadjusted misstatements

I confirm that the effects of the uncorrected misstatements set out at Appendix A are immaterial, both individually and in aggregate, to the financial statements as a whole.

Yours faithfully

## Section 151 Officer



# Appendix B: Draft audit report

## Independent auditor’s report to the members of Peak District National Park Authority

### Report on the audit of the financial statements

#### Opinion on the financial statements

We have audited the financial statements of Peak District National Park Authority (“the Authority”) for the year ended 31 March 2022, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 31st March 2022 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Chief Finance Officer’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Chief Finance Officer with respect to going concern are described in the relevant sections of this report.

#### Other information

The Chief Finance Officer is responsible for the other information. The other information comprises the Annual Governance Statement and information included in the Statement of Accounts, other than the financial statements, and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Responsibilities of the Chief Finance Officer for the financial statements

As explained more fully in the Statement of the Chief Finance Officer’s Responsibilities, the Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22, and for being satisfied that they give a true and fair view. The Chief Finance Officer is also responsible for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Finance Officer is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and prepare the financial statements on a going concern basis on the assumption that the functions of the Council will continue in operational existence for the foreseeable future. The Chief Finance Officer is responsible for assessing each year whether or not it is appropriate for the Authority to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Authority, we identified that the principal risks of non-compliance with laws and regulations related to the Local Government Act 2003 (and associated regulations made under section 21), the Local Government Finance Acts of 1988, 1992 and 2012, and the Accounts and Audit Regulations 2015, and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated the Chief Finance Officer’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with management and the Authority Committee the policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Authority which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management and the Authority Committee on whether they had knowledge of any actual, suspected or alleged fraud;

- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Authority Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

We are also required to conclude on whether the Chief Finance Officer’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statement and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the National Audit Office in September 2021.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor’s report.

Report on the Council’s arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2022.

We have not completed our work on the Authority’s arrangements. On the basis of our work to date, having regard to the guidance issued by the Comptroller and Auditor General, we have not identified any significant weaknesses in arrangements for the year ended 31 March 2022.

We will report the outcome of our work on the Authority’s arrangements in our commentary on those arrangements within the Auditor’s Annual Report. Our audit completion certificate will set out any matters which we are required to report by exception.

# Appendix B: Draft audit report

## Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

### Auditor’s responsibilities for the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required under section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority’s arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in December 2021.

### Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

### Use of the audit report

This report is made solely to the members of Peak District National Park Authority, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the Authority those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Authority, as a body, for our audit work, for this report, or for the opinions we have formed.

## Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed:

- the work necessary to issue our assurance statement in respect of the Authority’s Whole of Government Accounts consolidation pack; and
- the work necessary to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

**Mark Surridge, Engagement Lead**

For and on behalf of Mazars LLP

# Appendix C: Independence

As part of our ongoing risk assessment, we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We can confirm that no new threats to independence have been identified since issuing the Audit Strategy Memorandum and therefore we remain independent.



# Appendix D: Other communications

Other communication	Response
Compliance with Laws and Regulations	<p>We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations.</p> <p>We will obtain written representations from management that all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements have been disclosed.</p>
External confirmations	<p>We did not experience any issues with respect to obtaining external confirmations.</p>
Related parties	<p>We did not identify any significant matters relating to the audit of related parties.</p> <p>We will obtain written representations from management confirming that:</p> <ul style="list-style-type: none"><li>a. they have disclosed to us the identity of related parties and all the related party relationships and transactions of which they are aware; and</li><li>b. they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework.</li></ul>
Going Concern	<p>We have not identified any evidence to cause us to disagree with the Chief Financial Officer that Peak District National Park Authority will be a going concern, and therefore we consider that the use of the going concern assumption is appropriate in the preparation of the financial statements.</p>

Other communication	Response
Subsequent events	<p>We are required to obtain evidence about whether events occurring between the date of the financial statements and the date of the auditor's report that require adjustment of, or disclosure in, the financial statements are appropriately reflected in those financial statements in accordance with the applicable financial reporting framework.</p> <p>We will obtain written representations from management that all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.</p>
Matters related to fraud	<p>We have designed our audit approach to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement due to fraud. In addition to the work performed by us, we will obtain written representations from management, and Those Charged with Governance, confirming that</p> <ol style="list-style-type: none"><li>they acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud;</li><li>they have disclosed to the auditor the results of management's assessment of the risk that the financial statements may be materially misstated as a result of fraud;</li><li>they have disclosed to the auditor their knowledge of fraud or suspected fraud affecting the entity involving:<ol style="list-style-type: none"><li>Management;</li><li>Employees who have significant roles in internal control; or</li><li>Others where the fraud could have a material effect on the financial statements; and</li></ol></li><li>they have disclosed to the auditor their knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.</li></ol>



# Mark Surridge

## Mazars

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.

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**8. STATEMENT OF ACCOUNTS 2021/22 (JW)**

**Purpose of the Report**

1. To seek approval for the audited Statement of Accounts for 2021/22.

**Recommendation**

2. **1. That the audited Statement of Accounts for 2021/22 as attached at Appendix 1 be approved.**

**How does this contribute to our policies and legal obligations?**

3. The Accounts and Audit Regulations 2015 Section 9 requires the Statement of Accounts to be approved by Members by 31<sup>st</sup> July of each year, however for financial years 2020/21 and 2021/22 this has been extended to 30 September. The draft accounts were authorised for issue by the Chief Finance Officer on the 17<sup>th</sup> June 2022, and were available on the website from that day.
4. However, it has not been possible for our External Auditors Mazars to meet the 30<sup>th</sup> September 2022 deadline and as such Mazars has issued an Audit Letter dated 23 September 2022 to the Authority confirming that the Auditor's Annual Report would not be issued by 30 September 2022. The accounts were audited in June 2022, with updates in September and December, and this report has been prepared on the strength of current audit findings and could be subject to further updates before final sign off from External Audit. Any changes will be tabled at committee as appropriate.
5. Section 9 (3) a of the Accounts and Audit Regulations 2015 also requires "that the responsible financial officer for a Category 1 authority must re-confirm on behalf of that Authority that they are satisfied that the statement of accounts presents a true and fair view of—  
(a) the financial position of the authority at the end of the financial year to which it relates;  
and  
(b) that authority's income and expenditure for that financial year."

The Chief Finance Officer re-confirms that the Statement of Accounts in Appendix 1 meets the above requirement.

**Proposals**

6. The draft position on over and under spending was reported to the Authority Meeting on 20 May 202 (Minute number 37/22), the final audited accounts include the following changes that became apparent during the closure of the accounts. It is necessary for the outturn to be approved before the final outcome of the audit is known, therefore there is always the potential that the outturn figures will change during the course of the audit.

Reserve	May Outturn £'000s	Final Accounts £'000s	Variance plus (minus) £'000s	Comments
General Reserve	490	614	124	Gain on the disposal of fixed assets
Capital Reserve	1,598	1,598	0	
Specific Reserves	7,277	7,277	0	
Restricted Funds	123	123	0	
<b>Total</b>	<b>9,488</b>	<b>9,612</b>	<b>124</b>	

### Audit of the Accounts

7. The audit has been completed and the Audit Completion Report (ACR) is a separate agenda item. Appendix 2 of this report lists the amendments made to the draft Accounts following audit recommendations, and these amendments have all been incorporated into the final version. Any final amendments required in order to allow the auditors to issue their opinion, will be updated as required.
8. The Authority appoints a RICS Registered Valuer (Royal Institution of Chartered Surveyors) from the Valuation Office Agency to value the fixed assets each year as part of the Statement of Accounts processes. This is to ensure that the values held within the Authority's accounts are independently assessed. During the SOA process for 2021/22 the appointed valuer failed to complete the valuations as per the valuation instructions which resulted in additional work being required. The revised valuations were received in December 2022 with final supporting documentation being received in January 2023. The CFO had to make changes between the draft and final version of the audited SOA based on the revised valuations and has resulted in an increase the valuation of the land and building of £212k. During the course of the audit a misstatement in the value of the assets held for sale was also discovered, reducing the value by £71k, therefore there was net change in the value of assets of £140k.
9. In December 2022, the external auditors made it known that the pension values for the Authority had increased by 0.42% as a result of the audit of the Derbyshire Pension Fund. The Authority is part of the Derbyshire Pension Fund administered by Derbyshire County Council. The values included within the Statement of Accounts are wholly supplied by Hyman's the Actuary. For most Local Authorities who are members of the Derbyshire Pension Fund the change is not material, however for the Peak District National Park Authority the difference is large enough to require an updated valuation figure from the actuary. The updated report was received on 12 January 2023 and has shown a change of £301k in the asset values. This has been changed in the Statement of Accounts.

### Are there any corporate implications members should be concerned about?

10. **Financial:**  
The financial position was explained in the outturn report to the Authority on 20 May 2022 (Minute number 37/22) and the Statement of Accounts contains explanations and commentary as required by the Code of Accounting Practice. The final adjustments to reserves do not affect any of the advice or conclusions reached in the outturn report.

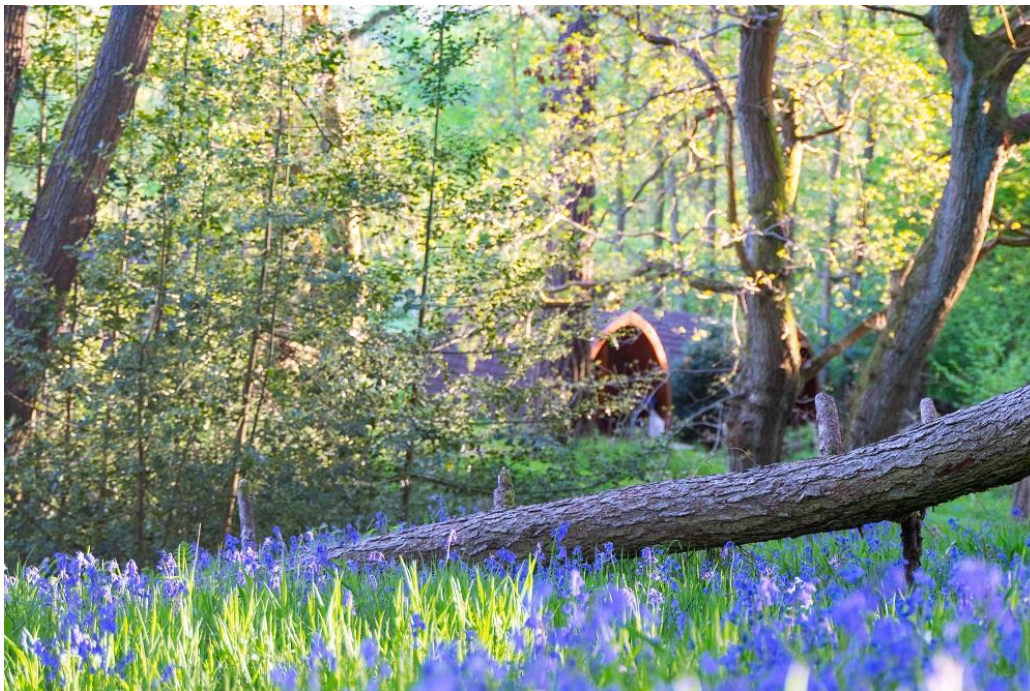
11. **Risk Management:** The external audit process is an integral part of the Statement of Accounts process and is a risk-based process. This mitigates the risks of material misstatements in the Statement of Accounts.
12. **Sustainability:** Not applicable
13. **Equality:** Not applicable
14. **Climate Change:** Not applicable
15. **Background Papers** (not previously published): None
16. **Appendices:**  
  
Appendix 1 – Statement of Accounts for Financial Year 1 April 2021 to 31 March 2022
17. **Report Author, Job Title and Publication Date**  
  
Justine Wells, Head of Finance and Chief Finance Officer, 26 January 2023  
[Justine.wells@peakdistrict.gov.uk](mailto:Justine.wells@peakdistrict.gov.uk)

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# Statement of Accounts

2021/22





## **Statement of Accounts for the Financial Year**

**1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022**

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**Signed:**

**Date: 3 February 2023**

**Chair of the Authority**

In accordance with the requirements of the Accounts & Audit Regulations 2015 paragraph 9 (2) c



# **Peak District National Park Authority Annual Accounts for the Year Ended 31<sup>st</sup> March 2022**

## **1 Statement of Responsibilities for the Statement of Accounts**

### **The Authority's responsibilities**

The Authority is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its Officers has the responsibility for the administration of those affairs. In this Authority, that person is the Chief Finance Officer.
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- to approve the statement of accounts.

### **The Chief Finance Officer's responsibilities**

The Chief Finance Officer is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in The United Kingdom ('the Code').

In preparing this statement of accounts, the Chief Finance Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code.

The Chief Finance Officer has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

### **Authorisation for Issue and Certificate of Chief Finance Officer**

I certify that the accounts give a true and fair view of the financial position of the National Park Authority as at 31<sup>st</sup> March 2022 and its income and expenditure for the year ended 31<sup>st</sup> March 2022.

Justine Wells CPFA  
Head of Finance and Chief Finance Officer  
3 February 2023

# **Peak District National Park Authority**

## **Annual Accounts for the Year Ended 31<sup>st</sup> March 2022**

### **2 Narrative Report**

2.1 These Accounts contain all the information required by the Accounts & Audit Regulations 2015 and the Code of Practice on Local Authority Accounting, with accounts prepared in accordance with International Financial Reporting Standards (IFRS). As the Authority does not have any material interests in subsidiaries, associates or jointly controlled entities, these Accounts represent the accounts of a single entity and no consolidated Group Accounts are required.

2.2 Accompanying notes, cross referenced from the statements, explain in greater detail some of the calculations and reasoning behind the figures; these notes, on pages 24 – 58, form part of the financial statements. The figures are rounded up to the nearest pound. The accounts comprise the following principal statements:-

#### Comprehensive Income & Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

#### Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Authority, analysed into “usable” reserves (i.e. those that can be applied to fund expenditure) and other unusable reserves. The Statement shows how the movement in year of the Authority’s reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices, and the statutory adjustments required to return to the amounts required to be reported to show the impact on the General Fund Balance, in line with statute for Local Authorities.

#### Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets (assets less liabilities) of the Authority are matched by the reserves held by the Authority, which are reported in two categories. The first category of reserves are usable reserves i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The Capital Receipts Reserve may only be used to fund capital expenditure or repay debt, and the remaining revenue reserves comprise the “General Fund Balance”, although this is split further into Restricted Reserves, Earmarked reserves, and the General Reserve. The second category of reserves comprises those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses - e.g. the Revaluation Reserve, where amounts would only become available to provide services if the assets are sold - and reserves that hold timing differences shown in the Movement in Reserves Statement line “Adjustments from income and expenditure charged under the accounting basis to the funding basis”.

#### Cash Flow Statement

The Cash Flow statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of National Park Grant, other grant income, or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority’s future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

2.3 Each year the Department for Environment, Food and Rural Affairs (Defra) sets the level of funding for the National Park Authority. In 2021/22, the funding was again set at £6.699m

(£6.699m in 2020/21). An annual balanced budget is set by the Authority based on the National Park Grant, income from sales, fees and charges and internal financing measures such as interest on cash flow and use of reserves.

2.4 Overall, the Authority's usable reserves increased by £3.008m, with a £1.882m net transfer into earmarked reserves of which £1.589m is a transfer to a new Revenue Grant Reserve for unspent grant income received in year and the remaining underspends from across the Authority. There was also a net increase of £721k to the Capital Receipts Reserve, mainly as a result of the sale of assets. The General reserve increased by £393k including of a £130k transfer from the Covid-19 Reserve (agreed by Members in November 2021), a £123k gain on the sales of assets plus underspends across the Authority.

2.5 The Service Expenditure Analysis recommended for all National Park Authorities has been retained, with income and expenditure being allocated across eight functional headings. Note 36 highlights the possible future impact on the Authority's accounts of any accounting changes required by accounting standards, which have been issued, but not yet adopted.

2.6 The Authority continued its rolling programme of asset re-valuations, concentrating this year on the car park assets.

2.7 The Authority is required to show the present value surplus or deficit position on its share of the Pension Fund on the Balance Sheet. The net position as at 31<sup>st</sup> March 2021 shows a liability of £15.208m, a reduction of £7.437m compared to the liability of £22.645m for the previous year (representing a pension liability, which is now 81% funded, up from 79% in 2020/21). The liability is assessed on an actuarial basis using a present value estimate of the pensions that will be payable in future years, over and above the assets within the Fund retained for this purpose. The level of employer and employee contributions into the Fund are assessed every three years with a view to ensuring that the assets within the Fund are capable of financing in full future pension commitments. Significant fluctuations in the valuations for pension assets and liabilities often occur as a result of the prevailing economic conditions (e.g. bond yields, stock market values, inflation rates etc), on which the valuations are based, at the balance sheet date. Full details are explained in Note 32.

2.8 For the 2021/22 financial year, the Authority set a borrowing limit (the "authorised" limit) of £2.5m. The Authority's external borrowing as at 31<sup>st</sup> March 2022 was £362k. The Authority's Capital Financing Requirement, i.e. its underlying need to borrow for capital purposes, was £1.325m at 31/03/2022 (£1.306m at 31/03/2021). The Authority did not enter into any financing transactions during the year, and relied upon internal cash resources.

#### 2.9 Analysis of amounts recognised in the financial statements.

On 19 February 2021, the Authority approved the 2021/22 Budget and the variances from 2021/22 were mainly as a result pay underspends caused by vacancies as well as some areas of income greater than budgeted. A more detailed financial commentary on the 2021/22 results can be found in the outturn report which was reported to the Authority meeting on 20 May 2022; obtainable from the Authority's website ([www.peakdistrict.gov.uk](http://www.peakdistrict.gov.uk) - under Committee meetings) or by request to the Head of Finance, Aldern House, Baslow Rd, Bakewell, Derbyshire, tel. 01629 816344. Many of the changes shown in the Comprehensive Income and Expenditure Statement arise from normal business or from the impact of the coronavirus pandemic and project related fluctuations; the main differences (above £50k and 10% of the previous year's net expenditure) are outlined below.

	Difference £'000s	Comment
<b>Comprehensive Income and Expenditure Statement (CIES)</b>		
Conservation & Environment Projects	-1,056	Natural fluctuation in project costs between financial years.
Cycle Hire	-55	Lower cycle purchases than previous year. Higher than average sales in 2020/21 due to higher cycle sales during the pandemic.
Access, Walking & Riding Routes	+347	Downwards revaluation of Millers Dale buildings following asset revaluation.
Car Parks & Concessions	-122	Increase in visitor car park income due to continuing increase in visitor numbers.
Campsites, Hostels & Barns	-67	Increase in campsite income following closures during the pandemic in 2020/21.
Promoting Understanding Projects	-125	Natural fluctuation in project costs between financial years.
Rangers	+107	Increase in accounting for pensions (International Accounting Standard (IAS) 19, Retirement Benefits - see Note 32) no large variances on operational costs or income.
Property Team	+86	Higher pay costs and the costs for the replacement of septic tanks funded from reserves.
Development Control	+115	Vacancies in the service being covered by consultants as well as a reduction in income for pre-application advice and monitoring and enforcement.
Planning Policy	+83	Increase in pay costs due to realignment of budgets following Management Team restructure.
Community Development	-133	One off community development costs funded by S106 contributions in 2020/21 and one off bequest receipts in 2021/22.
Legal Services	+64	Increase in accounting for pensions (IAS 19) no large variances on operational costs or income.
Customer and Business Support Team	+61	Increase in accounting for pensions (IAS 19) no large variances on operational costs or income.
Finance	+57	Increase in accounting for pensions (IAS 19) no large variances on operational costs or income.
Corporate Management	-186	Additional income for corporate overheads.
People Management	+98	Increase in pay costs due to realignment of budgets following Management Team restructure.
Non-Distributed Costs / past service costs	-70	Redundancy costs incurred in 2020/21 but not in 2021/22.
<b>Balance Sheet</b>		
Long Term Assets	-94	Capital additions of £510k (enhancement of trails facilities, tenanted farms, North Lees property and IT expenditure), net asset revaluations of £87k, and depreciation of £690k.
Current Assets	+765	Current assets have increased mainly due to an increase in cash and cash equivalents, offset by reductions in short term debtors, inventories and disposals of assets held for sale of £615k.
Current Liabilities	-62	The level of creditors fluctuates between years because of one-off project expenditure variations; the increase is mainly because of normal project fluctuations in creditors.
Long Term Liabilities	-8,908	The variance is largely the impact of the actuarial estimates used to provide notional figures to comply with International Accounting Standard 19 – Retirement Benefits - (see Note 32), with an reduction in the long term liability of £7.253m. It also includes a reduction in grants received in advance of £1.595m which have now been recognised in full as income received and transferred to an earmarked reserve (see Note * Prior Period Adjustments).
Usable Reserves	+3,008	The variance in the usable reserves includes £1.595m income in advance now added to an earmarked reserve as per the CIPFA code, £737k of capital receipts to the capital receipt reserve, £73k of bequests received to a restricted reserve plus general underspends across the Authority (see 20 May 2022 Outturn 2021/22 Authority report for details).

## The Development and Performance of the Authority in the 2021/22 Financial Year

2.10 The Authority has two significant operational plan documents relevant to the financial year covered in this Statement of Accounts:-

- The Annual Governance Statement 2021/22
- The Performance and Business Plan 2021/22, with the Authority meeting receiving performance monitoring reports on progress in achieving year end performance targets, based on this plan.

The fourth quarter monitoring report and relevant appendices can be found on the website following these links:-

- 2021/22 Year End Performance Report, 2021/22 Performance and Business Plan and 2022/23 Corporate Risk Register  
<https://democracy.peakdistrict.gov.uk/documents/s47479/EF%20Year%20End%20Performance%20Report%202021-22%20Performance%20and%20Business%20Plan%20and%20Corporate%20Risk%20Register.pdf>
- Appendix 1 2021-22 Q4 Performance report draft  
<https://democracy.peakdistrict.gov.uk/documents/s47480/EF%20Appendix%201%20-%202021-22%20Q4%20Performance%20report.pdf>
- Appendix 2a Performance and Business Plan 2021-22  
<https://democracy.peakdistrict.gov.uk/documents/s47481/EF%20Appendix%202a%20-%20Performance%20and%20Business%20Plan%202021-22%20draft%20content.pdf>
- Appendix 3 Corporate Risk Register 2021-22 Q4  
<https://democracy.peakdistrict.gov.uk/documents/s47483/EF%20Appendix%203%20-%20Corporate%20Risk%20Register%202021-22%20Q4.pdf>

The Annual Governance Statement can be found on the website here:-

- <https://democracy.peakdistrict.gov.uk/documents/s47694/Draft%20Unadudited%20Annual%20Governance%20Statement%20published%20310522.pdf>

The performance monitoring report summarises progress into two categories:- priorities on target and priorities with performance issues. The Chief Finance Officer has reviewed the above documents with a view to reporting any additional explanations which may help users of these accounts to understand what impact any significant departure from planned expectations has had on the reported financial statements. Where items are identified as not achieved, an explanation will be provided if this has a material financial impact on the Statement of Accounts. In relation to the 2021/22 year, the quarter 4 and final outturn monitoring report do not raise any such performance concerns in this category.

The Annual Governance Statement reviews the Authority's governance arrangements and identifies any issues relevant during the year which may have an effect on effectiveness. The Annual Governance Statement for 2021/22 identifies nine issues for improvement action. The Chief Finance Officer has reviewed the statements on governance for the 2021/22 year, and these issues, alongside their impact on the reported financial statements. There are four issues identified which may have a future impact on the Authority's resources;

1. The impact of the recommendations in the Landscapes Review of National Parks, if implemented,
2. The non-inflationary level of the National Park Grant (NPG) 3-year settlement from 2022/23 onwards.
3. The ongoing social and economic impact of the Covid-19 pandemic with continuing uncertainty as to the long term impact on the Authority to deliver its statutory purposes.
4. The Authority's ability to achieve sustainable gross income targets.

## The Authority's Cashflow

2.11 The Cashflow statement shows how cash resources were expended or received during the year. The main factors affecting the Authority's cashflows are:-

- The timing of grant monies, usually claimed after funds are expended

- The timing of drawdown of National Park Grant from Defra
- Any significant capital expenditure and the timing of any borrowing to support this expenditure
- The availability of reserve monies.

The Authority estimates cashflow expenditure and draws down National Park Grant in advance on a quarterly basis; because of the variability of grant funding and the significant amount of external grant funding the Authority receives, a large margin of safety is built into the drawdown of National Park Grant, so that the Authority does not have to borrow monies temporarily for cashflow purposes.

### Capital Expenditure and Commitments

2.12 The Authority approved a Capital Strategy in December 2015 which set out a forward Capital Programme which remains current. The strategy estimated potential capital expenditure in support of the corporate strategy of up to £3.59m, financed by borrowing of up to £2.49m and allocations from the Authority's Capital Reserve of up to £1.1m. Additional business cases have been approved for capital expenditure since the Strategy was approved including £600k from the Capital Reserve to support structural work on the Trails structures (ARP Minute 51/16 16 September 2016); Two prior approvals are also in progress, a minor works programme (£213k Minute 58/11) and an environmental programme (£250k Minute 58/11); of which there remains £35k and £115k respectively from the Capital Reserve, for ongoing works. A number of smaller projects have also been approved within the confines of the above Capital Strategy. All Capital expenditure is governed by the key principles and working assumptions outlined in the Capital Strategy which can be found on the Authority's website under the agenda and reports section of the Authority meeting for December 2015. The Capital Reserve reported in the Balance Sheet increased overall by in year asset sales. The Capital Financing Requirement is estimated to increase based on the additional borrowing and this has been covered by a higher Authorised Limit as approved in the May 2021 Authority report, rising to £2.5m for 2021/22 and up to £3m in 2023/24. Debt repayments for the additional borrowing are either found within current revenue budgets or are funded by income, with the risk covered by a combination of strong interest cover ratios and increased asset values, rather than underwritten by reliance on National Park Grant.

### Major Changes in Statutory Functions or delivery, and Reduction in Services

2.13 There are no major changes in statutory functions. The budget for the 2021/22 year was approved on the basis that the Authority would be able to balance its revenue budget with reasonable assurance up to March 2023, based on the current Spending Review period.

### National Park Grant

2.14 Defra confirmed in March 2021 that the 2021/22 National Park Grant figure would again, be frozen at its 2020/21 cash level. The November 2021 Spending Review was a three year settlement and as a result in May 2022 the Authority was issued with a three year grant agreement from Defra. This confirmed that the grant level will remain fixed at £6.669m for 2022/23, 2023/24 and 2024/25 (although 2023/24 and 2024/25 figures are indicative only). Despite the publication of Landscapes Review in September 2019, which recommended inflation protection for National Park Grant as a minimum, this has yet to be implemented. The medium term financial stability of National Parks therefore remains uncertain.

### Coronavirus Pandemic

2.15 In the early part of 2021/22 continuing lockdowns meant that some of Authority's directly managed recreation and tourism facilities were closed, however a general increase in visitor numbers has meant that overall income has not been adversely affected. This also means that the Covid Reserve (which was established at the end of 2020/21) has not been required for a second year. Therefore, Members approved a reduction in the reserve in the 19 May 2022 Outturn report. A balance of £126k has been maintained to be used for any post-covid working arrangements including health and well-being and long term hybrid working arrangements.

## Conclusion

2.16 The Authority has maintained a satisfactory financial position in 2021/22, and this strength stems from the operation of four principal aspects of our financial strategy. The first is achieving a balance between maximising funding sources, and ensuring that agreed budgets do not include speculative or imprudent assumptions. The second follows on as a consequence, ensuring that our budgetary control procedures remain robust, particularly in early monitoring of the risks implicit in our provision of demand-led services. The third is the need to ensure that the Authority's fixed asset base is sustainable, with an approved Asset Management Plan in place and a matching Capital Strategy approved, with rationalisation of the Authority's property portfolio reducing maintenance liabilities and providing possible capital receipts. The fourth concerns a cautious approach to longer term commitments, ensuring the Authority is able to maintain a degree of flexibility in responding to future settlements, whilst retaining sufficient contingency reserves.

## **3 Summary of Significant Accounting Policies**

### **3.1 General Principles**

3.1.1 The Statement of Accounts summarises the Authority's transactions for the 2021/22 financial year and its position at the year-end of March 2022. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which require preparation in accordance with proper accounting practices. These practices comprise the Code of Practice on Local Authority Accounting in the UK (2021/22), supported by International Financial Reporting Standards (IFRS).

3.1.2 The accounting convention adopted in the Statement of Accounts is principally historic cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

3.1.3 The analysis of expenditure used in the Comprehensive Income and Expenditure Statement is based on the requirements contained in the Grant Funding Agreement issued by the Department for Environment, Food and Rural Affairs (Defra), and is consistent with internal management reporting.

### **3.2 Accruals of Income and Expenditure**

3.2.1 Activity is accounted for in the year in which it takes place, not when cash payments are made or received. In particular:-

- Revenue from the sales of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of a transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Supplies are recorded as expenditure when they are consumed; where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for as income and expenditure respectively on the basis of the effective interest rate for the relevant financial instrument, rather than the cash flows fixed or agreed by the contract, which may be different.
- When revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the amount which might not be collected is written down from the debtors' balance and charged to the Comprehensive Income and Expenditure Statement (CIES).

### **3.3 Acquisitions and Discontinued Operations**

3.3.1 Any income or expenditure directly related to the acquisition of operating services, or discontinued operations, is shown in a separate disclosure note to the accounts (Note 22), together with any outstanding liabilities arising from closure of a service.

### **3.4 Cash and Cash Equivalents**

3.4.1 Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature within 3 months or less from the date of acquisition and are readily convertible to known amounts of cash with no significant risk of a change in value.

3.4.2 In the Cashflow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand.



### **3.5 Exceptional Items**

3.5.1 When items of income and expenditure are material, their amount is disclosed separately in a note to the accounts.

### **3.6 Prior Period Adjustments, Changes in Accounting policies and estimates and errors**

3.6.1 Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for in the year affected by the change and do not give rise to a prior period adjustment.

3.6.2 Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information. Material errors discovered in prior period figures are corrected. Where a change is made it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied, or as if the error had not been made.

### **3.7 Charges to Revenue for Non-Current Assets**

3.7.1 Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- amortisation of intangible assets attributable to the service.

3.7.2 The Authority is not required to charge the National Park Grant with the amount required to fund depreciation, revaluation and impairment losses or amortisations. It is however required to make an annual contribution from revenue to the reduction in its overall borrowing requirement, which is derived from an amount prudently determined by the Authority in accordance with its Treasury Management Policy. This contribution is known as the Minimum Revenue Provision and any difference between the two amounts is adjusted for between the capital adjustment account and the General Fund balance.

### **3.8 Employee Benefits**

3.8.1 Short-term employee benefits are those due to be settled within 12 months of the year end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the salary rate applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services in the CIES, but is then reversed out through the Movement in Reserves Statement so that holiday benefits are actually charged to revenue in the financial year in which the holiday absence occurs.

3.8.2 Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy, and are charged on an accruals basis to the appropriate service in the CIES when the Authority is committed to the termination. Where termination before retirement involves additional cost to the pension fund, statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are therefore required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

### **3.9 Post - Employment Benefits**

3.9.1 Employees of the Authority can choose to be a member of the Local Government Pensions Scheme, administered by Derbyshire County Council, which provides defined pension benefits to members earned as employees whilst working for the Authority. The cost of providing pensions for employees in this scheme is funded in accordance with the statutory requirements governing the scheme, and is accounted for in accordance with the requirements of IAS 19, as interpreted by the Code of Practice.

3.9.2 The liabilities of the pension fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc and projections of earnings for current employees. Liabilities are discounted to their value at current prices, using a discount rate.

3.9.3 The assets of Derbyshire County Council's pension fund attributable to the Authority are included in the Balance Sheet at their fair value – at current bid price for quoted securities; professional estimate for unquoted securities; and market value for property.

3.9.4 The change in the net pension's liability is analysed into six components:-

- current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the CIES to the services for which the employee worked.
- past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years –debited to the Surplus or Deficit on the Provision of Services in the CIES as part of Non-Distributed Costs.
- Net interest cost – the change during the period in the scheme's net liability arising from the passage of time - debited to the Financing and Investment Income & Expenditure line in the CIES.
- Re-measurements: – the return on scheme assets attributable to the Authority, excluding amounts included in the net interest cost above, charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Re-measurements:- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions, charged to the Pensions' Reserve as Other Comprehensive Income and Expenditure.
- contributions paid to the pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities, not accounted for as an expense.

3.9.5 Statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are movements to and from the Pensions' Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid or payable to the pension fund. The negative balance that arises on the Pensions' Reserve therefore measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than when benefits are earned by employees.

### **3.10 Events After the Balance Sheet Date**

3.10.1 Events after the Balance Sheet date are those events that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those which provide evidence of conditions that existed at the end of the reporting period, in which case the Statement of Accounts is adjusted to reflect such events.
- those which are indicative of conditions that arose after the reporting period, in which case the Statement of Accounts is not adjusted to reflect these events, but where a category of events

would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

3.10.2 Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

### **3.11 Financial Instruments**

3.11.1 Financial Liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income & Expenditure line in the CIES for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

3.11.1 For most of the Authority's borrowings this means that the amount presented in the Balance Sheet is the outstanding principal repayable, and interest charged to the CIES is the amount payable for the year according to the loan agreement.

3.11.2 Gains and losses on the re-purchase or early settlement of borrowing are credited and debited to the Financing and Investment Income & Expenditure line in the CIES in the year of re-purchase / settlement. Where re-purchase has taken place as part of restructuring the loan portfolio, and involves modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the CIES is spread over the life of the loan by an adjustment to the effective interest rate.

3.11.3 Financial Assets are classified into two types – loans and receivables, which are assets which have fixed or known payments but are not quoted in an active market; and available-for-sale assets, which have a quoted market price and may or may not also have fixed or known payments.

3.11.4 Loans and receivables are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income & Expenditure line in the CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.

3.11.5 Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the relevant service, or to the Financing and Investment Income & Expenditure line in the CIES if not attributable. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

3.11.6 Any gains and losses that arise on the de-recognition of an asset are credited or debited to the Financing and Investment Income & Expenditure line in the CIES.

3.11.7 Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

### **3.12 Foreign Currency Translation**

3.12.1 Where the Authority has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts are outstanding at the year-end, they are re-converted at the spot exchange rate at 31<sup>st</sup> March. Resulting gains or losses are recognised in the Financing and Investment Income & Expenditure line in the CIES.

### **3.13 Government Grants and Contributions**

3.13.1 Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Authority when there is reasonable assurance that the Authority will comply with the conditions attached to the payments and that the grants or contributions will be received.

3.13.2 Amounts recognised as due to the Authority are not credited to the CIES until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution, are required to be consumed by the recipient as specified, otherwise the future economic benefits or service potential must be returned to the transferor.

3.13.3 Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line, if attributable, or to Taxation and non-specific Grant Income in the CIES if not ring-fenced or if they are capital grants.

3.13.4 Where capital grants are credited to the CIES, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

### **3.14 Heritage Assets**

3.14.1 Heritage assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities which are held and maintained principally for their contribution to knowledge and culture. The accounting standard has been introduced in order to move these assets onto a valuation basis on the Balance Sheet, rather than as previously, a historic cost basis; the predominant reason for the introduction of the change is to ensure that items held within Local Authority museum and gallery collections are properly reflected in valuation terms on the Balance Sheet.

The standard also allows a Local Authority to move other Community Assets, which are currently accounted for on the same historic cost basis, onto a valuation basis.

Notwithstanding its historical or other heritage qualities, any asset used by an organisation in its operations is still accounted for as an operational asset, and not as a heritage asset. It is therefore accounted for as set out in the Summary of Accounting policies note paragraph 3.19. The current approach to Heritage assets in this Statement of Accounts is summarised in Note 31.

### **3.15 Intangible Assets**

3.15.1 Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.

3.15.2 Intangible assets are measured initially at cost, and are carried on the Balance Sheet at their amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line in the CIES, as are any losses arising from impairment of the asset. Any gain or loss arising on the disposal of an intangible asset is posted to the Other Operating Expenditure line in the CIES.

3.15.3 Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the

General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and, if it is a sale over £10,000, the Capital Receipts Reserve.

### **3.16 Inventories and Long-Term Contracts**

3.16.1 Inventories are included in the Balance Sheet at the lower of cost or net realisable value. The cost of inventories is assigned using the average costing formula.

3.16.2 Long Term Contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

### **3.17 Leases**

3.17.1 Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification. If an arrangement does not have the legal status of a lease but in substance conveys a right to use an asset in return for payment, and fulfilment of the arrangement is dependent on the use of specific assets, they are also accounted for under this policy.

3.17.2 The Authority as Lessee, Finance Leases: property, plant and equipment held under finance leases is recognised on the Balance Sheet at the start of the lease at either its fair value measured at the lease's inception or if lower, the present value of the minimum lease payments. The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset, and any premia paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred. The lease payments are apportioned between a charge for the acquisition of the interest in the asset – which is used to write down the lease liability, and a finance charge which is debited to the Financing and Investment Income & Expenditure line in the CIES. Property, plant & equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life, assuming ownership of the asset does not transfer to the Authority at the end of the lease period. The Authority is not required to account for depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with the Authority's Treasury Management Policy. Depreciation, revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

3.17.3 The Authority as Lessee, Operating Leases: rentals paid under operating leases are charged to the CIES as an expense of the services benefitting from use of the leased property, plant and equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments.

3.17.4 The Authority as Lessor, Finance Leases: where the Authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the start of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant & Equipment or Assets held for sale) is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. A gain, representing the Authority's net investment in the lease, is credited to the same line in the CIES also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet. Lease rentals receivable are apportioned between a charge for the acquisition of the interest in the asset – which is used to write down the lease debtor, and finance income which is debited to the Financing and Investment Income & Expenditure line in the CIES. The gain credited to the CIES on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a

capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve. The written off value of disposals is not a charge against National Park Grant, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

3.17.5 The Authority as Lessor, Operating Leases where the Authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the CIES. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments. Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the asset and charged as an expense over the lease term on the same basis as the rental income.

### **3.18 Overheads and Support Services**

3.18.1 The costs of overheads and support services are not recharged to those services that benefit from the supply or service, as this is how these services are reported in the internal management accounts, however the Authority does maintain an activity-based costing model which helps to inform what these charges would be, which supports our budget setting and determination of financial objectives for services.

### **3.19 Property, Plant & Equipment**

3.19.1 Assets that have physical substance, are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and that are expected to be used for more than one financial year, are classified as Property, Plant & Equipment. Assets below the de minimis value of £10,000 are not introduced into the balance sheet unless they are part of a pooled system of assets.

3.19.2 Recognition: expenditure on the acquisition, creation or enhancement of Property, Plant & Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure which maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

3.19.3 Measurement: Assets are initially measured at cost, comprising the purchase price, and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The Authority does not capitalise borrowing costs incurred whilst assets are under construction. The cost of assets acquired other than by purchase is deemed to be fair value, unless the acquisition has no impact on cash flow, in which case, where an asset is exchanged, the cost of the acquisition is deemed to be the carrying amount of the asset given up in exchange. Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the CIES, unless the donation has been made conditionally, in which case until conditions are satisfied the gain is held in the Donated Assets Account. Where gains are credited to the CIES, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves statement. Assets are carried into the Balance Sheet using the following measurement bases:-

- infrastructure, community assets and assets under construction – depreciated historic cost.
- Surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective.

- other assets – fair value, determined as the amount that would be paid for the asset in its existing use (existing use value = EUV).

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

**3.19.4 Revaluation:** Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the CIES where they arise from the reversal of a loss previously charged to a service. Where decreases in value are identified, and there is a balance of revaluation gains for the asset in the Revaluation Reserve, they are accounted for by writing down the carrying amount of the asset against that balance, up to the amount of the accumulated gains. Where decreases in value are identified, and there is no balance, or an insufficient balance, of revaluation gains for the asset in the Revaluation Reserve, they are accounted for by writing down the carrying amount of the asset against the relevant service line in the CIES. The Revaluation Reserve contains revaluation gains recognised since 1<sup>st</sup> April 2007 only, the date of its formal implementation. Gains arising before that date were consolidated into the Capital Adjustment Account.

**3.19.5 Impairment:** Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for this shortfall. Where decreases in value are identified, and there is a balance of revaluation gains for the asset in the Revaluation Reserve, they are accounted for by writing down the carrying amount of the asset against that balance, up to the amount of the accumulated gains. Where impairment losses are identified, and there is no balance, or an insufficient balance, of revaluation gains for the asset in the Revaluation Reserve, they are accounted for by writing down the carrying amount of the asset against the relevant service line in the CIES. Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line in the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

**3.19.6 Depreciation:** Depreciation is provided for on all Property, Plant & Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets which are not yet available for use (i.e. assets under construction). Depreciation is calculated on a reducing balance basis as follows:-

Type of Fixed Asset	Depreciation Period
Land & Community assets	Nil
Furniture & Equipment	over the life of the asset – 5-10 years; computer hardware 3 years
Vehicles	over the life of the asset – 6-20 years
Car Parks	over the life of the asset – 15-20 years
Buildings	over the life of the asset – 60 years, unless the valuer indicates a shorter asset life.
Intangible Assets	over the life of the asset – 5 years
Surplus Assets	Surplus assets are usually Buildings, so they share the same 60-year asset life, unless the valuer indicates a shorter asset life.
Infrastructure Assets	over the life of the asset – 60 years, unless a shorter asset life is warranted as a result of applying a component accounting approach

Where an item of Property, Plant & Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation

charged on assets and the depreciation that would have been chargeable based on their historic cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

**3.19.7 Disposals and Non-current Assets Held for Sale:** When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is re-classified as an Asset Held for Sale. The asset is re-valued immediately before re-classification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the CIES. Gains in fair value are recognised only up to the amount of any previous losses in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale. If assets no longer meet the criteria to be classified as Assets Held for Sale, they are re-classified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale (adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale) and their recoverable amount at the date of the decision that the criteria were not met. Assets that are to be scrapped are not re-classified as Assets Held for Sale.

**3.19.8** Where an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal. Receipts from disposals are credited to the same line in the CIES (i.e. netted off). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account. The written off value of disposals is not a charge against National Park Grant, as the cost of fixed assets is fully provided for under separate Local Authority arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

**3.19.9** Amounts received for a disposal in excess of £10,000, or where the asset has been previously capitalised, are categorised as capital receipts and are credited to the Capital Receipts Reserve, available only for new capital investment or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

## **3.20 Provisions, Contingent Liabilities and Contingent Assets**

**3.20.1** Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the appropriate service line in the CIES in the year that the Authority becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation. When payments are eventually made they are charged to the provision carried in the Balance Sheet. If the provision proves not to be required, the provision is reversed and credited back to the CIES. Income potentially recoverable from a third party which would offset the provision is only recognised if it is virtually certain to be received.

**3.20.2** A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent liabilities are not recognised in the Balance Sheet but are disclosed in a note to the accounts. Where the event might give rise to an asset (i.e. a contingent asset) these are not recognised in the Balance Sheet but are disclosed in a note to the accounts only where it is probable that there will be an inflow of economic benefits or service potential.

## **3.21 Reserves**

**3.21.1** The Authority sets aside specific amounts as reserves for future National Park purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund Balance in the Movement in Reserves statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year against the Surplus or Deficit on the Provision of Services in the CIES. The reserve is then transferred back in to the General Fund



Balance in the Movement in Reserves Statement so that there is no net charge against National Park Grant for the expenditure. Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Authority.

### **3.22 Revenue Expenditure Funded from Capital Under Statute**

3.22.1 Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the CIES. Where the Authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the National Park Grant.

### **3.23 VAT**

3.23.1 VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

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## 4 Comprehensive Income and Expenditure Statement

Restated 2019/20			Restated 2020/21			2021/22		
Gross Expenditure £'000s	Income £'000s	Net Expenditure £'000s	Gross Expenditure £'000s	Income £'000s	Net Expenditure £'000s	Gross Expenditure £'000s	Income £'000s	Net Expenditure £'000s
7,196	(5,909)	1,287	7,035	(6,085)	950	5,783	(5,812)	(29)
323	(14)	309	286	(13)	273	328	(20)	308
1,609	(952)	657	1,316	(902)	414	1,843	(1,234)	609
1,505	(840)	665	1,165	(577)	588	1,328	(846)	482
1,697	(358)	1,339	1,575	(319)	1,256	1,737	(301)	1,436
1,007	(311)	696	827	(341)	486	903	(302)	601
795	(59)	736	693	(1)	692	718	(90)	628
2,959	(230)	2,729	2,818	(99)	2,719	2,845	(137)	2,708
0	(1,577)	(1,577)	0	(1,624)	(1,624)	0	0	0
17,091	(10,249)	6,841	15,715	(9,961)	5,754	15,485	(8,742)	6,743

## 5 Movement in Reserves Statement 2021/22

	General Fund Balance £'000s	Capital Receipts Reserve £'000s	<u>Total Usable Reserves</u> £'000s	Un-usable Reserves £'000s	<u>Total Authority Reserves</u> £'000s
<b>Balance at 31<sup>st</sup> March 2021</b>	<b>5,727</b>	<b>877</b>	<b>6,604</b>	<b>(3,400)</b>	<b>3,204</b>
<u>Movement in reserves during 2021/22 year</u>					
Total Comprehensive (Expenditure) & Income	(320)	0	(320)	10,462	10,142
Adjustments between accounting basis & funding basis under regulations (Note 6)	2,607	721	3,328	(3,328)	0
<b>Net Increase (Decrease) in 2021/22</b>	<b>2,287</b>	<b>721</b>	<b>3,008</b>	<b>7,134</b>	<b>10,142</b>
<b>Balance at 31st March 2022</b>	<b>8,014</b>	<b>1,598</b>	<b>9,612</b>	<b>3,734</b>	<b>13,346</b>

### Previous Year 2020/21

	General Fund Balance £'000s	Capital Receipts Reserve £'000s	<u>Total Usable Reserves</u> £'000s	Un-usable Reserves £'000s	<u>Total Authority Reserves</u> £'000s
<b>Balance at 31<sup>st</sup> March 2020</b>	<b>5,117</b>	<b>1,293</b>	<b>6,410</b>	<b>5,463</b>	<b>11,873</b>
<u>Movement in reserves during 2020/21 year</u>					
Total Comprehensive (Expenditure) & Income	(913)	0	(913)	(7,756)	(8,669)
Adjustments between accounting basis & funding basis under regulations (Note 6)	1,523	(416)	1,107	(1,107)	0
<b>Net Increase (Decrease) in 2020/21</b>	<b>610</b>	<b>(416)</b>	<b>194</b>	<b>(8,863)</b>	<b>(8,669)</b>
<b>Balance at 31st March 2021</b>	<b>5,727</b>	<b>877</b>	<b>6,604</b>	<b>(3,400)</b>	<b>3,204</b>

## Previous Year 2019/20

	General Fund Balance £'000s	Capital Receipts Reserve £'000s	<u>Total Usable Reserves</u> £'000s	Un-usable Reserves £'000s	<u>Total Authority Reserves</u> £'000s
<b>Balance at 31<sup>st</sup> March 2019</b>	<b>5,005</b>	<b>1,364</b>	<b>6,369</b>	<b>(1,437)</b>	<b>4,933</b>
<u>Movement in reserves during 2019/20 year</u>					
Total Comprehensive (Expenditure) & Income	(402)	0	(1,979)	8,919	6,940
Adjustments between accounting basis & funding basis under regulations (Note 6)	2,090	(71)	2,019	(2,019)	0
<b>Net Increase (Decrease) in 2019/20</b>	<b>1,689</b>	<b>(71)</b>	<b>1,617</b>	<b>6,900</b>	<b>8,517</b>
<b>Balance at 31st March 2020</b>	<b>6,694</b>	<b>1,293</b>	<b>7,987</b>	<b>5,463</b>	<b>13,450</b>

## 6 Balance Sheet as at 31<sup>st</sup> March 2022

Restated 2019/20 £'000s	Restated 2020/21 £'000s		Notes	2021/22 £'000s
		Property, Plant & Equipment		
19,553	18,588	- Land & Buildings	11	18,838
1,001	1,257	- Vehicles, Plant & Equipment	11	1,137
197	159	Intangible Assets	12	175
0	0	Long Term Investments		0
0	0	Long Term Debtors		0
<b>20,751</b>	<b>20,004</b>	<b>Total Long Term Assets</b>		<b>20,150</b>
		Inventories	13	211
324	249	Short Term Debtors	14	3,319
3,780	4,756	Assets held for Sale	16	300
0	986	Cash & Cash Equivalents	15	6,378
5,004	3,523	<b>Total Current Assets</b>		<b>10,208</b>
<b>9,108</b>	<b>9,514</b>			
		Cash & Cash Equivalents	15	0
0	0	Short Term Borrowing	35	(31)
(28)	(30)	Short Term Creditors	17	(1,259)
(1,863)	(1,214)	Accumulated Absences	20	(484)
(319)	(439)	<b>Total Current Liabilities</b>		<b>(1,774)</b>
<b>(2,210)</b>	<b>(1,683)</b>			
		Long Term Borrowing	35	(331)
(392)	(362)	Other Long Term Liabilities	32	(14,907)
(13,807)	(22,645)	Grants Receipts in Advance	26	0
0	0	<b>Total Long Term Liabilities</b>		<b>(15,238)</b>
<b>(14,199)</b>	<b>(23,007)</b>			
		<b>TOTAL NET ASSETS</b>		<b>13,346</b>
<b>13,450</b>	<b>4,828</b>			
		<b>Financed by:</b>		
		<u>Usable Reserves</u>		
1,929	1,846	General Reserve		614
109	50	Restricted Funds	7	123
4,656	5,455	Specific Reserves	7	7,277
6,694	7,351	General Fund Balance	1	8,014
1,293	877	Capital Receipts Reserve	19	1,598
<b>7,987</b>	<b>8,228</b>			<b>9,612</b>
		<u>Unusable Reserves</u>		
8,312	8,041	Revaluation Reserve	20	8,413
11,277	11,643	Capital Adjustment Account	20	10,712
(13,807)	(22,645)	Pensions' Reserve	20	(14,907)
(319)	(439)	Accumulated Absences Account	20	(484)
<b>5,463</b>	<b>(3,400)</b>			<b>3,734</b>
		<b>Total Reserves</b>		<b>13,346</b>
<b>13,450</b>	<b>4,828</b>			

## 7 Cashflow Statement

2020/21 £'000s	2021/22 £'000s
<b><u>Operating Activities</u></b>	
(296) Rents	(327)
(1,439) Charges for Goods and Services	463
(5,691) Grants and Partnership Income	(8,695)
(6,699) National Park Grant and Levies	(6,699)
(25) Interest Received	(19)
0 Discontinued Operations	0
<b>(14,150) Cash Inflows</b>	<b>(15,277)</b>
7,716 Employment Costs	7,371
6,916 Payments for Goods and Services	4,959
184 Other Costs	267
19 Interest Paid	18
0 Discontinued Operations	0
<b>14,835 Cash Outflows</b>	<b>12,615</b>
<b>686 Operating Activities Net Cash Flow</b>	<b>(2,662)</b>
<b><u>Investing Activities</u></b>	
1,040 Purchase of Property, plant and equipment and intangible assets	580
0 Purchase of Investments	0
(107) Sale of Property, plant and equipment and intangible assets	(737)
(166) Capital Grants received	(66)
0 Discontinued Operations	0
<b>767 Investing Activities Net Cash Flow</b>	<b>(223)</b>
<b><u>Financing Activities (Note 38)</u></b>	
28 Repayments of amounts borrowed	30
0 New Loans	0
0 Discontinued Operations	0
<b>28 Financing Activities Net Cash Flow</b>	<b>30</b>
<b>1,481 Net (Increase) Decrease in Cash and Cash equivalents</b>	<b>(2,855)</b>
5,004 Cash and Cash Equivalents at the beginning of the Reporting Period (Note 15)	3,523
<b>(1,481) Net Increase (Decrease) in Cash and Cash equivalents as above</b>	<b>2,855</b>
<b>3,523 Cash and Cash Equivalents at the end of the Reporting Period (Note 15)</b>	<b>6,378</b>

## 8 Notes to the Accounts

### Note 1. Expenditure and Funding Analysis

2020/21 Restated				2021/22		
Net Expenditure chargeable to the General Fund £'000s	Adjustments between the Funding and Accounting Basis £'000s	Net Expenditure in the CIES £'000s		Net Expenditure chargeable to the General Fund £'000s	Adjustments between the Funding and Accounting Basis (See Note 21) £'000s	Net Expenditure in the CIES £'000s
789	162	951	Conservation of the Natural Environment	(574)	543	(31)
243	30	273	Conservation of the Cultural Heritage	242	66	308
448	47	495	Recreation Mgt & Transport	277	360	637
521	67	588	Promoting Understanding	323	159	482
1,114	142	1,256	Rangers, Estates Services & Volunteers	1,121	315	1,436
406	79	485	Development Control	446	155	601
629	62	691	Forward Planning & Communities	498	130	628
2,667	(28)	2,639	Corporate Management & Support Services	1,554	1,137	2,691
<b>6,817</b>	<b>561</b>	<b>7,378</b>	<b>Net Cost of Services</b>	<b>3,887</b>	<b>2,865</b>	<b>6,752</b>
(7,427)	962	(6,465)	Other Income and Expenditure	(6,174)	(248)	(6,422)
<b>(610)</b>	<b>1,523</b>	<b>913</b>	<b>(Surplus) or Deficit</b>	<b>(2,287)</b>	<b>2,617</b>	<b>330</b>
<b>5,117</b>			<b>Opening General Fund Balance</b>	<b>5,727</b>		
<b>610</b>			<b>Surplus (Deficit) on General Fund</b>	<b>2,287</b>		
<b>5,727</b>			<b>Closing General Fund Balance at 31st March</b>	<b>8,014</b>		

The objective of the Expenditure and Funding Analysis is to demonstrate to tax and rent payers how the funding available to this Authority (i.e. government grants, rents, etc.) for the year has been used in providing services in comparison with those resources consumed or earned by the Authority in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Authority's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

## **Note 2      Critical Judgements in applying Accounting Policies & Assumptions made about the future and other major sources of estimation uncertainty**

In applying the accounting policies set out in Section 3, the Authority has to make certain judgements about complex transactions or those involving uncertainty about future events, and their potential impact on the amounts recognised in the financial statements. The Authority believes there are no judgements made arising from its application of accounting policies which require disclosure.

The National Park Grant, the principal funding source for the Authority, has now been confirmed for the 2022/23 financial year, with indicative figures for 2023/24 and 2024/25. The settlement being the same in cash terms as the 2020/21 figure; nonetheless 2021/22 revenue budget has been approved by the Authority and is a balanced budget; but there remain concerns over the long term financial planning beyond this 2022/23, and what assumptions can be made in forward financial planning. The Authority's net liability to pay pensions depends on a number of complex judgements, e.g. the discount rate used, the rate of wages' inflation, changes in retirement ages, mortality rates and the return on pension fund assets. These judgements are made by the actuaries engaged by Derbyshire County Council to advise on the Pension Fund, within statutory guidelines. Note 32 contains more information on the assumptions made and the impact on the accounts. The estimated pensions' liability as at 31/03/25 is £15.208m, and estimates of the liability in the last five years have ranged between £14.652m and £22.645m.

## **Note 3      Material Items of Income and Expenditure**

The Narrative Report helps to explain a number of variances from the previous year where the figures are materially different, but there are no significant items meriting specific disclosure.

## **Note 4      Events after the Balance Sheet Date**

The Chief Finance Officer authorised these Statement of Accounts for issue on 17 June 2022 and the audited accounts were reported to the Authority for approval on **3 February 2023**. Events taking place after this date will not be reflected in the financial statements or notes. Events which have occurred since the Balance Sheet date (31/03/21) and up to the authorisation of the accounts (**3 February 2023**) have been considered. These events are of two kinds:- either "adjusting events" (events arising relating to conditions which existed at the Balance Sheet date which materially affect the amounts included in the accounts) or "non-adjusting events" (events arising relating to conditions which arose after the Balance Sheet which are material, and for which disclosure is required for the purposes of fair presentation). There are no such events to report.

## **Note 5      Other Comprehensive Expenditure & Income**

<b>2020/21</b>		<b>2021/22</b>
<b>£'000s</b>		<b>£'000s</b>
12 (Surplus) Deficit arising on revaluation of non-current assets		(535)
7,696 Actuarial (Gain) Loss on pension fund assets and liabilities		(9,929)
48 Other – difference between actuarial and actual charge against government grant		2
<b><u>7,756 Total</u></b>		<b><u>(10,462)</u></b>



## Note 6 Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments made for items included or not included in the Statement of Comprehensive Income and Expenditure required by accounting standards, in order to understand the total Income and Expenditure which is required to be reported by Local Authorities as required by statute.

<b><u>2021/22</u></b>	<b>General Fund</b>	<b>Capital Receipts Reserve</b>	<b>Un-usable Reserves</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
<b>Adjustments to Revenue Resources</b>			
Pension costs – removal of accrual of full pension costs as reported on an actuarial basis under IAS19	3,282	0	(3,282)
Pension costs - replacement by employers actual paid contributions in year	(1,093)	0	1,093
Holiday Pay – removal of accrual for holiday pay costs leaving actual pay costs paid in year	45	0	(45)
Reversal of entries in relation to depreciation and impairment of non-current assets	631	0	(631)
Reversal of entries - revaluation gain (loss) on Property, Plant & Equipment	307	0	(307)
Reversal of entries - amortisation of Intangible assets	32	0	(32)
Reversal of entries for carrying value of non-current assets as part of gain / loss on disposal	614	0	(614)
<b>Total Adjustments to Revenue Resources</b>	<b>3,818</b>	<b>0</b>	<b>(3,818)</b>
<b>Adjustments between Revenue &amp; Capital Resources</b>			
Transfer of non-current asset sale proceeds to the Capital Receipts Reserve	(737)	737	0
Statutory provision for the repayment of debt	(158)	0	158
Capital Expenditure financed from revenue balances	(250)	0	250
<b>Total Adjustments between Revenue &amp; Capital Resources</b>	<b>(1,145)</b>	<b>737</b>	<b>408</b>
<b>Adjustments to Capital Resources</b>			
Use of the Capital Receipts Reserve to finance capital expenditure	0	(16)	16
Application of capital grants to finance capital expenditure	(66)	0	66
<b>Total Adjustments to Capital Resources</b>	<b>(66)</b>	<b>(16)</b>	<b>82</b>
<b>Total Adjustments</b>	<b>2,607</b>	<b>721</b>	<b>(3,328)</b>

The corresponding comparatives for the previous year are shown as follows:-

<b><u>2020/21</u></b>	<b>General Fund</b>	<b>Capital Receipts Reserve</b>	<b>Un-usable Reserves</b>
<b>Adjustments to Revenue Resources</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
Pension costs – removal of accrual of full pension costs as reported on an actuarial basis under IAS19	2,274	0	(2,274)
Pension costs - replacement by employers actual paid contributions in year	(1,179)	0	1,179
Holiday Pay – removal of accrual for holiday pay costs leaving actual pay costs paid in year	120	0	(120)
Reversal of entries in relation to depreciation and impairment of non-current assets	620	0	(620)
Reversal of entries - revaluation gain (loss) on Property, Plant & Equipment	6	0	(6)
Reversal of entries - amortisation of Intangible assets	39	0	(39)
Reversal of entries for carrying value of non-current assets as part of gain / loss no disposal	182	0	(182)
<b>Total Adjustments to Revenue Resources</b>	<b>2,062</b>	<b>0</b>	<b>(2,062)</b>
<b>Adjustments between Revenue &amp; Capital Resources</b>			
Transfer of non-current asset sale proceeds to the Capital Receipts Reserve	(103)	103	0
Statutory provision for the repayment of debt	(143)	0	143
Capital Expenditure financed from revenue balances	(127)	0	127
<b>Total Adjustments between Revenue &amp; Capital Resources</b>	<b>(373)</b>	<b>103</b>	<b>270</b>
<b>Adjustments to Capital Resources</b>			
Use of the Capital Receipts Reserve to finance capital expenditure	0	(519)	519
Application of capital grants to finance capital expenditure	(166)	0	166
<b>Total Adjustments to Capital Resources</b>	<b>(166)</b>	<b>(519)</b>	<b>685</b>
<b>Total Adjustments</b>	<b>1,523</b>	<b>(416)</b>	<b>(1,107)</b>

## Note 7 Earmarked Reserves and Transfers to and from the Reserves

This note sets out the amount set aside from, and allocated to, the General Fund in earmarked reserves to provide financing for future expenditure plans. The Authority also administers Restricted Funds made up of donations or bequests, expended according to the wishes of the donor, or funds which have a legal restriction on their use.

### Earmarked Reserves

Reserve	Balance at 31st March 2020 £'000s	Transfers Out 2020/21 £'000s	Transfers In 2020/21 £'000s	Balance at 31st March 2021 £'000s	Transfers Out 2021/22 £'000s	Transfers In 2021/22 £'000s	Balance at 31 <sup>st</sup> March 2022 £'000s
Minerals Reserve	(540)	40	(35)	(535)	0	(32)	(567)
Reducing Resource / Restructuring Reserve	(61)	0	0	(61)	0	(425)	(486)
ICT Reserve	(196)	0	(35)	(231)	0	(219)	(450)
Warslow Reserve	(8)	0	(8)	(16)	0	0	(16)
North Lees Reserve	(114)	24	0	(90)	0	(42)	(132)
Minor Properties Reserve	(18)	0	0	(18)	0	0	(18)
Conservation Acquisitions Reserve	(19)	19	0	0	0	0	0
Visitor Centre Reserve	0	0	0	0	0	0	0
Aldern House Reserve	(76)	6	(25)	(95)	0	(25)	(120)
Design Reserve	(42)	42	0	0	0	0	0
Forestry Reserve	(23)	0	0	(23)	23	0	0
Trail Reserve	(447)	10	(107)	(544)	55	(158)	(647)
Vehicle Maintenance Reserve	(18)	13	0	(5)	0	0	(5)
Planned Maintenance Reserve	(22)	0	0	(22)	0	0	(22)
Car Park Reserve	(10)	0	(22)	(32)	15	(9)	(26)
Cycle Hire Reserve	(91)	41	0	(50)	0	0	(50)
Covid 19 Reserve	(482)	0	(605)	(1,087)	961	0	(126)
Matched Funding Reserve	(1,438)	267	(58)	(1,230)	46	0	(1,184)
Slippage Reserve	(1,051)	817	(952)	(1,187)	952	(939)	(1,173)
VAT Reserve	0	0	(60)	(60)	0	(60)	(120)
Resilience Reserve	0	0	(169)	(169)	0	0	(169)
New - Revenue Grant Reserve	0	0	0	0	0	(1,589)	(1,589)
New - CMPT Reserve	0	0	0	0	0	(17)	(17)
New - Local Plan Reserve	0	0	0	0	0	(110)	(110)
New - Authority Delivery Plan Reserve	0	0	0	0	0	(250)	(250)
<b>Total Earmarked Reserves</b>	<b>(4,656)</b>	<b>1,278</b>	<b>(2,078)</b>	<b>(5,455)</b>	<b>2,052</b>	<b>(3,874)</b>	<b>(7,277)</b>

**Restricted Reserves**

<b>Reserve</b>	<b>Balance at 31st March 2020 £'000s</b>	<b>Transfers Out 2020/21 £'000s</b>	<b>Transfers In 2020/21 £'000s</b>	<b>Balance at 31st March 2021 £'000s</b>	<b>Transfers Out 2021/22 £'000s</b>	<b>Transfers In 2021/22 £'000s</b>	<b>Balance at 31<sup>st</sup> March 2022 £'000s</b>
Cyril Bennett Bequest	(8)	8	0	0	0	0	0
Graham Attridge Bequest	0	0	0	0	0	0	0
Sheila Streek Bequest	0	0	0	0	0	0	0
Margaret Nicholls Bequest	(3)	0	0	(3)	0	0	(3)
Memorial Landscape Fund	(2)	0	0	(2)	0	0	(2)
Alan Beardsley Memorial Fund	(11)	1	0	(9)	0	0	(9)
Dr J Disney Bequest	(33)	0	0	(33)	0	(23)	(56)
Restoration Bond	0	0	0	0	0	0	0
Friends of Losehill Hall	(3)	0	0	(3)	0	0	(3)
Section 106 Funds	(50)	50	0	0	0	0	0
Moss Rake East Restoration Bond	0	0	0	0	0	0	0
New - Margaret Egan Bequest	0	0	0	0	0	(50)	(50)
<b>Total Restricted Funds</b>	<b>(109)</b>	<b>59</b>	<b>0</b>	<b>(50)</b>	<b>0</b>	<b>(73)</b>	<b>(123)</b>
<b>Total Transfers</b>		1,337	(2,078)		2,052	(3,947)	
<b>Net Increase (Decrease) in Earmarked Reserves</b>			<b>(740)</b>			<b>(1,894)</b>	

**Note 8 Other Operating Expenditure**

<b>2020/21</b>		<b>2021/22</b>
<b>£'000s</b>		<b>£'000s</b>
0	Write Down of carrying amount of asset to fair value as a result of transfer to asset held for sale category	0
79	(Gains) Losses - disposal of non-current assets	(123)
<b>79</b>	<b>Total</b>	<b>(123)</b>

**Note 9 Financing and Investment Income and expenditure**

<b>2020/21</b>		<b>2021/22</b>
<b>£'000s</b>		<b>£'000s</b>
19	Interest payable and similar charges	18
327	Pensions' interest cost and expected return on pensions' assets	466
(25)	Interest receivable and similar income	(19)
<b>321</b>	<b>Total</b>	<b>465</b>

**Note 10 National Park Grant, non-specific and capital grant income**

<b>2020/21</b>		<b>2021/22</b>
<b>£'000s</b>		<b>£'000s</b>
<b>6,699</b>	National Park Grant (DEFRA)	<b>6,699</b>
<b>0</b>	Non-specific grant income	<b>0</b>
	<i>Capital Grants</i>	
16	Natural England	0
150	Rural Development Programme	0
0	Heritage Lottery Fund	66
0	Donated Property	0
0	Other Capital Grants each under £10,000	0
<b>166</b>	<b>Total Capital Grants</b>	<b>66</b>
<b>6,865</b>	<b>Total</b>	<b>6,765</b>

**Note 11 Property, plant & Equipment – Movements on Balances**

The Authority is a major landowner and its principal assets comprise woodlands, tenanted farms, car parks, toilets, cycle hire centres, Visitor Centres and a headquarters building. The Authority's Intangible assets comprise only purchased software. The Authority's network of trails along disused railway lines are regarded as infrastructure assets.

<b>2021/22</b>	<b>Land &amp; Buildings</b>	<b>Vehicles, plant, equipment</b>	<b>Community Assets</b>	<b>Infra-structure Assets</b>	<b>Surplus Assets</b>	<b>Total</b>
<b>Cost or Valuation</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
Gross Book Value at 1st April 2021	17,034	3,341	2,239	1,974	72	<b>24,660</b>
Additions	203	85	111	64	0	<b>462</b>
Donations	0	0	0	0	0	<b>0</b>
Revaluation increases (decreases) recognised in the Revaluation Reserve	590	0	0	0	0	<b>590</b>
Revaluation increases (decreases) recognised in the Surplus/Deficit on the Provision of Services	(192)	0	0	0	0	<b>(192)</b>
De-recognition: disposals	0	0	0	0	0	<b>0</b>
De-recognition: other	0	0	0	0	0	<b>0</b>
Assets re-classified (to) from Held for Sale / surplus assets	0	0	0	0	0	<b>0</b>
Other Movements – accumulated depreciation w/o on revaluation	(495)	0	0	0	0	<b>(495)</b>
<b>Gross Book Value at 31st March 2022</b>	<b>17,140</b>	<b>3,426</b>	<b>2,350</b>	<b>2,038</b>	<b>72</b>	<b>25,025</b>
<b>Accumulated depreciation and impairment</b>	<b>(1,746)</b>	<b>(2,084)</b>	<b>(181)</b>	<b>(802)</b>	<b>(2)</b>	<b>(4,815)</b>
<b>At 1st April 2021</b>						
Depreciation Charge	(330)	(205)	(42)	(52)	(2)	<b>(630)</b>
Impairment Charge	(99)	0	0	0	0	<b>(99)</b>
Depreciation written out to the Revaluation Reserve	283	0	0	0	0	<b>283</b>
Depreciation written out to the Surplus/deficit on the Provision of Services	212	0	0	0	0	<b>212</b>
Impairments recognised in the Revaluation Reserve	0	0	0	0	0	<b>0</b>
Impairments recognised in the Surplus/deficit on the Provision of Services	0	0	0	0	0	<b>0</b>
Re-classifications	0	0	0	0	0	<b>0</b>
De-recognition - disposals	0	0	0	0	0	<b>0</b>
<b>Accumulated depreciation &amp; impairment at 31st March 2022</b>	<b>(1,679)</b>	<b>(2,289)</b>	<b>(223)</b>	<b>(854)</b>	<b>(4)</b>	<b>(5,049)</b>
<i>Net Book Value 31 March 2021</i>	<i>15,288</i>	<i>1,257</i>	<i>2,058</i>	<i>1,172</i>	<i>70</i>	<i><b>19,845</b></i>
<b>Net Book Value at 31st March 2022</b>	<b>15,460</b>	<b>1,137</b>	<b>2,126</b>	<b>1,184</b>	<b>68</b>	<b>19,976</b>
<b>At Historical Cost</b>						
<b>As at 31/03/2022</b>	<b>7,861</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>70</b>	
Fair Value Movement 2021/22	235	0	0	0	0	
Fair Value Movement 2020/21	(277)	0	0	0	(55)	
Fair Value Movement 2019/20	228	0	0	0	0	
Fair Value Movement 2018/19	917	0	0	0	0	
Fair Value Movement 2017/18	(1,415)	0	0	0	(94)	
Fair Value - up to 2016/17	7,909	0	0	0	148	
<b>Net Book Value at 31/03/2022</b>	<b>15,460</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>68</b>	

**Note 11 continued**

<b>2020/21</b>	<b>Land &amp; Buildings</b>	<b>Vehicles, plant, equipment</b>	<b>Community Assets</b>	<b>Infra-structure Assets</b>	<b>Surplus Assets</b>	<b>Total</b>
<b>Cost or Valuation</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
Gross Book Value at 1st April 2020	17,053	3,175	2,027	1,718	1,263	<b>25,236</b>
Additions	160	469	212	256	0	<b>1,097</b>
Donations	0	0	0	0	0	<b>0</b>
Revaluation increases (decreases) recognised in the Revaluation Reserve	(12)	0	0	0	0	<b>(12)</b>
Revaluation increases (decreases) recognised in the Surplus/Deficit on the Provision of Services	(6)	0	0	0	0	<b>(6)</b>
De-recognition: disposals	(161)	(303)	0	0	0	<b>(464)</b>
De-recognition: other	0	0	0	0	0	<b>0</b>
Assets re-classified (to) from Held for Sale / surplus assets	0	0	0	0	(1,191)	<b>(1,191)</b>
Other Movements – accumulated depreciation w/o on revaluation	0	0	0	0	0	<b>0</b>
<b>Gross Book Value at 31st March 2021</b>	<b>17,034</b>	<b>3,341</b>	<b>2,239</b>	<b>1,974</b>	<b>72</b>	<b>24,660</b>
<b>Accumulated depreciation and impairment</b>	<b>(1,410)</b>	<b>(2,174)</b>	<b>(147)</b>	<b>(746)</b>	<b>(205)</b>	<b>(4,682)</b>
<b>At 1st April 2020</b>						
Depreciation Charge	(370)	(158)	(34)	(56)	(2)	<b>(620)</b>
Impairment Charge	0	0	0	0	0	<b>0</b>
Depreciation written out to the Revaluation Reserve	0	0	0	0	0	<b>0</b>
Depreciation written out to the Surplus/deficit on the Provision of Services	0	0	0	0	0	<b>0</b>
Impairments recognised in the Revaluation Reserve	0	0	0	0	0	<b>0</b>
Impairments recognised in the Surplus/deficit on the Provision of Services	0	0	0	0	0	<b>0</b>
Re-classifications	0	0	0	0	205	<b>205</b>
De-recognition - disposals	34	248	0	0	0	<b>282</b>
<b>Accumulated depreciation &amp; impairment at 31st March 2021</b>	<b>(1,746)</b>	<b>(2,084)</b>	<b>(181)</b>	<b>(802)</b>	<b>(2)</b>	<b>(4,815)</b>
<i>Net Book Value 31 March 2020</i>	<i>15,642</i>	<i>1,001</i>	<i>1,881</i>	<i>972</i>	<i>1,058</i>	<i><b>20,554</b></i>
<b>Net Book Value at 31st March 2021</b>	<b>15,288</b>	<b>1,257</b>	<b>2,058</b>	<b>1,172</b>	<b>70</b>	<b>19,845</b>

Effects of Changes in Estimates

There are no material effects arising from changes in accounting estimates for residual values, useful lives or depreciation methods. The impact of Covid 19 on property values, if any ensues, is not yet capable of estimation.

Revaluations

The Authority's property shown in the Land & Buildings column has been valued as at 31<sup>st</sup> March 2022 by the District Valuer. The valuations are in accordance with the CIPFA Code of Practice and the relevant sections of the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual. The Authority values these assets over a five-year rolling programme, concentrating this year on **Car Parks**.

Impairments

There were no impairments this year.

## Note 12 Intangible Assets

The Authority accounts for its software as intangible assets, at their historic purchase cost. The Authority does not capitalise internally generated assets. All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Authority. The useful life in all cases is 5 years unless a shorter asset life is more appropriate. The carrying amount of intangible assets is amortised on a reducing balance basis. The amortisation charge forms part of the charge to the Information Technology Support Service and is then absorbed as an overhead across all the service headings in the Net Expenditure of Services. It is not possible to quantify exactly how much of the amortisation is attributable to each service heading.

<b>2020/21</b>	<b>2021/22</b>
<b>£'000s</b>	<b>£'000s</b>
766 Gross carrying amounts at Start of Year	768
(569) Accumulated amortisation to date	(609)
<b>197 Net Carrying Amount at Start of Year</b>	<b>159</b>
2 Additions	48
0 Assets reclassified as Held for Sale	0
0 Other disposals	0
0 Impairment losses recognised in the Provision of Services	0
0 Reversals of past impairment losses written back to the Provision of Services	0
(39) Amortisation for the period	(32)
0 Other changes	0
<b>(37) Net carrying amount at end of year</b>	<b>16</b>
<u>Comprising:</u>	
768 Gross carrying amounts	816
(609) Accumulated amortisation	(641)
<b>159</b>	<b>175</b>

There are no intangible assets which are material to the financial statements requiring individual disclosure in this note. There are no contractual commitments for the acquisition of intangible assets which require individual disclosure in this note.

## Note 13 Inventories

There is no work in progress. Stocks of publications & other items for resale are:-

<b>31 March</b>	<b>31 March</b>
<b>2021</b>	<b>2022</b>
<b>£'000s</b>	<b>£'000s</b>
<b>324 Balance o/s at start of year</b>	<b>248</b>
16 Purchases	198
(91) Recognised as an expense in the year	(242)
(1) Written off balances / Reversals of write offs in previous years	6
<b>248 Balance o/s at year end</b>	<b>211</b>



## Note 14 Debtors

Debtors can be analysed as follows:

<b>31 March 2021 £'000s</b>	<b>31 March 2022 £'000s</b>
3,197 Central Government Bodies	1,393
253 Other Local Authorities	166
0 NHS Bodies	0
10 Public Corporations and Trading Funds	0
1,327 Bodies external to general government	1,802
1 Study Loans to staff	0
(32) Less: Provision for Bad Debts	(42)
<b><u>4,756 Total</u></b>	<b><u>3,319</u></b>

## Note 15 Cash and Cash Equivalents

Cash and Bank can be analysed as follows:

<b>31 March 2021 £'000s</b>	<b>31 March 2022 £'000s</b>
(490) Bank current accounts	(271)
2 Cash held by the Authority	2
4,011 Deposits with North Yorkshire County Council	6,647
<b><u>3,523 Total</u></b>	<b><u>6,378</u></b>

The above bank figures represent the value of the bank accounts on the accounting system. The bank statements show a different amount owing to timing differences, which are reconciled in the bank reconciliation process. At the end of each working day a transfer is made to and from the investment account, ensuring the bank accounts overall remain in credit by a small amount. The investment account represents deposits invested with North Yorkshire County Council on which interest is received. The amounts are invested daily, with surplus funds from the Authority's pooled bank accounts being transferred and invested in accordance with the Authority's Treasury Management Policy, leaving a small surplus balance in current accounts. The Authority's Short Term investments are all cash resources.

## Note 16 Assets Held for Sale

An analysis of the Assets Held for Sale category within current assets is shown below.

<b>31 March 2021 £'000s</b>	<b>31 March 2022 £'000s</b>
<b>0 Balance outstanding at start of year</b>	<b>986</b>
986 Property, Plant & Equipment newly identified	0
0 Revaluation (losses) gains	(55)
0 Impairment losses	(16)
0 Property, Plant & Equipment declassified as held for sale	0
0 Assets sold	(615)
<b><u>986 Balance outstanding at year end</u></b>	<b><u>300</u></b>

## Note 17 Creditors due within 12 months

Creditors can be analysed as follows:

31 March 2021	31 March 2022
£'000s	£'000s
133 Central Government Bodies	161
27 Other Local Authorities	17
0 NHS Bodies	0
0 Public Corporations and Trading Funds	1
1,054 Bodies external to general government	1,080
<b>1,214 Total</b>	<b>1,259</b>

## Note 18 Provisions and Contingent Liabilities

There are no provisions or contingent liabilities. The Authority considers that it has made sufficient financial arrangements to cover estimates of potential liabilities which may arise not covered by the accounting definition. Financing for these potential liabilities is achieved within the usable earmarked reserves (Note 7).

## Note 19 Capital Receipts Reserve

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement and Note 7. The Capital Receipts Reserve, built up from the proceeds of the sale of fixed assets and available for use to finance capital expenditure, is as follows:-

31 March 2021	31 March 2022
£'000s	£'000s
1,293 Balance at 1 April	877
103 Receipts received in year	737
(519) Receipts used to finance Capital Expenditure	(16)
<b>877 Total</b>	<b>1,598</b>

## Note 20 Unusable Reserves

The Authority's unusable reserves are shown in full in the Balance Sheet.

The Revaluation Reserve records the accumulated gains on the Property, Plant & Equipment assets held by the Authority arising from increases in value, as a result of inflation or other factors, less any subsequent downward movements in value – impairments and/or depreciation. The balance on the reserve therefore represents the amount by which the current value of fixed assets carried in the Balance Sheet has been revalued above their depreciated historic cost. It is the Authority's policy to revalue 20% of total assets each year as a rolling programme over a five-year period and the account includes these changes, together with any written down value of assets which have been disposed of in the year.

31 March 2021 £'000s	Revaluation Reserve	31 March 2022 £'000s
8,313	Balance at 1 April	8,041
0	Upward revaluation of assets	372
(12)	Downward revaluation of assets & impairment losses not charged to the Surplus/Deficit on the Provision of Services	0
8,300	Surplus or deficit on revaluation of non-current assets not posted to the Surplus/Deficit on the Provision of Services	8,413
(191)	Difference between fair value depreciation and historical cost depreciation	0
(68)	Accumulated gains on assets sold or scrapped / Other	0
(259)	Amount written off to the Capital Adjustment Account	0
8,041	Balance at 31 March	8,413

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements on the one hand, for accounting for the consumption of non-current assets, and on the other hand, for the financing of the acquisition, construction or enhancement of those assets as required by statute. The Capital Adjustment Account is credited with the amount of capital expenditure financed from revenue, capital receipts and capital grants, together with the Minimum Revenue provision (the amount charged to the Income and Expenditure account to ensure that an appropriate level of financing is set aside for the repayment of the principal element of any borrowing outstanding). As assets are consumed, either by depreciation, impairment or disposal, the charge is made to this account as a debit.

31 March 2021 £'000s	Capital Adjustment Account	31 March 2022 £'000s
11,277	Balance at 1 April	11,644
	<i>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income &amp; Expenditure Statement (CIES)</i>	
(620)	Charges for depreciation of non-current assets	(631)
0	Charges for impairment of non-current assets	0
(6)	Revaluation (losses) gains on Property, Plant & Equipment	(307)
(39)	Amortisation of intangible assets	(32)
0	Revenue expenditure funded from capital under statute	0
(182)	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(615)
(847)		(1,585)
259	Adjusting amounts written out of the Revaluation Reserve	0
(588)	<b>Net written out amount of the cost of non-current assets consumed in the year</b>	<b>(1,585)</b>
	<i>Capital financing applied in the year:-</i>	
519	Use of the Capital Receipts Reserve to finance new capital expenditure	16
166	Capital grants and contributions credited to the CIES that have been applied to capital financing	66
143	Statutory provision for the financing of capital investment charged against the General Fund	158
127	Capital expenditure charged against the General Fund	250
955	<b>Total Capital Financing applied in year</b>	<b>490</b>
11,644	Balance at 31 March	10,549

The Pensions' Reserve absorbs the timing differences arising from the different arrangements, on the one hand for post-employment benefits, and on the other hand, for funding benefits in accordance with statute. The Authority accounts for post employment benefits in the

Comprehensive Income & Expenditure Statement as the benefits are earned by employees accruing years of service, with the liabilities recognised updated to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. Statutory arrangements however require benefits to be financed at the rate the Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions' Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

<b>31 March 2021</b>		<b>31 March 2022</b>
<b>£'000s</b>	<b>Pensions' Reserve</b>	<b>£'000s</b>
<b>(13,807)</b>	<b>Balance at 1 April</b>	<b>(22,645)</b>
(7,696)	Actuarial gains or (losses) on pensions assets and liabilities	9,929
(2,322)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(3,284)
1,180	Employer's pension contributions and direct payments to pensioners payable in the year	1,093
<b>(22,645)</b>	<b>Balance at 31<sup>st</sup> March</b>	<b>(14,907)</b>

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year e.g. annual leave entitlement carried forward at 31<sup>st</sup> March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

<b>31 March 2021</b>		<b>31 March 2022</b>
<b>£'000s</b>	<b>Accumulated Absences Account</b>	<b>£'000s</b>
<b>(319)</b>	<b>Balance at 1 April</b>	<b>(439)</b>
319	Settlement or cancellation of accrual made at the end of the preceding year	439
<b>(439)</b>	<b>Amounts accrued at the end of the current year</b>	<b>(484)</b>
(120)	Amounts by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable on a salary basis in accordance with statutory requirements	(45)
<b>(439)</b>	<b>Balance at 31<sup>st</sup> March</b>	<b>(484)</b>

## Note 21 Note to the Expenditure and Funding Analysis

Adjustments from the General Fund to arrive at the Expenditure and Funding Analysis Amounts

<b>2021/22 £'000s</b>	Adjustments for Capital Purposes (Footnote 1)	Net change for the Pensions Adjustments (Footnote 2)	Other Differences (Footnote 3)	<b>Total Adjustments</b>
Conservation of the Natural Environment	72	461	10	<b>543</b>
Conservation of the Cultural Heritage	0	64	2	<b>66</b>
Recreation Mgt & Transport	236	116	8	<b>360</b>
Promoting Understanding	(3)	152	10	<b>159</b>
Rangers, Estates Services & Volunteers	30	278	7	<b>315</b>
Development Control	0	152	3	<b>155</b>
Forward Planning & Communities	(1)	128	3	<b>130</b>
Support Services	763	372	2	<b>1,137</b>
<b>Net Cost of Services</b>	<b>1,097</b>	<b>1,723</b>	<b>45</b>	<b>2,865</b>
Other Income & Expenditure: Expenditure and Funding Analysis	(714)	466	0	(248)
<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services</b>	<b>383</b>	<b>2,189</b>	<b>45</b>	<b>2,617</b>

<b>2020/21 £'000s</b>	Adjustments for Capital Purposes (Footnote 1)	Net change for the Pensions Adjustments (Footnote 2)	Other Differences (Footnote 3)	<b>Total Adjustments</b>
Conservation of the Natural Environment	(72)	202	31	<b>161</b>
Conservation of the Cultural Heritage	0	26	4	<b>30</b>
Recreation Mgt & Transport	(5)	43	8	<b>46</b>
Promoting Understanding	1	58	9	<b>68</b>
Rangers, Estates Services & Volunteers	1	122	19	<b>142</b>
Development Control	0	68	11	<b>79</b>
Forward Planning & Communities	0	54	8	<b>62</b>
Support Services	(252)	194	30	<b>(28)</b>
<b>Net Cost of Services</b>	<b>(327)</b>	<b>767</b>	<b>120</b>	<b>560</b>
Other Income & Expenditure: Expenditure and Funding Analysis	635	327	0	<b>962</b>
<b>Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services</b>	<b>308</b>	<b>1,094</b>	<b>120</b>	<b>1,522</b>

Footnote 1

Adjustments for Capital purposes: for the Net Cost of Services, this column adds in depreciation and impairment, and any revaluation gains and losses chargeable to the CIES. In respect of Other Income & Expenditure, this comprises adjustments not allowable under generally accepted accounting principles, either operating expenditure (See Note 8) – an adjustment for the gain or loss on the disposal of a non-current asset compared to its net book value; or a fair value adjustment; Financing & investment (see Note 9) – deductions for the statutory charges for capital financing (minimum revenue provision and other revenue contributions); and Taxation and non-specific grant income – the removal of capital grants.

Footnote 2

Adjustments for the removal of employers' pension cash contributions and the addition of employee benefit pensions' related expenditure and income: for the Net Cost of Services, this column removes the employer pension cash contributions made by the Authority as required by statute, and replaces with a current and past service cost figure assessed by the actuary. In respect of Other Income & Expenditure, this comprises the net interest cost of the defined benefit liability

Footnote 3

Other differences, in this case the adjustment reflecting the difference between staff salaries paid in cash during the year, and the adjustment required to reflect unused leave and flexi-hours carried forward by staff.

Expenditure and Income analysed by Nature

<b>Expenditure</b>	<b>2020/21</b>	<b>2021/22</b>
Employee expenses	8,604	9,139
Other service expenses	6,588	5,533
Capital accounting transactions	522	822
Interest Payments	346	484
Loss on the disposal of fixed asset	79	0
<b>Total Expenditure</b>	<b>16,139</b>	<b>15,978</b>
<b>Income</b>		
Fees, charges, and other service income	(1,795)	(2,401)
Grants	(3,139)	(4,294)
Government Grants	(10,256)	(8,728)
Donations	(11)	(83)
Interest & Investment Income	(25)	(19)
Gain on the disposal of fixed asset	0	(123)
<b>Total Income</b>	<b>(15,226)</b>	<b>(15,648)</b>
<b>(Surplus) Deficit on the Provision of Services</b>	<b>913</b>	<b>330</b>

## Note 22 Acquired and Discontinued Operations

There were no acquisitions or discontinuation of operations during the year.

## Note 23 Members' Allowances

The following amounts were paid to the 30 Members of the Peak District National Park Authority as allowances in the year ended 31<sup>st</sup> March 2020.

<b>2020/21</b>	<b>2021/22</b>
<b>£'000s</b>	<b>£'000s</b>
72 Basic Allowance	72
21 Special Responsibility Allowance	22
1 Travel and Subsistence	3
<b>94 Total</b>	<b>97</b>

Further information on Members' Allowances and payments to individual Members is published annually on our website, or can be obtained upon request from the Democratic and Legal Support Team, Aldern House, Baslow Rd, Bakewell, DE45 1AE (Telephone 01629 816200).

## Note 24 Employee Remuneration

The number of employees whose remuneration in the year, excluding employer pension contributions, was £50,000 or more in bands of £5,000 were as follows:

<b>Payment Range</b>	<b>Number of Employees</b>	
	<b>2020/21</b>	<b>2021/22</b>
£50,000 - £54,999	1	1
£55,000 - £59,999	0	0
£60,000 - £64,999	2	0
£64,999 - £69,999	0	0
£70,000 - £74,999	0	0
£75,000 - £79,999	0	0
£80,000 - £84,999	0	0
£85,000 - £89,999	0	0
£90,000 - £94,999	1	1
£95,000 - £99,999	0	0

The remuneration for individual senior employees in this category is shown in the table below with 2020/21 comparator payments shown in brackets alongside.

<b>Job Title</b>	<b>Salary</b>	<b>Benefits in Kind</b>	<b>Subtotal</b>	<b>Employers Pension contributions</b>	<b>Total Remuneration</b>
Chief Executive <sup>1</sup>	£93,020 (£94,546)	£0 (£0)	<b>£93,020</b> (£94,546)	£17,518 (£18,503)	<b>£110,538</b> (£113,049)
Head of Legal & Interim Chief Executive <sup>2</sup>	£55,329 (£47,011)	£0	<b>£55,329</b> (£47,011)	£10,828 (£9,200)	<b>£66,157</b> (£56,211)
Director of Commercial Development and Engagement <sup>3</sup>	£0 (£64,156)	£0 (£0)	<b>£0</b> (£64,156)	£0 (£12,555)	<b>£0</b> (£76,711)
Director of Planning <sup>3</sup>	£0 (£64,156)	£0	<b>£0</b> (£64,156)	£0 (£12,555)	<b>£0</b> (£76,711)
Director of Corporate Resources <sup>3</sup>	£0 (£52,780)	£0 (£0)	<b>£0</b> (£52,780)	£0 (£10,329)	<b>£0</b> (£63,109)

- Note 1: The Chief Executive left in March 2022.  
 Note 2: The Interim Chief Executive started in March 2022.  
 Note 3: Following a management restructure the three directors of the Authority left 31 March 2021.

During the year decisions relating to the termination of contracts of staff were as follows:-

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band £	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
£0-£20,000	10	2	1	1	11	3	46,150	10,219
£20,001-£40,000	0	0	0	0	0	0	0	0
£40,001 - £60,000	1	0	0	0	1	0	49,132	0
£60,001 - £80,000	0	0	0	0	0	0	0	0
<b>Total</b>	<b>11</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>12</b>	<b>3</b>	<b>95,282</b>	<b>10,219</b>

All voluntary termination of contracts were based on the Authority's Managing Change policy. All payments were calculated according to the statutory requirement with no enhancements.

## Note 25 External Audit Cost

Fees paid to Mazars LLP for audit services were as follows:

	2020/21 £'000s	2021/22 £'000s
External audit services as appointed auditor (note 1 and 2)	20	19
Fees in respect of statutory inspection	0	0
Fees payable for certification of grant claims and returns	0	0
Fees payable in respect of any other services provided by the appointed auditor	0	0
<b>Total</b>	<b>20</b>	<b>19</b>

## Note 26 Grant Income

The Authority credited the following grants, contributions and donated assets to the Comprehensive Income & Expenditure Statement in 2021/22, with amounts over £10,000 only shown:-

2020/21 £'000s	Restated 2020/21 £'000s		2021/22 £'000s
		<u>Revenue Grants Credited to Services</u>	
79	79	Rural Development Programme for England – Moors for the Future Project	0
59	59	Rural Development Programme for England – South West Peak Projects	67
32	32	Local Restrictions Support Grant	16
196	196	Coronavirus Job Retention Scheme	0
0	20	MOD – Warslow Moors Restoration Work	30
150	177	Dept of Culture, Media & Sport - Discover England Project	32
1,851	1,874	DEFRA – Environmental Stewardships / Moors for the Future Projects/FiPL	891
0	17	Historic England – Cultural Heritage Projects	35
11	11	Forestry Commission – Woodland Grants	0



175	219	Environment Agency – Moors for the Future / MoorLIFE Project	218
0	29	Environment Agency – Warslow Moors Estate Restoration work	29
34	34	Natural England - Pennine Way Ranger	37
0	0	Natural England - Pennine Bridleway	45
33	33	Natural England/DEFRA – Swallowmoss Rewetting Project	198
753	753	Natural England – Moors for the Future / MoorLIFE work	486
36	78	Peak District National Park Foundation – Conservation Projects	141
401	429	Heritage Lottery Fund – South West Peak Project	539
16	16	RSPB - Moors for the Future / MoorLIFE work	28
43	43	Leader EU – Moors for the Future Project	45
20	20	Derbys County Council – Rights of Way	20
129	167	City of Bradford MDC – Moors for the Future work	76
0	0	South Downs NP – Generation Green Project	105
18	18	4 Other National Parks – Discover England Project	0
20	20	Tarmac Ltd – Conservation Volunteers Project	23
0	0	The Woodland Trust – Small Woodlands Creation Scheme	10
0	0	The Woodland Trust – Moors for the Future Work	25
35	361	National Grid – Longdendale Landscape Enhancements	326
0	0	Esme Fairburn Foundation – South West Peak Project	51
23	119	Esme Fairburn Foundation – Moors for the Future work	96
20	20	Sheffield Wildlife Trust – Moors for the Future Project	0
59	59	Private Landowners - Moors for the Future / MoorLIFE work	0
96	96	United Utilities – Joint Ranger Costs	97
170	187	United Utilities – Moors for the Future / MoorLIFE Project	184
51	51	Severn Trent Water - Joint Ranger Costs	58
202	398	Severn Trent Water – MFF/MoorLIFE Project	567
50	50	Severn Trent Water – Car Park	50
18	18	Severn Trent Water - Operating Costs at Upper Derwent Visitor Centre	0
36	36	Yorkshire Water - Joint Ranger Costs	34
163	237	Yorkshire Water - Moors for the Future / MoorLIFE Project	783
98	98	BMC - Moors for the Future / MoorLIFE Project	0
21	21	European Outdoor Conservation Award – Moors for the Future	0
0	11	Yorkshire Wildlife Trust – Moors for the Future	11
0	23	Derbyshire Environment Trust – South West Peak Project	23
26	26	National Trust - Moors for the Future / MoorLIFE Project	17
1,256	1,257	European Life Funding – MoorLIFE Project	763
15	15	OFGEM – Aldern House / Other Biomass Boilers	30
135	705	Other Revenue Grants each under £10,000	58
<b>6,530</b>	<b>8,112</b>	<b>Total</b>	<b>6,244</b>

The Authority may receive a number of grants, contributions and donations that are not yet recognised as income as they might have conditions attached to them that will require the monies or property to be returned to the giver. The items at year end are:-

2020/21 £'000s	Resated 2020/21 £'000s		2021/22 £'000s
		<u>Grants Received in Advance</u>	
17	0	English Heritage – Ecton Mine Project	0
42	0	Peak District National Park Foundation	0
327	0	National Grid – Longdendale Landscape Enhancements	0
29	0	Environment Agency – Warslow Moors Estate Restoration work	0
20	0	MOD – Warslow Moors Estate Restoration work	0
27	0	National Heritage Lottery Fund – South West Peak Project	0
96	0	Esmee Fairburn Foundation – Moors for the Future	0
44	0	Environment Agency – Moors for the Future Project / MoorLIFE Project	0
22	0	DEFRA – Moors for the Future Project / MoorLIFE Project	0
11	0	Yorkshire Wildlife Trust – Moors for the Future Project / MoorLIFE Project	0
38	0	City of Bradford MBC – Moors for the Future Project	0
195	0	Severn Trent Water – Moors for the Future Project / MoorLIFE Project	0
74	0	Yorkshire Water – Moors for the Future Project / MoorLIFE Project	0
17	0	United Utilities – Moors for the Future / MoorLIFE Project	0
28	0	Visit England – Discover England Project	0
23	0	Derbyshire Environment Trust – South West Peak Project	0
571	0	Other Revenue Grants received in advance each under £10,000	0
<b>1,581</b>	<b>0</b>	<b>Total</b>	<b>0</b>
0	0	<u>Donated Assets Account</u>	0
<b>0</b>	<b>0</b>	<b>Total</b>	<b>0</b>

## Note 27 Related Party Transactions

The Authority is required to disclose any material transactions with related parties that are not disclosed elsewhere in the accounts. The UK government, operating through the Department for the Environment, Food and Rural Affairs (Defra) and the Department for Levelling Up, Housing and Communities (DLUHC), has significant influence over the general operations of the Authority and is responsible for providing the statutory framework within which the Authority operates, provides the majority of funding in the form of grants, and prescribes the terms of many of the transactions that the Authority has with other parties.

The Authority engages in a variety of formal and informal partnerships, and may contribute to those organisations financially to help further National Park purposes. It does not have control of those bodies. The Authority is a Member of National Parks Partnerships LLP, a body constituted to further the sponsorship ambitions of National Parks, and the Chair of the Authority is the Member representative. The Chair of the Authority is also a Director of National Parks England Ltd, which is a company limited by guarantee furthering the interests of the English National Parks; the Authority has joint ownership with the other National Parks of this company. Three Authority Members are Trustees of the new Peak District Foundation charity, which is an independent registered charity with the principal aim being to raise funds for the Peak District National Park. The Authority is a member of the UK National Parks Charity Foundation (a body constituted under the Charity Commission) and the Chief Executive Officer is a trustee and Chair of the Foundation. The

Authority has no other involvement with related parties with joint control or significant influence, subsidiaries, associates, or joint ventures. All Members and Chief Officers of the Authority are deemed to be key management personnel and are required to disclose any financial transactions with the Authority. These exclude those received as part of normal conditions of employment or approved duties. Any qualifying financial transactions must be disclosed in the Members' Register of Financial and Other Interests which is open to public inspection; this disclosure also applies to their involvement with entities which they may have significant influence over. In summary, during the normal course of business, the following transactions were made between the Authority and other related parties:

	<b>Income</b>	<b>Outstanding</b>	<b>Expenditure</b>	<b>Outstanding</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
<b>Local Authorities</b>				
Bamford with Thornhill PC	0	0	0	0
Barnsley Met Borough Council	2	0	3	0
Derbyshire Dales District Council	3	0	8	0
Derbyshire County Council	23	23	86	13
High Peak Borough Council	0	0	1	0
Sheffield City Council	4	0	2	0
Staffs County Council	13	0	0	0
Staffs Moorlands District Council	0	0	0	0
<b>Charities &amp; Other</b>				
Council for British Archaeology	0	0	0	0
Derbyshire Archaeological Society	0	0	0	0
Hadfield Infant School	1	0	0	0
Hope Valley Climate Action	0	0	1	0
Hunter Archaeological Society	0	0	0	0
National Parks Parts LLP	0	0	14	0
Peak District MOSAIC	0	0	2	0
Peak District NP Foundation*	99	0	51	1
<b>Total</b>	<b>146</b>	<b>24</b>	<b>168</b>	<b>15</b>

NB – The figures for Local Authorities do not include statutory charges for Council Tax, Search Charges or Planning related fees (S106).

\* The Expenditure in year includes £50k Benefit in Kind contribution

## Note 28 Capital Expenditure

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed in the second part of this note.

<b>2020/21</b>	<b>2021/22</b>
<b>£'000s</b>	<b>£'000s</b>
<b><u>1,161</u> Opening Capital Financing Requirement</b>	<b><u>1,306</u></b>
Capital Investment	
160 Land & Buildings	203
469 Vehicles, Plant & Equipment	84
212 Community Assets	111
256 Infrastructure Assets	64
2 Intangible Assets	48
0 Revenue Expenditure Funded from Capital under Statute	0
<b><u>1,099</u> Total</b>	<b><u>510</u></b>
Sources of Finance	
(519) Capital Receipts	(16)
(166) Government Grants and other contributions	(66)
Sums set aside from Revenue	
(126) Direct Revenue Contributions	(250)
(143) Minimum Revenue Provision for repayment of principal	(158)
<b><u>1,306</u> Closing Capital Financing Requirement</b>	<b><u>1,326</u></b>
<b>Explanation of Movements in year</b>	
0 Increase in underlying need to borrow (supported by government financial assistance)	0
0 Expenditure financed from new external borrowing (not supported by government financial assistance)	0
287 Expenditure not supported by government financial assistance financed from internal funds	177
0 Use of Capital Receipts to reduce CFR	0
(143) Minimum Revenue Provision	(157)
0 Assets acquired under finance leases	0
<b><u>144</u> Increase (Decrease) in Capital Financing Requirement</b>	<b><u>20</u></b>

## Note 29 Statement of Capital Charges charged to Revenue

The following statement shows the amount of capital charges calculated and charged to services, comprising depreciation, upwards and or downwards revaluation and/or impairment of the Authority's fixed assets.

2020/21 £'000s	2021/22 £'000s
<b>Conservation of the Natural Environment</b>	
9 Forestry & Tree Mgt	3
62 Conservation Projects	58
80 Estates Management	90
<hr/> 151	<hr/> 151
<b>Recreation Management</b>	
12 Campsites, Hostels & Barns	11
70 Access, Walking and Riding Routes	364
147 Car Parks & Concessions	138
25 Cycle Hire	50
33 Toilets	32
<hr/> 287	<hr/> 595
<b>Promoting Understanding</b>	
22 Visitor Centres	19
0 Environmental Education	0
<hr/> 22	<hr/> 19
<b>Rangers, Estate Service &amp; Volunteers</b>	
13 Rangers	36
18 Conservation Volunteers	18
0 Field Services	3
1 Estate Workers	9
<hr/> 32	<hr/> 66
<b>Development Control</b>	
1 Development Control	0
<hr/> 1	<hr/> 0
<b>Service Management and Support Services</b>	
8 Vehicles	7
51 Headquarters Premises	48
114 Capitalised IT Expenditure	93
<hr/> 173	<hr/> 148
<hr/> <b>666 Total</b>	<hr/> <b>979</b>

## Note 30 Leases

### Authority as Lessee

#### Finance Leases

The Authority does not have any finance leases. As such the liability for future rentals, or any asset value, is not shown in the balance sheet.

#### Operating Leases

##### Vehicles

The fleet management policy was unchanged during 2021/22 and again had no vehicle leases in operation. Seventeen vehicles were sold during the year and eighteen new vehicles were purchased.

### Equipment

The Authority continues to acquire its ICT services (namely networking servers including processing power, memory (RAM) and storage capacity) by leasing equipment from an external provider, with the current IaaS Core Services contract running until January 2022.

### Property

The revenue charge reports the total lease payments made in year (including arrears payments where specified).

During the year ended 31<sup>st</sup> March 2021 the Authority made the following payments for operating leases charged to revenue:

	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>£'000s</b>	<b>£'000s</b>
Equipment	112	107
Land & Buildings	76	78
<b>Total</b>	<b>188</b>	<b>185</b>

The future minimum lease payments due under non-cancellable leases in future years are:

	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>£'000s</b>	<b>£'000s</b>
Not later than one year	196	181
Later than one year and not later than five years	799	299
Later than five years	26	79
<b>Total</b>	<b>1,021</b>	<b>559</b>

### **Authority as Lessor**

#### Finance Leases

The Authority has not issued any finance leases.

#### Operating Leases

The Authority leases out property under operating leases primarily for the following purposes:

- For the provision of Farm Business Tenancies on Authority owned land and Agricultural Grazing of livestock for private working farms
- The lease of office accommodation to private businesses
- The provision of local market rents on the Warslow Estate
- The lease of the Eastern Moors to the EM Partnership for moor management and sustainability

The Authority collected the following rents in 2021/22 from its assets as lessor:

	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>£'000s</b>	<b>£'000s</b>
General Rents	2	0
Agricultural Rents	114	110
Residential Rents	104	108
Business Rents	66	39
Agricultural Licences	16	20
Business Licences	17	19
Eastern Moors Lease	24	23
Refreshment Concession	153	53
<b>Total</b>	<b>496</b>	<b>372</b>

The table below shows in aggregate the future minimum lease payments receivable for non-cancellable leases in future years. Residential rents and agricultural licences have been excluded from these disclosures because they do not fit a non-cancellable operating lease as defined in the Code of Practice on Local Authority Accounting.

As last year the projected lease income excludes possible changes to the property portfolio as per the asset management strategy, nor does it include any changes expected from any new initiatives under the Authority's commercial strategy.

The year on year increases have been retained and calculated according to expected returns as advised by the Authority's Property Service. There have been no changes to the method of calculation.

	<b>31 March 2022</b>	<b>31 March 2021</b>
	<b>£'000s</b>	<b>£'000s</b>
Not later than one year	226	201
Later than one year and not later than five years	960	845
Later than five years	254	222
<b>Total</b>	<b>1,440</b>	<b>1,268</b>

### **Note 31      Heritage Assets**

Heritage assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities which are held and maintained principally for their contribution to knowledge and culture. The accounting standard (FRS 30) has been introduced in order to move these assets onto a valuation basis on the Balance Sheet, rather than as currently, a historic cost basis; the predominant reason for the introduction of the change is to ensure that items held within Local Authority museum and gallery collections are properly reflected in valuation terms on the Balance Sheet. The standard also allows a Local Authority to move other Community Assets, which are currently accounted for on the same historic cost basis, onto a valuation basis. Notwithstanding its historical or other heritage qualities, any asset used by an organisation in its operations is still required to be accounted for as an operational asset, and not as a heritage asset; it is therefore accounted for as set out in the Summary of Accounting policies note paragraph 2.19.

Whilst some of the Authority's properties may contain historical, geophysical or environmental qualities which could meet some of the criteria relating to heritage assets, it is considered that they are owned primarily to achieve the Authority's operational purposes (the conservation and enhancement of the natural environment and cultural heritage) and these assets are accounted for as operational assets and valued and depreciated accordingly. Where the assets meet the definition of Community Assets they remain within this asset category. The Authority therefore is not recognising any of its assets within the Heritage asset category. The Authority's Community assets are property holdings - predominantly the Warslow Moors Estate – and the Authority does not intend to take the option of valuing these assets and they are expected to remain within the Balance Sheet at their historic cost.

### **Note 32      Defined Benefit Pension Scheme**

All entries made in the Comprehensive Income & Expenditure Account and Balance Sheet relating to pensions are shown together in this note. As part of the terms and conditions of employment the Authority offers retirement benefits. Although these benefits will not actually be payable until the employees retire, the Authority has a commitment to make these payments, which needs to be disclosed at the time that the employees earn this entitlement. The Authority operates only one pension scheme, the Local Government Pension Scheme administered by Derbyshire County Council; this is a funded scheme, with the Authority and employees paying contributions calculated at a level intended to balance the pensions' liabilities with investment assets. The principal risks to the Authority of the scheme are the longevity assumptions of members, statutory or structural changes to the scheme, changes to inflation, bond yields (used to measure the value of future liabilities) and the performance of investments (predominantly equity based).

## Comprehensive Income and Expenditure Account

The cost of retirement benefits is recognised in the Total Cost of Services when they are earned by employees, rather than when the Authority makes its statutory payments to the Pension Fund, which are determined by the Scheme's Actuary. The charge which needs to be accounted for against government grant is the actual cash paid to the Pension Fund during the year, so the real cost of retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the CIES and the General Fund Balance via the Movement in Reserves Statement during the year:-

2020/21 £'000s		2021/22 £'000s
	<u>Cost of Services</u>	
1,947	Current Service cost	2,816
0	Curtailments / Settlements	0
0	Past Service cost (gain)	0
1,947		2,816
	<u>Financing &amp; Investment Income &amp; Expenditure</u>	
327	Net Interest Expense	Note 9 466
2,274	Total Chargeable to Surplus or Deficit on the Provision of Services	3,282
	<u>Other amount chargeable to the CIES (Re-measurement of plan liabilities)</u>	Note 5
(9,557)	Return on plan assets excluding amount included in net interest expense above	(3,426)
1,014	Actuarial (gains) and losses arising on changes in demographic assumptions	(503)
16,917	Actuarial (gains) and losses arising on changes in financial assumptions	(5,642)
(678)	Other Experience	127
7,696	Total Re-measurements	(9,444)
7,696	<b>Total Charged to the Comprehensive Income &amp; Expenditure Account</b>	<b>9,444</b>
	<u>Movement in Reserves Statement</u>	
(2,274)	Reversal of net charges made to the Surplus or Deficit for the Provision of Services	(3,282)
	<u>Employers' Contributions payable</u>	
1,180	Actual amount charged against the General Fund balance for pensions in the year	1,093

## Balance Sheet

The underlying assets and liabilities for retirement benefits attributable to the Authority as at 31<sup>st</sup> March 2020 are as follows:

2017/18 £	2018/19 £	2019/20 £	2020/21 £		2021/22 £
(66,819)	(75,238)	(65,336)	(84,547)	Estimated Liabilities in scheme	(81,355)
52,167	54,773	51,529	61,902	Estimated Assets in scheme	66,448
<b>(14,652)</b>	<b>(20,465)</b>	<b>(13,807)</b>	<b>(22,645)</b>	<b>Net Asset (Liability)</b>	<b>(14,907)</b>
77%	78%	72%	79%	% Funded	82%

The liabilities show the underlying commitments that the Authority has in the long-run to pay retirement benefits. The total liability of £15.2m has a substantial impact on the net worth of the Authority as recorded in the balance sheet. However, statutory arrangements for funding the deficit



mean that the financial position of the Authority remains sound as the deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary in triennial valuations of the scheme. Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc.

### **Analysis of Present Value of Scheme Liabilities**

	£'000s
<b>Opening Balance 1<sup>st</sup> April 2021</b>	<b>84,547</b>
Current Service cost	2,816
Interest Cost	1,701
Contributions from scheme participants	352
<u>Re-measurement (Gains) and losses:-</u>	
-changes in demographic assumptions	(503)
-changes in financial assumptions	(5,642)
-Other	127
Past Service Gain	0
Curtailment (gains) losses	0
Benefits paid	(2,043)
<b>Closing Balance 31<sup>st</sup> March 2022</b>	<b>81,355</b>

### **Analysis of Value of Scheme Assets**

	£'000s
<b>Opening fair value 1<sup>st</sup> April 2021</b>	<b>61,902</b>
Opening balance adjustment	184
Interest income	1,235
Re-measurement gain (loss):-	
Return on plan assets excluding amount in net interest expense charged to CIES	3,727
Other	0
Contributions from employer	1,046
Contributions from employees into the scheme	352
Benefits paid	(1,998)
<b>Closing fair value 31<sup>st</sup> March 2022</b>	<b>66,448</b>

## Analysis of Pension Fund Assets

Asset Category	Period Ended 31 <sup>st</sup> March 2021				Period Ended 31 <sup>st</sup> March 2022			
	Quoted in active markets £'000s	Not Quoted in active markets	Total £'000s	% of Total Assets	Quoted in active markets £'000s	Not Quoted in active	Total £'000s	% of Total Assets
<b>Equity Securities:</b>								
Consumer	1,048.60	0.0	1,048.6	2	261.80	0.0	261.8	0
Manufacturing	610.00	0.0	610.0	1	168.30	0.0	168.3	0
Energy/Utilities	222.60	0.0	222.6	0	83.30	0.0	83.3	0
Financial institutions	468.00	0.0	468.0	1	126.00	0.0	126.0	0
Health & Care	548.90	0.0	548.9	1	173.50	0.0	173.5	0
Information Technology	849.50	0.0	849.5	1	236.90	0.0	236.9	0
Other	12,447.10	0.0	12,447.1	20	2,315.30	0.0	2,315.3	4
<b>Debt Securities:</b>								
Corporate Bonds (Investment Grade)	0	8,052.1	8,052.1	13	4096.2	4,512.8	8,609.0	13
Corporate Bonds (non-Investment Grade)	0	0.0	0.0	0	0	0.0	0.0	0
UK Government	5,218.70	0.0	5,218.7	8	5,551.10	0.0	5,551.1	8
Other	1,107.70	0.0	1,107.7	2	1,174.30	0.0	1,174.3	2
<b>Private Equity:</b>								
All	934.9	1,364.1	2,299.0	4	1236.2	1,939.0	3,175.2	5
<b>Real Estate:</b>								
UK property	0	4,700.9	4,700.9	8	355.1	4,859.0	5,214.1	8
Overseas Property	0	0.0	0.0	0	0	0.0	0.0	0
<b>Investment Funds &amp; Unit Trusts:</b>								
Equities	16,555.30	0.0	16,555.3	27	19,679.60	10,955.8	30,635.4	46
Bonds	0	0.0	0.0	0	0	0.0	0.0	0
Hedge Funds	0	0.0	0.0	0	0	0.0	0.0	0
Commodities	0	0.0	0.0	0	0	0.0	0.0	0
Infrastructure	901.6	2,937.3	3,838.9	6	1382.2	4,068.2	5,450.4	8
Other	0	0.0	0.0	0	0	0.0	0.0	0
<b>Derivatives:</b>								
Inflation	0	0.0	0.0	0	0	0.0	0.0	0
Interest Rate	0	0.0	0.0	0	0	0.0	0.0	0
Foreign Exchange	0	0.0	0.0	0	0	0.0	0.0	0
Other	0	0.0	0.0	0	0	0.0	0.0	0
<b>Cash &amp; Cash Equivalents:</b>								
All	0	3,934.7	3,934.7	6	0	2,972.4	2,972.4	4
<b>Totals</b>	<b>40,913</b>	<b>20,989</b>	<b>61,902</b>	<b>100</b>	<b>36,840</b>	<b>29,307</b>	<b>66,147</b>	<b>98</b>

## Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependant on assumptions about mortality rates, salary levels, etc. Both the Local Government Pension Scheme and discretionary benefits liabilities have been estimated by Hyman Robertson LLP, an independent firm of actuaries, estimates for the County Council Fund being based on the latest full valuation of the scheme as at 31 March 2019.

The accounts have been prepared on the basis of the actuary's updated IAS 19 valuation report dated 11 May 2022. No further adjustment has been made within this year's results for the McCloud judgement or

The significant assumptions used by the actuary have been:

**Long-term expected rate of return on assets in the scheme**

	<b>2021/22</b>	<b>2020/21</b>
Overall expected return	7.5%	20.9%

**Mortality assumptions**

*Longevity at 65 for current pensioners:*

Men	21.1 Yrs	21.3 Yrs
Women	23.8 Yrs	23.9 Yrs

*Longevity at 65 for future pensioners:*

Men	22.2 Yrs	22.5 Yrs
Women	25.6 Yrs	25.8 Yrs

**Financial assumptions**

Rates of CPI inflation	3.20%	2.85%
Rates of increase in salaries	3.90%	3.55%
Rates of increase in pensions	3.20%	2.85%
Rate for discounting scheme liabilities	2.70%	2.00%

The estimation of the scheme obligations is sensitive to the actuarial assumptions set out above. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes, while all other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not changed from those used in the previous period.

<b>Impact on the defined benefit obligation in the scheme</b>	<b>Increase in assumption £'000s</b>	<b>Decrease in assumption £'000s</b>
0.1% decrease in Real Discount Rate	0	1,541
1 year increase in member life expectancy	3,254	0
0.1% increase in the Salary Increase rate	120	0
0.1% increase in the Pension Increase Rate (CPI)	1,410	0

**Impact on the Authority's Cash Flows**

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The County Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 19 years. Funding levels are monitored on an annual basis. A triennial valuation was completed as at 31 March 2019.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service pension schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The authority is anticipated to pay £2.504m expected contributions to the scheme in 2022/23.

### McCloud Judgement

As a result of the McCloud judgement, the Accounts included a past service gain of £126k in 2019/20 which reflected the revision by the actuaries of their previous estimate. No additional adjustment has been added to the current service cost for 2021/22 or the projected cost for 2022/23 on the basis that the previous adjustment has been rolled forward and is included in the balance sheet position.

### Guaranteed Minimum Pension (GMP) Equalisation

The Fund's actuary carried out calculations in 2019/20 in order to estimate the impact that the GMP indexation changes will have on the liabilities of the Authority for financial reporting purposes. The estimate assumes that the permanent solution eventually agreed will be equivalent in cost to extending the interim solution to all members reaching state pension age from 6 April 2016 onwards. An allowance for full GMP indexation was included in the closing balance sheet position as at 31 March 2020, therefore no further allowances are required.

### Note 33 Risks Arising from Financial Instruments

The Authority has a number of exposures to risks arising from financial instruments.

£'000s	Long Term			Current		
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2022
<b>Investments</b>						
Loans and receivables	0	0	0	5,004	3,523	6,378
<b>Debtors</b>						
Financial assets carried at contract amounts	0	0	0	3,494	4,493	3,185
<b>Total Debtors &amp; Investments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,498</b>	<b>8,016</b>	<b>9,563</b>
<b>Borrowings</b>						
Financial liabilities at amortised cost	(392)	(362)	(331)	(28)	(30)	(31)
<b>Total Borrowings</b>	<b>(392)</b>	<b>(362)</b>	<b>(331)</b>	<b>(28)</b>	<b>(30)</b>	<b>(31)</b>
<b>Creditors</b>						
Financial liabilities at amortised cost	0	0	0	(1,495)	(918)	(1,029)
<b>Total Creditors</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,495)</b>	<b>(918)</b>	<b>(1,029)</b>

Financial liabilities, financial assets represented by loans and receivables and long-term debtors and creditors are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments. The fair values of loans, provided by PWLB, are reported in Note 35. Short term

debtors and creditors are carried at cost as this is a fair approximation of their value. The risks and mitigating actions are described below.

### Credit Risk

This is defined as the possibility that one party to a financial instrument will fail to meet its contractual obligations causing a loss for the other party. The Balance Sheet contains two items of this nature, Debtors (Note 14) and Cash and Cash Equivalents (Note 15). The Debtors figure contains £2.924m of debt from government agencies, Local Authorities and other public bodies. These funds are owed because of projects the Authority undertakes either in partnership or as a result of grant aid. The risks of non payment are assessed as relatively low as project outcomes and eligibility rules are believed to have been met for funds expended during 2021/22. The Debtors figure of £1.802m relating to bodies external to government arises from a combination of normal business activity and one-off projects. The bad debts provision of £42k is regarded as reasonable mitigation of the risks of general debts not being paid, representing 1.26% of all outstanding debt outstanding. The provision is reviewed annually and the Authority has a history of negligible bad debt writes offs (c.£900 in the last 5 years). All Short Term investments, in accordance with the Authority's Treasury Mgt Policy, are invested with North Yorkshire County Council under a Service Level Agreement. The risk of North Yorkshire County Council failing to meet its contractual obligations under this agreement is judged to be low. The Authority has adopted North Yorkshire County Council's Treasury Management Policy at its March 2022 meeting. The Authority's Treasury Management Policy emphasises that the security of its cash resources is the primary objective of its Treasury Management, over and above the need to obtain a reasonable investment return.

### Liquidity Risk

This is defined as the possibility that the Authority might not have the funds available to meet its commitment to make payments. The Balance Sheet shows that the Authority has sufficient cash to finance its current liabilities, and the Treasury Management Policy allows the Authority to borrow to finance its working capital needs if necessary. In practice this has not been needed as Defra allow National Park Grant to be drawn down quarterly based on cashflow forecasts, and these forecasts include prudent contingencies for working capital. For its capital resources the Authority is able to draw on long term loans from the Public Works Loan Board.

### Market Risk

This is defined as exposure to movement in prices arising from market conditions. The Authority does not have any investment in equity shares.

#### *Foreign exchange rate risk*

The Authority has some exposure to exchange rate risk because of a European funded grant project, which is paid retrospectively in euros.

The exposure relates to the Moorlife 2020 project, which was a five year project with 75% grant aid from the European Commission of €11.9m, starting in 2016/17, which has now been extended to 2022. The project therefore has an element of exchange rate risk depending upon the exchange rate of the euro against sterling, at key points in the project. The grant was planned to be drawn down in four stages, and the date on which the euro grant is drawn down and paid over determines the value of sterling income received. Three stages totalling €8.4m have been paid to date leaving a total grant balance of €3.5 left to claim.

A contingency of £500k has been allocated to an earmarked reserve to take account of any further exchange rate and grant draw down risks to the completion of the project. The project risks are now significantly reduced and the contingency is now considered sufficient mitigation. A further risk was identified as a result of "Brexit" and specific assurances were sought that the project would be covered by the Chief Secretary to the Treasury's guarantee that such projects would be underwritten by the UK government. A letter from Defra's Permanent Secretary was received on the 9<sup>th</sup> February 2016, to this effect.

### *Interest rate risk*

The authority is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movement in interest rates have a complex impact on the authority. For instance, a rise in interest rates would have the following effects:

- borrowings at variable rates – the interest expense charged to the surplus or deficit on the provision of services will rise
- borrowings at fixed rates – the fair value of the liabilities borrowings will fall
- investments at variable rates – the interest income credited to the surplus or deficit on the provision of services will rise
- investments at fixed rates – the fair value of the assets will fall.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the surplus or deficit on the provision of services or other comprehensive income and expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the surplus or deficit on the provision of services and affect the General Fund balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in other comprehensive income and expenditure.

There is not considered to be a significant risk in the Authority's financial position arising from changes in variable interest rates, other than continuing pressure on budgets because of the depressed investment receipts. The Authority's long term borrowings are at a fixed rate of interest, and it is the Authority's policy to manage these risks by monitoring prevailing long term interest rates, ensuring that exposure to uncompetitive interest rate payments is minimised where possible. The timing of capital investment and raising of loan finance is also reviewed and forecast, in order to take advantage of interest rates which compare favourably against long term averages; the Capital Financing Requirement (CFR) is also managed in the short term with internal use of funds. Of the £1.325m CFR, £362k is financed from external fixed rate debt, with £963k at risk of interest rate fluctuations, and it is considered that there is a reasonable risk in continuing to finance this from internal funds while the markets are still pricing medium term interest rates at low levels.

### **Note 34      Prior Period Adjustments**

Following a review of revenue recognition, there has been a change in how grant income received in advance of expenditure has been recognised in the financial statements.

The CIPFA Code of Practice on Local Authority Accounting in the United Kingdom requires grants and contributions to be recognised immediately as income, unless any conditions have not been met; an authority shall not include grants and contributions deferred in the balance sheet.

The review in 2021/22 identified £1.5m of grant income that had been received but not yet spent that would need to be credited to services as per the CIPFA code (noted above). This would then be transferred to an earmarked reserve, the Revenue Grants Reserve, established in 2021/22 for this purpose. This had not been the accounting treatment in previous years and as the amounts involved are material, the CIES, balance sheet and movement in reserves for 2020/21 and 2019/20 have been restated in the main body of the accounts. The values are shown in the table below:

Grant Income Restatement		Restated £'000s		Original £'000s		Restatement Amount £'000s	
		2020/21	2019/20	2020/21	2019/20	2020/21	2019/20
<b>CIES</b>	Exceptional Item - Grant Income Restatement	(1,624)	(1,577)	0	0	(1,624)	(1,577)
	Total Cost of Services	5,754	6,841	7,378	8,418	(1,624)	(1,577)
	Closing Balance on the General Fund as at 31 March	7,351	6,694	5,727	5,117	1,624	1,577
<b>MIRS</b>							
<b>Balance Sheet</b>	Grants Receipt in Advance	0	0	(1,624)	(1,577)	1,624	1,577
	<b>Long Term Liabilities</b>	(23,007)	(14,199)	(24,631)	(15,776)	1,624	1,577
	<b>Total Net Assets</b>	4,828	13,450	3,204	11,873	1,624	1,577
	General Reserve	1,846	1,929	222	352	1,624	1,577
	<b>Total Reserves</b>	4,828	13,450	3,204	11,873	1,624	1,577

## Note 35 Loans

The Authority's short-term and long term borrowing is as follows:-

### 31 March 2021 Short Term Analysis by Type of Loan 31 March 2022

£'000s	£'000s
30 Public Works Loan Board	31
<b>30 Total</b>	<b>31</b>

31 March 2021 Long Term Analysis by Type of Loan	31 March 2021	Ave. Interest Rate
£'000s	£'000s	%
362 Public Works Loan Board	331	4.7
<b>362 Total</b>	<b>331</b>	

The CIPFA Code requires disclosure of the fair value of the loan, which is calculated by the PWLB based on the repayment rates prevailing on the dates below. This value is compared against the carrying value in the Balance Sheet, including debt repayments due within one year.

31 March 2021	31 March 2021
£'000s	£'000s
<b>493</b>	<b>424</b>
<b>PWLB Fair Value</b>	
<b>Balance Sheet Carrying Value</b>	
30 Under 1 year	31
362 Between 1 and 30 years	331
<b>362</b>	<b>362</b>

The Fair Value is more than the carrying amount at 31<sup>st</sup> March 2022 because the fixed rate loan interest payable on existing loans is higher than the rates available for similar loans at that date. This Fair Value is derived by discounting the current fixed repayments remaining on the loan using the interest rates available at Balance Sheet date, with the result that if the Authority requested an early repayment of the loan, the lower interest rates prevailing at Balance Sheet date would result in the PWLB requesting a higher current value for the repayment than the amount outstanding shown in the Balance Sheet.

The Authority has only one long term loan:

- a 25 year PWLB loan, repayable using the annuity method of repayment, with fixed half-yearly payments including principal and interest. The loan was taken out on 30 October 2006 at a fixed rate of 4.7% with a final payment 30 September 2031.

## Note 36 Impact of Accounting Changes

Under the CIPFA Code, the Authority is required to disclose details on the impact of an accounting change required by a new accounting standard that has been issued but not yet adopted by the Code.

The principal accounting change that will affect this Authority's accounts will arise from the introduction of IFRS 16 – Leases. This standard is now anticipated to apply from 1<sup>st</sup> April 2022, and establishes a new model for accounting for leases of substantial long term leased assets. The likely impact is that leases classified as operating leases may need to be re-classified and dealt with as a balance sheet asset, in a similar way to finance leases currently. The precise impact on the Authority has not yet been calculated as the application of the standard to Local Authorities is still being discussed, but it is expected that a number of property leases will be affected by the change. The balance sheet values affected may not be a material sum, depending on the accounting treatment required under the new standard, especially for peppercorn or nil consideration leases.

## Note 37 Reconciliation of Operating Activities in Cash Flow Statement to Revenue Expenditure

2020/21 £'000s		2021/22 £'000s
<b>913</b>	<b>(Surplus) Deficit on Income &amp; Expenditure Account</b>	<b>330</b>
(1,523)	Adjustments between accounting basis and funding basis (Note 6)	(2,617)
740	Transfers to (from) earmarked reserves (Note 7)	1,894
<b>130</b>	<b>(Increase)/Decrease in General Reserve</b>	<b>(393)</b>
	<b>Balance for the year</b>	
(143)	Minimum / Voluntary Revenue Provision	(158)
(800)	Contributions (to)/from Reserves	(1,821)
59	Contributions (to)/from Restricted Funds	(73)
731	(Increase)/Decrease in Creditors	(111)
(45)	(Increase)/Decrease in Advance Income	1,585
952	Increase/(Decrease) in Debtors	(1,402)
(76)	Increase/(Decrease) in Stock	(38)
(126)	Revenue Contribution to Capital Expenditure	(250)
<b>552</b>		<b>(2,268)</b>
<b>682</b>	<b>Net Cash Flow Operating Activities</b>	<b>(2,661)</b>

## Note 38 Reconciliation of Liabilities Arising from Financing Activities

	1 <sup>st</sup> April 2021 £'000s	Financing cashflows £'000s	31 <sup>st</sup> March 2022 £'000s
Long Term Borrowings	(362)	31	(331)
Short Term Borrowings	(30)	(1)	(31)
<b>Total Liabilities from Financing activities</b>	<b>(392)</b>	<b>30</b>	<b>(362)</b>



**9. 2021/22 ANNUAL GOVERNANCE STATEMENT AND AMENDED CODE OF CORPORATE GOVERNANCE (AGM)**

**1. Purpose of the report**

Members are asked to review and approve the audited Annual Governance Statement for 2021/22. Members are also asked to approve the amended Code of Corporate Governance.

**Key Issues**

- Each year the Authority reviews its performance against the Code of Corporate Governance and in doing so this reviews the effectiveness of its governance arrangements including the system of internal control. The results of this feed into the Authority's Annual Governance Statement (AGS) at Appendix 1.
- This review takes into account 'assurances' received during the year.
- The AGS highlights areas for further action in accordance with our approach to achieve continuous performance improvement.
- The External Auditor earlier on the agenda is anticipating giving a satisfactory conclusion with no issues highlighted following the completion of the Auditors' assessment of the AGS.
- The current Code of Corporate Governance has been in effect since 2017 with minor changes made, when required, following the publication of the Annual Governance Statement each year.

**2. Recommendations**

1. To approve the Annual Governance Statement for 2021/22 for sign off by the Chief Executive Officer and the Chair of the Authority attached at Appendix 1.
2. To approve the Code of Corporate Governance set out in Appendix 2.
3. To authorise the Head of Law & Monitoring Officer, following consultation with the Chair of the Authority, to make minor changes to the Code of Corporate Governance each year following publication of the Annual Governance Statement.

**How does this contribute to our policies and legal obligations?**

3. Regulation 6 of the Accounts and Audit Regulations (2015) requires relevant bodies to conduct a review at least once a year of the effectiveness of its system of internal control and Members must approve an AGS, prepared in accordance with proper practices in relation to internal control, at the same time as the statement of accounts is approved under Regulation 12(2). To comply with the Regulations the Authority published an unaudited version of the Statement before the required deadline of 31 May 2021. This report now asks the National Park Authority to approve the version before it is published in accordance with the Regulations.
4. The Ministry for Housing Communities and Local Government has previously clarified that 'proper practice' in relation to internal control relates to guidance produced by CIPFA (Chartered Institute of Public Finance and Accountancy) and SOLACE (Society of Local Authority Chief Executives). This guidance is found in the CIPFA/SOLACE publication titled 'Delivering Good Governance in Local Government Framework' which

was updated in February 2016. Members approved our revised Code of Corporate Governance which reflected this guidance at the Authority meeting held on 3 February 2017 (Minute no. 5/17 refers).

5. This guidance has been supplemented and updated by: the CIPFA statement on the Role of the Chief Financial Officer (02/2016); the CIPFA statement on the Role of the Head of Internal Audit (2010); and the CIPFA delivering good governance addendum (2012). Since 2014/15 we have also been required to include a statement on our assessment of performance against CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption.
6. A review of our performance against the Authority's Code of Corporate Governance feeds into this AGS and is part of our work to ensure the Authority has a solid foundation supporting achievement of our outcomes, as set out in the Corporate Strategy, by making sure the Authority is an agile and efficient organisation. Obtaining a satisfactory External Audit conclusion on value for money through an assessment of the Annual Governance Statement is a corporate indicator KPI26.

### **Background Information**

7. The review of effectiveness of our governance framework, including the system of internal control, is informed by assurances from Officers and Members within the Authority who have responsibility for the development and maintenance of the governance environment (including financial controls, risk management and performance management processes, compliance with advice on legislation and regulations), Internal and External Audit reports and opinions, comments made by other agencies and inspectorates as well as feedback from customers and stakeholders
8. 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 AGS (Authority Minute number 63/22 refers).

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.

9. The review of effectiveness is continual throughout the year as evidenced by some of the action taken during the year but a more formal assessment takes place each year in the preparation for this statement. Usually a meeting is held during April to:
  - a) Review our performance against our action statements of commitment in our Code of Corporate Governance and highlight what we have done in the 2021/22 year which contributes to achieving our outcome of 'good governance'
  - b) Identify any further action needed for the forthcoming year in accordance with our approach to ensure continuous performance improvement
10. These meetings involved the Interim Chief Executive (Head of Paid Service), the Chief Finance Officer and Head of Finance, the Head of Law and Monitoring Officer, the Deputy Monitoring Officer and the Chair of the Authority.
11. It was agreed that the outputs of the review in terms of improvement action for the forthcoming year would be reflected in the 2021/22 AGS. These are recorded in Appendix 1 against the 7 core principles of our Code of Corporate Governance. A full

record of the review of action and assurances received indicating maintenance and/or improvement to the effectiveness of elements of the governance framework can be obtained from the Head of Law & Monitoring Officer or can be found at:

<http://www.peakdistrict.gov.uk/publications/operationalpolicies>

12. The full review has not been included in the AGS in order to provide a briefer document but a detailed review of performance against our Code of Corporate Governance has been published on the Authority Website.
13. The current Code of Corporate Governance ('the Code') was approved by the Authority in February 2017 and authorisation was given to the Monitoring Officer, in consultation with the Chair of Audit, Resources and Performance Committee, to make minor changes to the Code each year following publication of the AGS. As minor amendments have been made to the Code since then it is thought good governance practice to bring the current, amended, Code back to Members to support and approve as attached in Appendix 2. Also, as the Authority no longer has an Audit, Resources and Performance Committee authorisation to the Monitoring Officer to make minor changes to the Code, in consultation with the Chair of the Authority is requested.
14. It is also requested that the Code is signed by the Chair and Chief Executive to reflect the appointment changes in both roles since the Code was originally signed in 2017.

### **Proposals**

15. The proposed Annual Governance Statement for 2021/22 is given in Appendix 1 for Members' consideration and approval. This statement is in the process of being audited by our External Auditors from Mazars. The External Auditor earlier on this agenda has indicated that they are anticipating giving a satisfactory conclusion with no issues highlighted following their full assessment of the AGS. The External Auditors are currently satisfied that the AGS fairly reflects the Authority's risk assurance and governance framework and confirmed that as it stands they have not identified any significant weaknesses in the AGS. The Auditors have indicated that as they continue their work to audit the Value for Money conclusion and the AGS, which will be finally reported on in the Annual Auditors Report 2021/22, they are supportive of us proceeding with approval of the AGS. As part of reviewing performance and assurances received no significant issues have been identified and the arrangements in place continue to be regarded as fit for purpose in accordance with the governance framework. However, over the coming year 2022/23 we are taking steps to address a number of issues identified during our review of effectiveness to further enhance our governance arrangements, these are set out in the table at the end of the Appendix 1.
16. In addition, the Authority is asked to approve the amended Code of Corporate Governance as set out in Appendix 2 and to delegate minor changes to the Head of Law & Monitoring Officer in consultation with the Chair of the Authority. The amended Code will be used to prepare the 2022/23 AGS for publication later this year. Current changes made are shown highlighted in yellow in the Appendix.

### **Are there any corporate implications members should be concerned about?**

#### **Financial:**

17. There are no financial implications to consider.

#### **Risk Management:**

18. There are no issues to highlight other than already included in the AGS and Code. Having a Code in place, implementing it and reviewing action each year helps us to

follow good practice and reduces the risk of failing to address any weaknesses in our corporate governance arrangements.

**Sustainability:**

19. There are no issues to highlight.

**Equality, Diversity and Inclusion:**

20. There are no issues to highlight.

**21. Climate Change**

There are no issues to highlight.

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

None

**23. Appendices**

Appendix 1 - 2021/22 Annual Governance Statement

Appendix 2 - Amended Code of Corporate Governance

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

Andrea McCaskie, Head of Law and Monitoring Officer, 26 January 2023.

[Andrea.McCaskie@peakdistrict.gov.uk](mailto:Andrea.McCaskie@peakdistrict.gov.uk)

## **2021/22 Annual Governance Statement**

### **Scope of Responsibility**

The Peak District National Park Authority ('the Authority') is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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.

The Authority approved and adopted a Code of Corporate Governance in February 2017 which is consistent with the principles of the CIPFA/SOLACE (Chartered Institute of Public Finance and Accountancy/Society of Local Authority Chief Executives) Framework Delivering Good Governance in Local Government published in April 2016. The Code is reviewed annually and if needed updated appropriately including considering guidance such as the CIPFA statement on the Role of the Chief Financial Officer (2010), the CIPFA statement on the Role of the Head of Internal Audit (2010) and the CIPFA code of practice on Managing the Risk of Fraud and Corruption (2014). A copy of the Authority's Code of Corporate Governance can be obtained from the Monitoring Officer at Aldern House, Baslow Road, Bakewell, DE45 1AE or can be found on our website at:

<http://www.peakdistrict.gov.uk/publications/operationalpolicies>.

The following statement reports on the outcome of the review of the effectiveness of the Authority's governance arrangements, and also meets the requirements of the Accounts and Audit Regulations 2015.

### **The Purpose of the Governance Framework**

The governance framework comprises the systems, processes, culture and values, for the direction and control of the Authority and its activities through which it accounts to, engages with and leads its National Park 'community' (locally, regionally and nationally). It enables the Authority to monitor the achievement of its strategic outcomes and objectives and to consider whether these objectives have led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's policies and outcomes, to evaluate the likelihood and potential impact of those risks being realised, and to manage these risks efficiently, effectively and economically.

The elements of the governance framework identified in our Code of Corporate Governance have been in place at the Authority for the year ended 31 March 2022 and up to the date of finalising this statement on 31 May 2022 for publication by the end of May 2022. The statement will be revised prior to reporting to a meeting of the Authority in November 2022 to reflect any significant changes which may occur prior to that date.

## The Governance Framework

The Authority's corporate governance framework, as enshrined in our Code of Corporate Governance, helps us to ensure that the principles of good governance are embedded in all aspects of our work. The key aspects of the corporate governance framework include:

(a) The Authority's work, in pursuing its statutory purposes and duty, is governed by a number of key policies and plans including the Defra (Department for Environment, Food and Rural Affairs) circular, the National Park Grant Memorandum, the 8 Point Plan for England's National Parks and the 25 Year Plan to Improve the Environment. In 2019 The Landscape Review: Final report reported to Government setting out a number of recommendations for national landscapes (National Parks and Areas of Outstanding Natural Beauty) around 4 key outcomes: Landscapes alive for nature and beauty; landscapes for everyone, living in landscapes; more special places and new ways of working. The Government response to the review was published in January 2022 and stated that some of the proposals would require changes to legislation to implement. The Government then launched a public consultation, during January to April, on the proposed legislative changes and the Authority agreed a response to this at its meeting in March 2022. Whilst we wait for the outcome of the public consultation we are still supporting the 4 collective priorities and delivery plans to guide our work as a family of National Parks, and in partnership with many others; wildlife and nature recovery, climate change, sustainable farming and land management and landscapes for everyone agreed by National Parks England, which represents the 9 English National Park Authorities and the Broads Authority. Reports on how each of these themes have been carried forward by the Authority have been presented to Members of the Programmes & Resources Committee throughout 2021/22.

(b) The Authority communicates its vision and intended outcomes for the National Park working with partners over a 5-10 year period, through the National Park Management Plan (NPMP). This is reviewed every 5 years and is supplemented by a number of key National Park strategies and action plans also working with partners. A partnership protocol is in place to support our work with partners. Work on reviewing the NPMP was undertaken and a plan is now in place for 2018 to 2023. Progress against the NPMP is monitored by a stakeholder Advisory Group which is independently chaired. Progress is monitored around six main themes known as Areas of Impact which are in turn broken down into a series of intentions. During 2021/22 a Member Task & Finish Group has met monthly to create an emerging NPMP which must be reviewed by March 2023. Engaging with partners on the draft 20year vision and aims which are based around Climate Change, Landscape & Nature Recovery, Welcoming and Conservation.

(c) The Authority's contribution to achieving the NPMP outcomes is described in our corporate objectives. The 2019/24 Corporate Strategy was published a year after the NPMP was approved to ensure the Authority captured the key areas of work it is responsible for in the NPMP in its own corporate objectives. The Authority reports to the independent Advisory Group on its own contribution to the NPMP. During 2021/22 the Member Task & Finish Group with Officers have been working towards an emerging NPMP and Authority Delivery Plan which will be one document for the place with the latter identifying what objectives the Authority will be delivering around the 20 year vision and aims.

(d) The Performance and Business Plan provides an annual work plan for the Authority showing priorities for action in the forthcoming year, measures of success, targets for performance and allocation of resources. The agreement of this follows a detailed planning process aimed at ensuring the economical, effective and efficient use of resources. We have set realistic, yet ambitious, targets to support our mission to inspire millions of people so together we will protect and care for our National Park for the enjoyment of all.

(e) During 2021/22 the Corporate Strategy has provided a steer for leading and managing change in light of external pressures on the Authority and has guided our budget planning process. The Strategy also focuses on how the Authority will deliver its contributions to the National Park

Management Plan. Each outcome identified in the Strategy has a key performance indicator and target, alongside a set of strategic interventions that will guide our work.

(f) Following the adoption of the Authority's Core Strategy in October 2011, work has continued to complete both Development Management Policies and detailed supporting guidance. Collectively this suite of policies and supplementary guidance forms the Authority's Local Development Plan, which provides a basis for greater clarity and certainty in decision making over the next 10-15 years. As the National Planning Policy Framework states that local planning authorities should review their Local Plans every 5 years, in March 2019 the Authority agreed the process and timescales for carrying out a review and this process has progressed during 2021/22 overseen by the Members Local Steering Group which has met on a regular basis and is made up of all the Member Champions.

(g) Our seven integrated principles originally set out our ways of working in terms of how we engage with people, both resident and non-resident and these are reflected in our Corporate Strategy. Following our IIP assessment we launched our new Values which replaced the 7 integrated principles and they have become embedded into our ways of working during 2021/22. – Care (We care for the PDNP, the people we work with and all those we serve. It's at the heart of everything we do), Enjoy (We take pride in what we do and feel good about our contribution) and Pioneer (We are born of pioneers and we will continue to explore opportunities to inspire future generations).

(h) The Authority's performance management framework ensures that:

- the 'golden thread' is in place with all individual work programmes linked through the service planning process to achieving corporate objectives/priority focus and National Park Management Plan outcomes
- measures of success are identified and targets set for performance
- resources are allocated to priorities
- risks to achieving corporate objectives are considered and mitigating action identified at corporate and service levels
- performance and the changes to risks are monitored regularly throughout the year
- areas for performance improvement are identified and addressed both in the short term and as part of medium-term performance improvement planning. This includes addressing issues arising from strategic, value for money and scrutiny reviews, and external/internal audit and inspection reports.

(i) The Authority's Standing Orders, and other procedures describe how the Authority operates and how decisions are made. They also define the terms of reference for committees and the Authority meeting including the role of the Authority in standards issues. The prime objectives are to operate effectively, efficiently, transparently, accountably and within the law. Our Standing Orders, which were reviewed during 2021/22 to reflect the new Management Structure, are supplemented by:

- Scheme of Delegation (which is regularly reviewed)
- Codes of Conduct and guidance for Officers and Members
- Policies and Procedures including the Anti-Fraud and Corruption Policy and the Confidential Reporting (whistle blowing) Policy
- Protocols on (i) Member/Officer Relations, (ii) Monitoring Officer and (iii) Development Management and Planning
- Complaints procedures
- Our scrutiny process led by Members

(j) Arrangements are in place to ensure compliance with relevant laws and regulations, internal policies and procedures and that expenditure is lawful. These include:

- requirement in our financial regulations and Standing Orders for technical advice to be sought including legal and financial advice from the Monitoring Officer and Chief Financial Officer
- reports for decisions including reference to relevant policies and procedures
- professional expertise and knowledge of staff employed by the Authority
- professional expertise of contractors and consultants where not available in house
- scrutiny provided by Internal and External Auditors. The internal auditor has had regular and open engagement across the organisation particularly with managers of the Authority and with Members through Authority meetings.
- a risk based internal audit strategy and annual plan
- reports from external bodies like the Local Government and Social Care Ombudsman, HM Revenue and Customs, Information Commissioner, Planning Inspectorate
- requirement to comply with relevant codes of practice and conduct mandatory for local authorities
- guidance received from time to time from Defra and other government agencies
- allocation of all income and expenditure to approved cost centres by Finance based on approved delegated decisions and business cases by Resource Management Meeting or Members, either at approval of the budget or during the year

(k) Arrangements are in place for 'whistle blowing' and for receiving and responding to complaints from employees if there are concerns about serious matters that could put the Authority and/or the wider public at risk. These arrangements are described in our 'confidential reporting policy'. This is given to all staff as part of their induction and is publicised through our website section titled 'standards and governance' which can be found at <http://www.peakdistrict.gov.uk>. The Authority's Complaints procedure provides a facility to those not employed by the Authority to raise their concerns.

(l) Financial management includes forward planning of expenditure and resources, budget consultation, budget setting and monitoring and final accounts. The aim is to ensure that these are accurate, include information relevant to the user and are completed to agreed timescales. Financial Regulations - Our reporting arrangements meet the requirements of the CIPFA statement on The Role of the Chief Financial Officer (CFO) in Local Government (2010) with the CFO having independent reporting as necessary to the Chief Executive (CE), Resource Management Meeting and Members. Following the Management re-structure in early 2021 and the removal of the Directorate level there is direct line management responsibility by all Heads of Service to the CE.

(m) Member and staff learning and development needs are identified and met through annual programmes. Our approach to staff development is described in our Learning and Development Policy. Our approach to Member development is described in the Member Learning and Development Framework document, which is approved by the Authority annually. Improvements to our approach on Member development, within resources available, are reported annually to the Authority as part of agreeing the annual programme of development and business events. During 2019/20 the Authority completed the process of gaining Investors in People reaccreditation and has an action plan in place to address areas for improvement. In 2020/21 the liP Delivery Group, made up of a cross section of employees across the organisation, worked on the Action Plan including simplifying and revising the appraisal process, embedding the values in everything that is done and creating three task groups, with representation across the Authority, to take forward work on Reward & Recognition, Equality, Diversity & Inclusion and Communicating the Values and this work is currently ongoing in advance of the 3 year IIP re-assessment which will be undertaken in April 2022.

(n) In December 2018 the Authority established a Member led Governance Review Working Group to review the Authority's Governance arrangements particularly around:

- the roles and responsibilities of Members and Officers



- delegations to Committees and matters reserved to the meetings of the Authority
- delegations to Officers
- the contribution and impact of the Member Representative role.
- Appointments to Outside Bodies

The first report of the Working Group was presented to the Authority in May 2019. At that meeting all the recommendations were approved and implemented in July 2019 following the 2019 Annual Meeting. Since then the Working Group continued to meet virtually on a monthly basis during lockdown and presented their second report to the virtual Authority meeting in May 2020. The 16 recommendations were approved and included endorsing the Member Appointment Principles, the Members Appointment Process Panel, the annual report on Member attendance, the terms of reference of the P&R Committee, the amendments to the Scheme of Delegation to the CEO, quarterly meetings of the LJC, and making no changes to the existing arrangements for Member Scrutiny as well as agreeing to have no Member representation on the Health & Safety Committee. Member appointments to the Working Group continue to be agreed at the AGM in July each year in readiness for any action required regarding Government decisions arising from the conclusion of the Landscapes Review consultation which was undertaken towards the end of 2021/22 which Members were fully engaged in.

### **Review of Effectiveness**

The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by assurances from Officers and Members within the Authority who have responsibility for the development and maintenance of the governance environment (including financial controls, risk management and performance management processes, compliance with advice on legislation and regulations), internal and external audit reports and opinions, comments made by other agencies and inspectorates as well as feedback from customers and stakeholders.

The review of effectiveness is continual throughout the year as evidenced by some of the action taken during the year but a more formal assessment takes place each year in the preparation for this statement. In accordance with the Authority's Code of Corporate Governance, a meeting was held on 28 February 2022 with the outgoing Chief Executive, the Deputy Chief Executive, the Chief Finance Officer (Head of Finance), the Monitoring Officer (Head of Law) and the Democratic Services Manager and a further meeting on 3 May 2022 with the wider Management Team to:

1. Review our performance against our action statements of commitment in our Code of Corporate Governance and highlight what we have done in the 2021/22 year, which contributes to achieving our outcome of 'good governance'

2. Identify any further improvement action needed for the forthcoming year

This process has involved members of the new management structure; in carrying out our review we took account of the 'assurances' we have received during the year including:

- (a) External Audit Annual Audit Letter and unqualified opinion/satisfactory conclusions
- (b) Internal Audit reports for 2021/22 including draft annual report and assurance opinion which due to delays in completing the Block 2 audits, which are being completed remotely and will be presented at the 22 July Authority meeting. During the year to March 2021 the Authority's working practices have changed significantly as a result of the Covid pandemic. In addition to remote working, staff in some areas have been furloughed and it has been necessary to revise the budget as a 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 concentrating on the areas where the pandemic has had a major impact, particularly financial systems where controls have been

changed due to homeworking and information systems 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. Out of the three areas audited, two areas received an opinion of Substantial Assurance: IT Access Controls & User Awareness, Main Accounting/Capital Accounting and one relating to Risk Management received Reasonable Assurance. The 2020/21 annual assurance report from the Internal Auditor states: 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. 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 the Head of Internal Audit notes 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. It is anticipated following discussion with our Internal Audit Assurance Director that a similar Substantial Assurance will be given for the period 2021/22 but without the caveat relating to Covid-19.

- (c) Assurances given from 'those charged with governance' including: members of the Management Team, Statutory Officers (Head of Paid Service, Chief Finance Officer, Monitoring Officer) and Chair of the Authority.
- (d) Progress against action we identified last year as part of our Annual Governance Statement
- (e) The most recent Local Government and Social Care Ombudsman's statistics
- (f) Our planning appeals performance and feedback from inspectors' reports
- (g) Any feedback from handling complaints, Freedom of Information and Environmental Information enquiries
- (h) Implementation of the action plan arising from achieving the Investors in People standard
- (i) Feedback and lessons learnt from legal proceedings
- (j) Testing our business continuity arrangements in response to the COVID-19 Emergency
- (k) Confirming, in accordance with CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption that the Peak District National Park Authority has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud.

## Effects of Covid-19 Pandemic

In January 2021 the Authority transitioned to a new management structure and refreshed the outcomes in the Corporate Strategy 2019-24, in light of the impact of the pandemic and funding pressures.

At the start of the Covid-19 pandemic in terms of business continuity, the Authority's existing Business Continuity Plan worked well and in terms of resilience most Officers who could work at home were quickly given the tools they needed to carry on remotely. Internal Audit as part of their Block 2 work in 2021/22 are looking at the effectiveness of our Business Continuity Framework and will be presenting their report to Members in July 2022. The Authority has reacted to changes in Government guidance with regard to Covid-19 and restrictions easing and enabled staff to work 60% of their time from home and 40% in the office to ensure good business continuity. This will change to 60% in the office and 40% at home from May 2022 and be reviewed again later in the year to enable us to make decisions on how best to balance the needs and expectations of the Authority with those of the workforce.

The Government Regulations allowing the Authority to hold virtual meetings ended in May 2021 and the Authority returned to holding in person meetings by sourcing large venues to enable them to be conducted in line with social distancing guidance. Meetings were audio broadcast and the revised Public Participation Scheme (PPS) was kept to allow statements in person, by video or

audio recording or by being read out by the Democratic and Legal Support Team. As social distancing guidance changed our meetings gradually returned to being held at our own offices but elements of the amended PPS have remained such as the ability for speakers to submit video or audio recordings or ask for statements to be read out to enhance and encourage public participation,

The Authority continued to play a significant role in supporting its partners during the national emergency through our representation on, and support of the objectives, of the Derbyshire Local Resilience Forum. Our activities included communicating the government guidance from messages for visitors to stay at home, protect the NHS and save lives to hands, face, space, fresh air and vaccination, supporting the police in their work across the National Park and giving reassurances that we were continuing to care for the National Park and bringing nature, history and the beauty of our National Park indoors to people's homes.

The Management Team have been actively planning on how the Authority manages the recovery process and continues to review its response to Government guidance and using this to update our business continuity arrangements. The significant impact of the pandemic are still very much being felt and this has therefore been identified again as a key issue that will affect our effectiveness during 2022/23.

As part of our continuous improvement approach to our governance arrangements we have identified further issues to address as recorded below against the 7 core principles of our Code of Corporate Governance. A full record of our review of action and assurances received indicating maintenance and/or improvement to the effectiveness of elements of the governance framework can be obtained from the Monitoring Officer at Aldern House, Baslow Road, Bakewell, DE45 1AE or can be found on our website at

<http://www.peakdistrict.gov.uk/publications/operationalpolicies>

<p><b>(A) Core Principle</b> <b>Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of Law</b></p>
<p><b>Issues identified which affect effectiveness</b></p> <ol style="list-style-type: none"> <li>1. The impact of the Investors in People Re-Assessment Award and the creation of an IIP Action Plan.</li> <li>2. Uncertainties around the impact of the recommendations arising from the National Landscapes Review consultation on structures and funding and the timescales in which they are to be implemented.</li> <li>3. The impact of the non-inflationary 3-year funding settlement from Defra on delivery targets in 2022/23 and the following 2 years.</li> </ol>
<p><b>(B) Core Principle</b> <b>Making sure of openness and comprehensive stakeholder engagement</b></p>
<p><b>Issues identified which affect effectiveness</b></p> <ol style="list-style-type: none"> <li>4. Risk that partners do not sign up to or support the emerging new National Park Management Plan which is to be adopted with the Authority Delivery Plan later in the year.</li> </ol>
<p><b>(C) Core Principle</b> <b>Defining outcomes in terms of sustainable economic, social, and environmental benefits.</b></p>
<p><b>Issues identified which affect effectiveness</b></p> <ol style="list-style-type: none"> <li>5. The social and economic impact of Covid-19 will continue to have a significant and still fully unknown impact on the Authority and its ability to achieve its statutory purposes and corporate strategy targets as we have to continue to adapt our ways of operating.</li> </ol>
<p><b>(D) Core Principle</b> <b>Determining the interventions necessary to optimise the achievement of the intended outcomes.</b></p>
<p><b>Issues identified which affect effectiveness</b></p> <ol style="list-style-type: none"> <li>6. The Authority's ability to achieve sustainable gross revenue income targets through trading and fundraising including external grant bids made by the Authority, corporate fundraising by the PDNP Foundation (PDNPF), major &amp; individual donor fundraising by the Authority and PDNPF and corporate partnerships led by National Parks Partnership.</li> </ol>
<p><b>(E) Core Principle</b> <b>Developing the Authority's capacity including the capability of its leadership and the individuals within it</b></p>
<p><b>Issues identified which affect effectiveness</b></p> <ol style="list-style-type: none"> <li>7. The ability of the Authority to deal with workforce and succession planning issues including the recruitment of a new Chief Executive and retention of key Officers whilst experiencing high levels of sickness absence and turnover of employees in comparison to previous years.</li> </ol>

<b>(F) Core Principle</b> <b>Managing risks and performance through robust internal control and strong public financial management.</b>	
<b>Issues identified which affect effectiveness</b>	
8.	Failure to implement the effective delivery of Year 2 of the three-year Farming in Protected Landscape Fund and the reputational risk to the Authority if the programme is not a success.
9.	The impact of the suspension of the development management pre-application advice service upon income targets and decision making and the impacts of the high turnover of staff within the Planning Service.
<b>(G) Core Principle</b> <b>Implementing good practices in transparency, reporting and audit, to deliver effective accountability.</b>	
<b>Issues identified which affect effectiveness</b>	
None.	

### Significant Governance Issues:

Other than the issues identified that may affect effectiveness, there are no significant issues and the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. However, over the coming year we will take steps to address the issues identified during our review of effectiveness as detailed above to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that have been identified and will monitor their implementation and operation as part of our next annual review.

Signed on behalf of the Peak District National Park Authority

Signed.....

Chair of the Authority

Signed .....

Chief Executive

### Publication Date:

3 February 2023 (Unaudited Statement)

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## **CORPORATE GOVERNANCE**

### **What do we mean by Governance?**

The International Framework for Good Governance in the Public Sector defines governance as:

“the arrangements (political, economic, social, environmental, administrative, legal and other arrangements) put in place to ensure that the intended outcomes for stakeholders are defined and achieved. The fundamental function of good governance in the public sector is to ensure that entities achieve their intended outcomes while acting in the public interest at all times.”

For the National Park Authority Governance is about how we ensure that we are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which we are directed and controlled and through which we account to, engage with and, where appropriate, lead communities

Governance is more than making sure that things do not go wrong or fixing them if they do. Good governance adds value by ensuring effectiveness in ever changing circumstances.

### **Why do we need a Code of Corporate Governance?**

The principal objective of a code is to increase credibility, accountability and public confidence in local authorities and all public bodies are encouraged to adopt a local code. A code helps us:

- To develop a frame work for Corporate Governance for the National Park Authority based on good practice and external guidance
- To demonstrate compliance with the principles of good governance
- To continuously improve our effectiveness through an annual review of performance against the framework with an action plan to address weaknesses
- To feed the results of the above into our annual governance statement

### **Delivering Good Governance**

The following schedule which forms the basis of our code has been developed following the structure recommended in the CIPFA/SOLACE Delivering Good Governance in Local Government Framework. It has been amended to reflect:

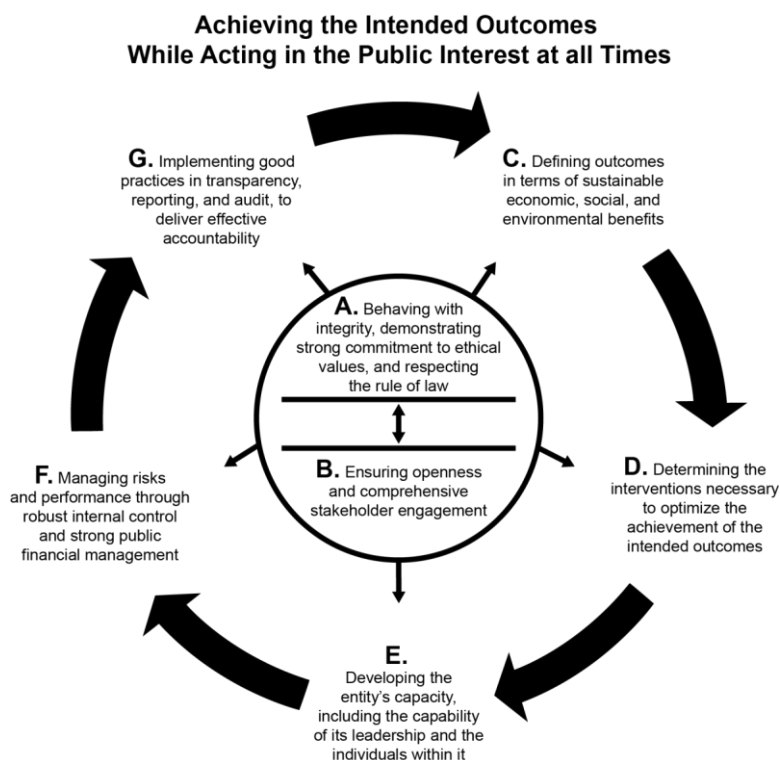
- a) our consideration of the CIPFA statement on the Role of the Chief Financial Officer in Local Government (2010) and the CIPFA addendum of December 2012.
- b) Our consideration of the CIPFA Code of Practice on Managing the Risk of Fraud and corruption 2014
- c) The 2016 Edition of CIPFA/SOLACE guidance notes for English Authorities.

The Framework defines the principles that should underpin our governance. It provides a structure to help us review our approach to governance by testing our governance structures and partnerships by:

- Reviewing existing governance arrangements

- Developing and maintaining an up to date Code of Corporate Governance, including arrangements for ensuring ongoing effectiveness
- Reporting publically on compliance with our code on an annual basis and demonstrating how we have monitored the effectiveness of our governance arrangements during the year and any planned changes.

The diagram below illustrates how the various principles for good governance in the public sector relate to each other. Principles A and B permeate implementation of principles C to G which are linked to each other through the “plan-do-check-act” cycle. The diagram also illustrates that good governance is dynamic, and that an entity as a whole should be committed to improving governance on a continuing basis through a process of evaluation and review.



*Diagram reproduced from “International Framework: Good Governance in the Public Sector”*

To achieve good governance we must demonstrate that our governance arrangements comply with the core principles in the diagram which are underpinned by the sub-principles set out in the framework.

## Commitment and Review

The Peak District National Park Authority is committed to taking action to deliver good governance and the attached schedule represents what we commit to do now (updated February 2017). Each year we will review our performance against this commitment, highlight what we have done and any further improvements needed for the forthcoming year. The outcome of the review will be reflected in our Annual Governance Statement published each year in parallel with the production of the Statement of Accounts.

## Responsibilities

Our annual review will be initiated by the Monitoring Officer (also Head of Law) and will include a discussion with the Chief Executive, the Chief Finance Officer, the Deputy Monitoring Officer and the Democratic Services Manager, the Chair and Deputy Chair of Authority (which includes the governance remit).



This Code of Corporate Governance was approved by the Authority in February 2017. Delegation is given to the Monitoring Officer to make necessary changes/amendments to the Code as a result of the annual review to ensure it stays relevant and up to date. Any significant changes to the Code will be reported to Authority as part of the report on the Annual Governance Statement.

The Annual Governance Statement is approved by the Authority and signed by the Chair of the Authority and the Chief Executive on behalf of the Authority.

**Signed:**



**Lesley Roberts** Andrew McCloy  
**Chair of the Authority**



**Sarah Fowler** Phil Mulligan  
**Chief Executive**

Reviewed 2017/18 – No changes

Reviewed 2018/19 – No changes

Reviewed 2019/20 – Amendments made to reflect changes to Committee structure and reporting lines

Reviewed 2020/21 – Amendments made to reflect organisational staffing changes, revised organisational values and changes to performance monitoring timescales.

Reviewed 2021/22 – Amendments made to reflect changes to reporting, organisational changes and changes to names of committees and bodies (shown highlighted yellow within the document).

## **(A) Core Principle**

**Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of Law**

### **Sub Principle: A(1) Behaving with Integrity**

#### **We will:**

- (1) Embed in the way we work our organisational values which we adopted in 2020 of:
  - Enjoy – We take pride in what we do and feel good about our contribution.
  - Care – We care for the PDNP, the people we work with and all those we serve. It's at the heart of everything we do.
  - Pioneer – We were born of pioneers. We will continue to explore opportunities to inspire future generations.
- (2) Ensure that standards of conduct and personal behaviour expected of Members and Officers is defined, communicated (internally and externally) and monitored through codes of conduct, protocols and advice.
- (3) Ensure that our decision making processes are open, transparent and free from bias and conflicts of interest.
- (4) Have in place a framework of policies and processes that support good governance in all that we do; we will review and improve these in response to feedback and evaluation of effectiveness.

#### **What evidence/assurance is in place?**

- Codes of conduct for Members and Officers with conduct included in Members and Officer induction.
- Supplementary advice on behaviour of Members and Officers in Committee;
- Protocol on Development Control and Planning Policy in place;
- Registers of Members and Officer interests and guidance with annual review by Monitoring Officer;
- Member and Officer gifts & hospitality registers and guidance with annual review by Monitoring Officer;
- Members Standards included in matters referred to a meeting of the full Authority;
- Nolan Principles are incorporated into Members Code of Conduct;
- Procedures in place to consider code of conduct complaints against Members which are reported to Authority meetings as part of the quarterly performance report, **changed to bi-annual reporting in 2022/21;**
- Complaints policy in place and individual complaints are monitored and reported to Authority meetings quarterly with lessons learned, **now reported bi-annually since 2020/21;**
- Declaration of Interests is a standing agenda item at meetings and Members are provided with a pro-forma to record interests as they prepare for the meeting. Minutes of meetings of the Authority and its Committees show that declarations of interest were sought and recorded;
- Due Diligence Panel established with Member Representation at Panel meetings and an Annual Report reviewed by Programmes & Resources Committee;
- Anti-Fraud and Corruption Policy and Whistleblowing (Confidential Reporting) Policy in place with regular review against CIPFA code with the Chair and Deputy Chair of the Authority advised of any allegations and the outcome of investigations. Our Contract Procedure Rules and standard terms and conditions for contracts refer to these policies;
- Information management policies framework (including E-Policy);
- Data Protection Charter with tools to ensure compliance.

## Sub Principle: A(2) Demonstrating a strong commitment to ethical values

### We will:

- (5) Embed our standards of behaviour and values underpinning the way we work in job descriptions, ~~the competency framework and JPAR process.~~ Through recruitment and selection, and the performance management (appraisal) process.
- (6) Ensure our HR, governance and procurement policies and procedures promote and support our values and standards and use every opportunity to promote our standards of behaviour and the values underpinning the way we work through for example:
  - Organisational development programme;
  - Leadership group development;
  - Corporate Learning and development programme;
  - Communications strategy;
  - Member Learning and Development Programme.
- (7) Communicate to others who work with us our expectations for compliance with ethical standards through:
  - Service level agreements;
  - Contracts and procurement processes;
  - Partnership agreements;
  - Sponsorship agreements.

### What evidence/assurance is in place?

- Checking ethical compliance at governing body level though promoting good behaviour and annual Monitoring Officer checks;
- In the Member Survey we ask a question to test awareness of ethical standards and how individual Members contribute to maintaining them. The next Member Survey ~~will take place during 2021/22~~ has taken place in 2022/23;
- The Chair of the Authority and the Statutory Officers, DCEO and DSM are involved in preparing the Annual Governance Statement and it is considered and approved by the Authority following scrutiny by the External Auditors;
- Employee terms and conditions, ~~competency framework and completed JPAR forms~~ values based set of behaviours and completed appraisal forms;
- Delivering an ongoing programme of ethical awareness training and including a session on standards and ethics in the annual compulsory planning training delivered to all Members;
- Resources Policies and Procedures;
- Member Learning and Development Plans;
- ~~Joint Performance and Achievement Review Process~~ Performance Management (appraisal) process;
- Corporate training programme and developing the ~~Leadership Group~~ Management Team;
- Procurement Strategy and Contract Procedure Rules;
- Conduct included within employee statement of terms and conditions;
- Tender and contract documentation including Standing Orders;
- Due Diligence Panel (DDP), chaired by the Monitoring Officer, looks at issues such as reputation and environmental impact when considering giving and sponsorship offers;
- Registers of in-kind and financial sponsorship and giving under £5,000 and register of One Team (staff and Members) benefits reviewed by the DDP every 6 months with offers over £5000 being considered on a case by case basis;
- Register for additional employment over grade H.

### Sub Principle: A(3) Respecting the rule of law

#### We will:

- (8) Progress achievement of our Corporate Strategy through full use of our powers and in doing so:
  - identify any risks of legal challenge as appropriate;
  - ensure Members and Officers receive legal advice on case work and policy/procedure development as appropriate;
  - ensure appropriate Standing Orders are in place.
- (9) Support the Chief Finance Officer and Monitoring Officer roles through protocols, direct access to Members and the Chief Executive and involvement in key decision making processes.
- (10) Ensure both the Chief Finance Officer and Monitoring Officer have appropriate resources to fulfil their roles as required by the legislation.
- (11) Respond to any external or internal advice or comments received on the legality of our decisions, policies, processes and procedures including from the Chief Finance Officer and Monitoring Officer.
- (12) Respond to any allegations of corruption and misuse of power in accordance with our framework of policies.

#### What evidence/assurance is in place?

- Standing Orders are regularly reviewed and updated;
- External scrutiny by external audit, internal audit, Local Government & Social Care Ombudsman, Defra, HM Revenue and Customs, Department for Work and Pensions, Planning Inspectorate and Ministry for Housing, Communities and Local Government and Housing Levelling Up, Housing and Communities;
- Three statutory roles in place of:
  - Head of Paid Service;
  - Chief Finance Officer (also Member of RMM) (s114 Finance Act 1988);
  - Monitoring Officer (also Member of RMM) (Supported by Deputy Monitoring Officer role) (s5 Local Government and Housing Act 1989);
- Job descriptions and Learning and Development plans are in place for individuals holding the above roles;
- Compliance with CIPFAs Statement on the Role of the Chief Financial Officer in local government;
- CFO is actively involved in all material business decisions and strategy development;
- Monitoring Officer Protocol is in place;
- Job descriptions for the Chair and Authority Members along with guidance of the role of Authority Members
- Outside Body advice to Members appointed to an outside body;
- RMM procedures to make sure internal consultation takes place on proposals;
- Leadership approach with “voices round the table” making sure the relevant staff are involved e.g. Corporate Property Officer;
- Legal Team Work Programme in place to support the Corporate Strategy;
- Legal risks identified in delegated reports and reports to Authority and Standing Committees and Resources Management Meeting;
- Delegation to Officers indicates where delegated decisions need sign off from Legal Services;
- VfM Review on Legal Services;
- Arrangements in place to report to relevant bodies when issues arise e.g. Health and Safety, Safeguarding, Fraud and Corruption, Data Protection;
- Anti-Fraud and Corruption and Confidential Reporting policies in place and are regularly reviewed against the CIPFA code of practice on managing the risk of fraud and corruption;
- Examples of cases where policy has been tested;

- Standards Framework in place including the Authority's arrangements for considering complaints against Members.

## **(B) Core Principle**

### **Making sure of openness and comprehensive stakeholder engagement**

#### **Sub Principle: B(1) Openness**

#### **We will:**

- (1) Support our commitment to a culture of openness and transparency through:
  - Fulfilling our obligations under the Freedom of Information/Environmental Information legislation;
  - Publicising decisions and information through our website and through web broadcasting of our committees;
  - Be open and transparent in all our decision making except, where justified, the exemptions under Schedule 12 of the Local Government Act apply.
- (2) Document evidence for decisions by recording criteria, rationale and data relied upon - using processes proportionate to the impact and risk of the decisions being made.

#### **What evidence/assurance is in place?**

- Annual Report and Business Plan published;
- Annual Monitoring Report on Local Plan;
- Monthly and Annual Head of Law Appeal Reports to Planning Committee;
- Creation of data protection policies, data protection staff training plan and rollout with appropriate tools and monitoring, robust processes where personal/sensitive data is created or used as part of wider operations;
- Use of robust data processor agreements where 3<sup>rd</sup> parties hold or process personal/sensitive data on the Authority's behalf;
- Freedom of Information Act Publication Scheme and disclosure log;
- Appointment of Senior Information Risk Owner, Lead Information Asset Owner and departmental Information Asset Owners;
- Corporate Strategy 2019-2024;
- Financial information such as outturns, accounts and external audit reports published on our website;
- Local Government Transparency Code 2015 - information is published on the website includes spending over £250, credit card spending, tenders, income from parking, organisation structures and senior salaries, trade union facility time, pay multiples, land and property assets;
- Publish information under Section 149 of the Equality Act 2010 (the Public Sector Equality Duties) and the Equality Act 2010 (Specific Duties) Regulations 2011 to publish workforce profile information by "protected characteristics" Gender, age, ethnicity, disability, religion and belief, sexual orientation and pay grade);
- Publishing prescribed information about our gender pay gap results in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017;
- Standing Orders make sure that exempt items are kept to a minimum and where possible an open report is provided to summarise the decision to be made and allow public participation;
- Documents relating to meetings of the Authority and its Committees along with Key governance documents, such as Standing Orders are published on the Authority website;
- Provisions in place allowing reporting on meetings and providing an audio **or audio-visual** webcast of meetings of the Authority and its Committees;
- Publish work programmes for the Authority and its Committees;

- Committee Reports and Minutes;
- Resources Management Meeting business cases and minutes;
- Standing Orders (Delegation to Committees, Delegation to Officers, Financial Procedure Rules and Contract Procedure Rules);
- Corporate Report Templates that include headings for key areas that must be taken into account in writing reports such as Financial, HR and Legal advice, Climate Change, Equality, Diversity and Inclusion considerations;
- Service protocols on recording decisions/file notes e.g. site visit file notes, HR forms and decisions, tender book;
- Planning and other reports for recording delegated decisions.

### Sub Principle: B(2) Engaging comprehensively with institutional stakeholders

#### We will:

- (3) Ensure the National Park Management Plan is a partnership Plan for the place with partners and stakeholders owning the delivery plan for the place.
- (4) Engage with constituent and surrounding councils and stakeholders through a programme of Chief Executive and Member meetings.
- (5) Engage with bodies representative of different voices inside and outside of the National Park.
- (6) Maximise our partnership approach to achieving more for the place through:
  - Strategic National Park Management Partnership Plan process and delivery
  - Operational delivery partnerships;
  - National NPA partnerships;
  - Sponsorship relationships;
  - Shared commissioning of evidence for Local Plans across the wider Peak District;
  - Sign up to agreed Statements of Common Ground on cross boundary planning policy issues.
- (7) Review our relationship management framework.
- (8) Ensure appropriate due diligence, programme management and contractual processes are in place to support partnerships.
- (9) Implement a programme of surveys and research so we can connect more to people and respond to feedback from people who use the National Park and our services.
- (10) Consult and engage communities and stakeholders on the development of our policies and strategies.
- (11) Consult and engage with people on specific actions that might affect them.

#### What evidence/assurance is in place?

- National Park Management Plan Delivery Plan;
- National Park Management Plan Advisory group and annual report;
- Programme of meetings between Chief Executive and other councils (both constituent authorities councils and the wider peak district authorities) sometimes including the Chair of the Authority and Leaders;
- Programme of meetings between Chief Executive and other key stakeholders;
- Local Access Forum;

- Annual Parishes Day and regular meetings with the Peak Park Parishes Forum (PPPF);
- Participation in meetings of combined authorities;
- Engagement by the CEO with the meetings of Derbyshire Chief Executives and of South Yorkshire Combined Authority Chief Executives;
- Engagement with Defra and other Government departments;
- LEP Membership;
- Engagement with Business Peak District, Nature Peak District and Visit Peak District;
- Appointments to Outside Bodies and supporting guidance;
- National Park Authority draft ~~Communication and Marketing Strategy~~ internal and external communications plans;
- Partnership working when preparing bids and delivering externally funded projects;
- Examples of Partnerships such as Moors for the Future (Moorlife 2020), SW Peak Partnership, Generation Green Coalition and Service Level Agreements e.g. Derbyshire County Council for payroll services;
- The Farming in Protected Landscapes Local Assessment Panel including key stakeholder organisation, farmer and land manager representatives;
- A range of studies delivered helping to shape Local Plan policies;
- Partnership Policy and Protocol;
- Due Diligence Panel and registers;
- Engagement with Heads of Planning Groups (eg Derbyshire, South Yorkshire, English National Parks);
- Trails Steering Group;
- Trans Pennine Trails Partnership;
- Stanage Forum.

### Sub Principle: B(3) Engaging with individual citizens and service users effectively

#### We will:

- (12) Underpin our Corporate Strategy ~~objective outcome~~ of enabling everyone to connect with the National Park with a sound evidence base including:
  - Feedback from customers using our services;
  - Research on best ways to engage with target audiences;
  - Formal consultation processes;
  - Feedback from bodies representative of different voices inside and outside of the National Park.
- (13) Update our ~~communications plan and marketing strategy~~ to support our new outreach programme and make sure it explains how we will feedback on 'you said' - 'we did'.
- (14) Develop an integrated approach to engaging with communities through our ~~new Engagement Service Policy and Communities service.~~
- (15) Continue to support Members in their community role.
- (16) Ensure our complaints procedures and reporting arrangements are accessible and transparent and monitor our response to complaints received to ensure the Authority learns from that feedback.
- (17) Ensure our long term National Park Management Plan (supported by the Local Plan) gives direction to short term decision making processes so that our aspirations for the condition of the special qualities of the National Park into the future can be achieved.
- (18) Ensure the work to transform the most degraded upland landscape across Europe, the Dark Peak and South Pennines, continues on its present positive trajectory through the Moors for the Future Partnership.



## What evidence/assurance is in place?

- Surveys (Residents, Visitors, Bus Users, Planning, Customer feedback and the Service User Survey (Includes Customer and Business Support, learning and discovery, visitor centres, cycle hire, conservation volunteers and ranger guided walks);
- Use of Park Life, press releases, website and social media to promote current consultations/issue/campaigns;
- Consultation page on Authority Website listing active consultation and how to participate;
- Summary of consultation responses in Committee reports;
- Public Participation at meetings;
- National Park Authority draft internal and external communications plan;
- User Groups (e.g. Stanage Forum' Local Access Forum);
- Work with lobbying partners such as CPRE/Friends of the Peak District, National Parks UK, Campaign for National Parks;
- Learning and development programme;
- Outside bodies appointments;
- Evidence of community and stakeholder meetings;
- Collect data for our corporate indicator); Peak District National Park connection is increased by 20%, Peak District National Park Authority ~~awareness is increased by 30%, Peak District National Park audience reach~~ that is 30% closer to demographics of those within an hour's travel time of the National Park
- Role descriptions in place for Chair, Members and Member Champion Roles;
- Consultation Area of Website;
- Officer Delegation for Planning – Parish Objection brings an application to Committee;
- Statutory duty to consult (e.g Traffic Regulation Orders);
- Responding to consultation from Government and partners;
- Evidenced in Committee reports which includes sustainability heading in the report template;
- National Park Management Plan;
- Communicating in Plain English;
- Parish Bulletins.

## (C) Core Principle

Defining outcomes in terms of sustainable economic, social, and environmental benefits.

## Sub Principle: C(1) Defining Outcomes

### We will:

- (1) Clearly communicate the vision and outcomes for the National Park through the National Park Management Plan supported by the Local Plan and the Landscape Strategy and Action Plan providing the strategic direction for the Authority's Corporate Strategy.
- (2) Clearly communicate our five year Corporate Strategy, our medium term financial plan and our one year Performance and Business plan actions and priorities to the public, stakeholders and partners.
- (3) Ensure our five year Corporate Strategy and medium term financial planning processes are aligned and reviewed annually and quarterly in year, moving to bi-annually during 2020/21.
- (4) Put arrangements in place to implement our risk policy and strategy at all levels in the Authority so that informed decisions can be made on what level of risk to accept and what mitigating action needs to be



in place to reduce or remove the risk to achieving outcomes.

- (5) Communicate our priorities internally and externally through the **three year five year** corporate strategy and Annual Performance/Business Plan.
- (6) Be clear about standards of service to be provided within resources available.

### What evidence/assurance is in place?

- Corporate Strategy and Medium term (3-5 years) strategic and financial planning strategy;
- National Park Management Plan (NPMP), **National Park Strategies and Action Plans** and Annual Monitoring Report supported by National Park Management Plan Advisory Group – includes performance against targets;
- Local Plan (Core Strategy and Development Management Policies) and supporting documents including: Annual Monitoring Reports, Local Development Scheme, Statement of Community Involvement and Supplementary Planning Guidance;
- Annual Performance and Business Plan includes performance against targets;
- Partnership Policy and Protocol and Review;
- Participation in local area forums and local partnerships eg Local Nature Partnership;
- **National Park Management Plan existing and emerging priorities from the current review are being used together with the four themes agreed with Defra – climate change, nature, people and place – for delivery of the Farming in Protected Landscapes Programme. (A transition programme to help Protected Landscapes to work more closely with farmers, land managers and land owners and to help them get ready for the new Environmental Land Management approach from 2024 onwards.)**
- Service Plans including risk registers;
- **People and Park connected strategy and action plan;**
- Sustainability heading included in report templates;
- Environmental Management Policy and Carbon Management Plan of Action with progress reports;
- Risk Management Policy and Strategy;
- Corporate Risk Register and monitoring;
- Risk based Internal Audit Strategy and Annual Plan;
- Information Technology Disaster Recovery Plan;
- Business Continuity Plan including Crisis Management Procedures;
- **Health and Safety Policy, support and annual report to the Management Team and Authority Programmes and Resources Committee.**
- Insurance Policies;
- Building security systems;
- Annual Performance and Business Plan;
- Annual Statement of Accounts.

### Sub Principle: C(2) Sustainable economic, social and environmental benefits

#### We will:

- (7) Ensure our strategic and financial planning delivers:
  - Our purposes and socio-economic duty balancing environmental, social and economic impact;
  - Consideration of conflicting interests informed by our consultation processes;
  - Long term financial sustainability of the Authority through diversifying our sources of funding, supported by a sustainable capital programme;
  - An approximate forecast for short term service and financial decision making.

(8) Implement our Equalities Policy to ensure fair access to services.

**What evidence/assurance is in place?**

- Capital Programme – due to be reviewed;
- Capital Investment Strategy;
- Commercial Strategy;
- Asset Management Plan;
- Sustainability heading included in report templates;
- Record of decision making and supporting materials;
- Consultation embodied in reports to Committee and delegated decisions;
- Following statutory guidance;
- Customer Service Standards;
- Equalities Impact Assessment of our plans eg Development Management Policies document;
- Performance indicators and success measures for National Park Management Plan, Corporate Strategy and service actions;
- Customer Satisfaction Surveys;
- Complaints procedure, and quarterly reports moving to bi-annual reports from 2020/21 and annual reports;
- Service and corporate improvement plans.

## **(D) Core Principle**

**Determining the interventions necessary to optimise the achievement of the intended outcomes.**

### **Sub Principle: D(1) Determining interventions**

#### **We will:**

- (1) Deliver our five year Corporate Strategy and Medium Term Financial Plan through:
  - Using research and data to inform recommendations on interventions to achieve our strategy;
  - Seeking and responding to feedback from customers and stakeholders on our services;
  - Agreeing annual priority actions that are key interventions for the forthcoming year;
  - Funded service plan actions flowing from priority interventions agreed;
  - Business case options appraisals.
- (2) Work with partners in delivering the NPMP priority ambitions for the special qualities of the National Park.
- (3) Work with communities through neighbourhood planning and other community planning processes and achieve our ambitions for special qualities.

#### **What evidence/assurance is in place?**

- Agenda Planning Meetings and Committee work programmes;
- Contract Procedure Rules and Procurement Strategy;
- Effective procurement processes along with examples of smarter procurement and collaboration;
- Programme of value for money reviews;
- National Park benchmarking;
- External Audit value for money conclusion;
- Annual service and budgeting planning process identifying efficiency savings and different ways of doing things;
- Disposal Guidance;
- Resource Management **Team Meeting** business case process;
- Financial Strategy;
- Consultation results summarised in reports to decision makers;
- Public Participation Scheme for all meetings of the Authority and its Committees;
- **Corporate Plan KPI updates highlight actions and interventions with communities (including grants and progress on neighbourhood plans);**
- **Reporting on progress with NPMP through the NPMP Advisory Group with annual report to Members.**

## Sub Principle: D(2) Planning Interventions

### We will:

- (4) Implement our strategic and financial planning cycle for development, review and monitoring of:
  - National Park Management Plan;
  - Local Plan;
  - Corporate Strategy;
  - Medium Term Financial Plan;
  - Performance and Business Plan;
  - Service Plans.
- (5) Engage with internal and external stakeholders in determining how services and other courses of action should be planned and delivered through:
  - NPMP partnership;
  - Planning policy consultation;
  - Landscape scale partnerships;
  - Operational partnerships;
  - Regular communication with bodies representative of the different 'voices' inside and outside of the National Park.
- (6) Ensure our risk management policy, strategy and processes cover risk management for partnerships.
- (7) Make sure that our Procurement Strategy and Contract Procedure Rules are robust but provide additional flexibility when needed.
- (8) Implement a performance management system with:
  - identified measures of success/indicators and targets which cascade into service plans and individual objectives;
  - quarterly monitoring, moving to half yearly monitoring, and annual repointing of performance;
  - identified leads for data owners and data collectors with appropriate checks on quality of information.
- (9) Support achievement of our Medium Term Financial Plan for revenue and capital expenditure with annual financial planning processes culminating in an Annual Budget being recommended to the Authority in March.

### What evidence/assurance is in place?

- Service Plans to include plans and timescales for reviewing key plans and policies;
- A work programme is maintained and published for meetings of the Authority and its Committees;
- ~~Communications and Marketing Strategy~~ Internal Communications Plan;
- Media protocol;
- Evidence base for National Park Management Plan, Strategies, Local Plan;
- Residents and Service User Surveys;
- Constituent Council and Parish Council liaison meetings;
- National Park Management Plan focus and targets agreed with partners and stakeholders. Progress monitored by Advisory Group with an independent chair;
- Partnership Policy and Protocols;
- Risk Management Policy and Strategy with Corporate Risk Register and Service level Risk Registers
- Procurement Strategy and Contract Procedure Rules;

- Performance Management Framework including monitoring and reporting on performance quarterly and year end;
- NPMP, Local Plan, Corporate, National Park Family and service indicators;
- Annual Performance and Business Plan;
- Grant Memorandum and Vision Statement agreed with Defra (Department for Environment, Food and Rural Affairs);
- Medium Term (3-4 years) Strategic and Financial Planning Strategy;
- Corporate Strategy;
- Defra 8 Point Plan for National Parks.

### Sub Principle: D(3) Optimising achievement of intended outcomes

#### We will:

- (10) Implement our Medium Term Financial Plan by:
  - Implementing a programme of reducing input costs to those areas given strategic certainty;
  - Managing the **three year** capital programme;
  - Being clear on the full cost of operations;
  - Increasing our income from giving;
  - Achieving our commercial programme income targets;
  - Developing/establishing sponsorship relations;
  - Securing external funding for major programme and partnership delivery;
  - Make sure the budgeting process is all inclusive, taking into account the full cost of operation over the medium and longer term.
- (11) Make sure that the Medium Term Financial Strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.
- (12) Maximise the social value/return to the public on every pound spent through:
  - Delivering eco system services;
  - Procuring services and goods well;
  - Reducing the Authority's carbon footprint;
  - Planning gain.

#### What evidence/assurance is in place?

- Feedback surveys and exit/decommissioning strategies with evidence of changes as a result;
- Budgeting guidance and protocols;
- Member Budget Workshops;
- Quarterly Budget Monitoring meetings with Members;
- Quarterly budget monitoring report considered by officer performance monitoring group;
- Medium Term (3-5 years) Strategic and Financial Planning Strategy;
- National Park Purposes;
- Corporate Strategy;
- Social Value in contracts above the EU threshold;
- Contract Procedure Rules;
- Section 106 Register of Legal Agreements.

#### (E) Core Principle

Developing the Authority's capacity including the capability of its leadership and the individuals within it

## Sub Principle: E(1) Developing the Authority's capacity

### We will:

- (1) Maximise the impact of our three roles of regulatory, influencing and doing by:
  - Providing value for money in achieving our outputs and outcomes through service and performance reviews. This will include benchmarking and looking for opportunities for business process improvement, smarter procurement and reduction in input costs;
  - implementation of our Information Management Strategy and Asset Management Plan;
  - working with others to seek opportunities to work more effectively together, understanding the relationship between what we do and what others do to avoid duplication of effort.
- (2) Use performance data and trend analysis to guide decision making.
- (3) Use research data and benchmarking information in Service Planning.
- (4) Ensure the effective operation of partnerships to deliver agreed outcome and the methodology used to assess outcomes and effectiveness.
- (5) Empower and develop staff to maximise their potential to achieve for the Place and the Authority through:
  - Agreeing organisational capabilities and design principles and putting in place an organisation structure within the three directorates;
  - Developing and implementing a workforce plan;
  - Developing and implementing an organisational development programme.

### What evidence/assurance is in place?

- Regular reviews of activities, outputs and planned outcomes;
- Member Scrutiny Process and scrutiny reports;
- Programme of Value for money reviews;
- Internal Audit Programme;
- Member Champions involved in reviewing activities;
- Evidence of performance data and trend analysis informing decision making;
- Evidence of research data and benchmarking information being used to inform service planning;
- Monitoring of effective operation of partnerships to deliver agreed outcome and the methodology used to assess outcomes and effectiveness;
- Reports from the National Park Management Plan Advisory Group;
- Authority Members appointed to Outside Bodies;
- Learning and Development Policy for Staff;
- Annual identification of corporate needs and reports to the Management Team;
- Investors in People Delivery Group in conjunction with Staff Survey results identify corporate learning needs;
- Staff annual learning and development and induction programmes;
- Individual staff learning and development plans opportunities;
- Retainment of Investors in People Accreditation.

**Sub Principle: E(2) Developing the capability of the Authority's leadership and other individuals**

**We will:**

- (6) Develop the capability of the membership through:
  - Ensuring our committee structure and decision making processes are efficient and effective with the different roles of Member and Officers being clear and understood;
  - Having in place appropriate systems and guidance to support such structures and ensure effective communication between Members and staff in their respective roles;
  - Ensure role descriptions for Members, Chairs and Special Responsibility Roles are clearly understood;
  - Having structures in place which enable Members to utilise their skills and experience including through scrutiny to help achieve outcomes;
  - Conduct a survey of Members every two years and respond to feedback if required.
- (7) Agree the extent of delegation from Members to Officers and periodically review the effectiveness of this.
- (8) Appoint appropriately qualified and experienced people to the three statutory roles of:
  - Head of Paid Service
  - Chief Finance Officer
  - Monitoring Officer
 and put in place appropriate Protocols and Policies to support these roles including in the Chair's job description a responsibility for appraisal of the Chief Executive.
- (9) Ensure we have an effective **executive leadership group Management Team** in place with appropriate skills and experience, working coherently to achieve high levels of confidence in the NPA internally and externally.
- (10) Identify learning and development needs of Members through the introduction of member personal development plans and meet these needs through an annual programme and through development tailored to the needs of individuals.
- (11) Identify learning and development needs for Officers at an individual, service and corporate levels providing ways of meeting these through a variety of means as described in our Learning and Development Policy **including an annual corporate programme and leadership development.**
- (12) Use our skills and experience matrix for different Member Roles and the Member Development Plan process to help Members self-assess and develop appropriate skills to carry out their work.
- (13) Implement the appraisal process for Secretary of State Members.
- (14) Use our **Joint Performance and Achievement Review** appraisal process to appraise the performance of individual staff and maximise the contribution of staff through individual objectives and development plans.
- (15) Ensure a suitable set of employment policies and practices are in place to support staff as our most valued asset.

**What evidence/assurance is in place?**

- Job descriptions for Chief Executive, Authority Chair, Members and Member Champion Roles;
- Regular meetings with Chief Executive, Chair and Deputy Chair;
- Regular meetings with Chief Executive, all Chairs and Deputy/Vice Chairs;
- Chief Executive's appraisal process led by Chair of Authority;

- Scheme of delegation reviewed at least annually in light of legal and organisational changes;
- Standing orders and financial regulations are reviewed on a regular basis;
- Clear statement of respective roles and responsibilities and how they will be put into practice;
- **Leadership Management** Development Programme;
- Member Training and Development Framework including annual Member Learning and Development

## **(F) Core Principle**

**Managing risks and performance through robust internal control and strong public financial management.**

### **Sub Principle: F(1) Managing Risk**

#### **We will:**

- (1) Implement our Risk Management Policy and Strategy throughout all levels of the Authority and regularly review its effectiveness including through regular reviews and scrutiny by Internal Audit.
- (2) Implement robust and integrated risk management arrangements and make sure that they are working effectively.
- (3) Making sure that responsibilities for managing individual risks are clearly allocated.

#### **What evidence/assurance is in place?**

- Risk Management Policy and Strategy;
- Corporate Risk Register and monitoring;
- Service Plan – Risk Register and monitoring;
- Risk based Internal Audit Strategy and Annual Plan;
- Information Technology Disaster Recovery Plan;
- Business Continuity Plan including Crisis Management Procedures;
- **Health and Safety Policy, support and annual report to Leadership Team and Authority Management Team and Programmes and Resources Committee**
- Insurance Policies;
- Building security systems.

### **Sub Principle: F(2) Managing Performance**

#### **We will:**

- (4) Implement a robust Performance Management Framework with quarterly and annual monitoring and reporting to Managers and Members.
- (5) Ensure our decision-making processes are sound through:
  - evidenced based reports following a prescribed format to ensure relevant information and risks are included;



	<ul style="list-style-type: none"> <li>expert advice being available to report authors and to Managers and members at decision making meetings;</li> <li>committee and meeting processes.</li> </ul>
(6)	Implement our scrutiny process and monitor its success as an effective challenge and performance improvement tool.
(7)	Monitor and review activities and report on progress made.
(8)	Ensure our Financial Regulations, Standing Orders and Budget Monitoring support reporting of financial performance.

#### What evidence/assurance is in place?

- Annual Performance and Business Plan includes performance against targets;
- Using research data and benchmarking information in Service Planning;
- Quarterly Performance Reports to Audit Resources and Performance Committee and since the AGM in July to Authority meetings since 2020 reporting has been on a six-monthly basis;
- Quarterly Performance Review meetings involving Managers moving to six monthly reporting in 2020;
- Employee performance against ~~targets is formally reviewed twice a year as part of the JPAR process~~ objectives is formally reviewed during the Enjoy conversation once a year in Q1 as part of the Performance Management (appraisal) process;
- Annual Planning Policy Review – provides analysis on how planning policies are working;
- Ongoing discussion between Members and Officers on the information needs of Members to support decision making and questions in biennial Member Survey;
- Publication of agendas and minutes of meetings;
- Report templates include heading to make sure that risks and other implications are considered;
- Agreement on the information that will be needed and timescales;
- Although not required to have Scrutiny Committees we have a tried and tested framework for Member involvement in scrutiny;
- Evidence of improvements arising from Member Scrutiny;
- Value for money reviews to Audit Resources and Performance Committee and going forward from July 2019 to Programmes & Resources Committee;
- Member motions to full Authority allow Members to raise and discuss areas of concern;
- Every year the annual Member Learning and Development programme include workshops relating to Strategic Business and Financial Planning;
- Record of decision making and supporting materials;
- Our Standing Orders include Contract Procedure Rules and Financial Regulations;
- The Budget Monitoring Group involving Members meets quarterly to discuss financial arrangements and assess the effectiveness of the control measures in place.

#### Sub Principle: F(3) Robust Internal Controls

#### We will:

- |      |   |
|------|---|
| (9)  | Ensure there is a system of internal control in place which is reviewed in light of experience and feedback on its effectiveness from auditors and others.  |
| (10) | Evaluate and monitor risk management and internal control on a regular basis.   |
| (11) | Ensure our Confidential Reporting Policy ('whistle blowing' policy) and Anti- Fraud and Corruption Policy are clearly accessible on our website, intranet and to all Officers as part of the material given to them |

	during their induction.
(12)	Ensure that effective Internal and External Auditors are appointed and that they have direct contact with the Audit Resources and Performance Committee (and from the AGM in July 2019 the Authority meeting).
(13)	Ensure that the Audit Resources and Performance Committee (and from the AGM in July 2019 the Authority meeting) is supported in its audit, scrutiny and standards roles.
<b>What evidence/assurance is in place?</b>	
	<ul style="list-style-type: none"> <li>• Risk Management Policy and Strategy formally approved and adopted and is reviewed and updated on a regular basis;</li> <li>• Risk Management Policy and Strategy;</li> <li>• Risk based internal Audit Strategy and Annual Plan;</li> <li>• Audit reports and management actions reported to Audit Resources and Performance Committee and from the AGM in July 2019 to the Authority meeting;</li> <li>• Compliance with the Code of Practice on Managing the Risk of Fraud and Corruption;</li> <li>• Confidential Reporting Policy in place and promoted;</li> <li>• Audit reports and management actions reported to Audit Resources and Performance Committee and from the AGM in July 2019 to the Authority meeting;</li> <li>• Annual assurance and summary of activities reported to Audit Resources and Performance Committee and from the AGM in July 2019 to the Authority meeting and included in Annual Governance Statement;</li> <li>• The terms of reference for Audit Resources and Performance Committee and from the AGM in July 2019 the terms of reference of the Authority includes Internal and External Audit matters and matters relating to the Authority's Corporate Governance Framework including the Annual Governance Statement and the Annual Governance Report;</li> <li>• The Budget Monitoring Group involving Members meets quarterly to discuss financial arrangements and assess the effectiveness of the control measures in place.</li> </ul>

<b>Sub Principle: F(4) Managing Data</b>
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<b>We will:</b>	
(14)	Implement our Information Management Strategy led by our designated Senior Information Risk Owner (SIRO) and supported by a network of Information Asset Owners.
(15)	Develop and roll out our Data Protection charter which will include guidance on arrangements for sharing data.
(16)	Ensure our data is accurate and clean through: <ul style="list-style-type: none"> <li>• The measures outlined in the information management strategy;</li> <li>• The performance management processes</li> </ul>
<b>What evidence/assurance is in place?</b>	
	<ul style="list-style-type: none"> <li>• Freedom of Information Act Publication Scheme and disclosure log;</li> <li>• Appointment of Senior Information Risk Owner, Lead Information Asset Owner and departmental Information Asset Owners;</li> <li>• Guidance available to Officers and Members on data protection issues;</li> <li>• Creation of data protection policies, data protection staff training plan and rollout with appropriate tools</li> </ul>

and monitoring, robust processes where personal/sensitive data is created or used as part of wider operations;

- Use of robust data processor agreements where 3<sup>rd</sup> parties hold or process personal/sensitive data on the Authority's behalf;
- Data Protection Statement;
- Quality and accuracy of data considered in preparing quarterly performance reports moving to six monthly reporting in 2020;
- Growth of datasets/types published online.

### **Sub Principle: F(5) Strong public financial management**

#### **We will:**

- (17) Put in place a Medium-Term Financial Plan supported by an annual review and budget setting process aligned to the corporate strategy.
- (18) Ensure our financial management includes forward planning of expenditure and resources, budget consultation, budget setting and monitoring and final accounts. The aim is to ensure that these are accurate, include information relevant to the user and are completed to agreed timescales. Financial Regulations further support the above by setting our policies and procedures that are to be adhered to.
- (19) Ensure the Chief Finance Officer has independent reporting as necessary to the Chief Executive, Resource Management Meeting and Members.

#### **What evidence/assurance is in place?**

- Financial Management Arrangements and reporting;
- Budget Monitoring reports;
- Budget Monitoring meetings involving Members.

### **(G) Core Principle**

**Implementing good practices in transparency, reporting and audit, to deliver effective accountability.**

### **Sub Principle: G(1) Implementing good practice in transparency**

#### **We will:**

- (1) Increase accessibility to information and to engaging with the Authority through a variety of ways and access channels including through improvements to digital communications.
- (2) Hold all meetings in public unless there are good reasons for confidentiality and implement a public participation scheme for all committee.

### What evidence/assurance is in place?

- Key governance documents, including Standing Orders, are published on website using modern.gov;
- Publishing operational data through our website;
- Documents relating to meetings of the Authority and its Committees are published on the Authority website;
- Provisions in place allowing reporting on meetings and providing an audio or audio-visual webcast of meetings of the Authority and its Committees;
- Publish work programmes for the Authority and its Committees;
- Committee reports containing exempt information are kept to a minimum and where possible an open report is provided to summarise the decision to be made and allow public participation.

### Sub Principle: G(2) Implementing good practice in reporting

#### We will:

- (3) Prepare, approve and publish annual performance monitoring reports for our:
  - National Park Management Plan
  - Performance and Business Plan
  - Local Plan
- (4) Prepare and publish an Annual Governance Statement which assesses performance against our Code of Corporate Governance and identifies actions for continuous improvement.
- (5) Ensure our Monitoring Officer has independent reporting as necessary to the Chief Executive, Management Team and Members.
- (6) Prepare and publish our annual financial statements in accordance with guidance and good practice.

### What evidence/assurance is in place?

- Authority approval of year end performance reports and annual accounts;
- Prepare and publish Annual Governance Statement and financial statements in accordance with guidance and best practice;
- Monitoring Officer Protocol.

### Sub Principle: G(3) Assurance and effective accountability

#### We will:

- (7) Proactively work with Internal and External Auditors to ensure the good governance of the Authority through:
  - Regular liaison meetings;

<ul style="list-style-type: none"> <li>• Forward audit plans based on risk;</li> <li>• Responding to all recommendations in a timely way.</li> </ul> <p>(8) Ensure the Internal and External Auditors have direct and unrestricted access to Senior Officers and Members.</p> <p>(9) Consider and respond to assurances sought and received on our performance including:</p> <ul style="list-style-type: none"> <li>• External audit letter;</li> <li>• Internal audit reports;</li> <li>• Feedback from those charged with governance including Chief Finance Officer, Monitoring Officer, Chief Executive and Chair of the Authority;</li> <li>• Local Government and Social Care Ombudsman;</li> <li>• Planning appeals and inspector reports;</li> <li>• Complaints and Freedom of Information/ Environmental Information Regulations enquires;</li> <li>• Investors in People assessors;</li> <li>• Legal proceedings;</li> <li>• National Park peer reviews;</li> <li>• Self-assessment processes e.g. against CIPFA's code of practice on managing the Risk of Fraud and Corruption.</li> </ul> <p>(10) Ensure our risk management policy processes are applied to partnerships and delivery service level agreements.</p>	<p><b>What evidence/assurance is in place?</b></p>
<ul style="list-style-type: none"> <li>• Evidence of positive improvement;</li> <li>• Compliance with CIPFA's Statement on the Role of the Head of Internal Audit;</li> <li>• Compliance with Public Sector Internal Audit Standards;</li> <li>• Evidence in Annual Governance Statement;</li> <li>• Community Strategy;</li> <li>• People and Park connected strategy and action plan;</li> <li>• Audit Plans agreed by Members at ARP and since the AGM in July 2019 to Authority;</li> <li>• Assurances included in the Annual Governance Statement.</li> <li>• Self-Assessment against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption</li> </ul>	

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**10. INTERNAL AUDIT REPORT BLOCK 1 (AGM)**

**1. Purpose of the report**

The report presents to Members' the Internal Auditors' recommendations for the first block of the 2022/23 Internal Audits 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**

- **Our Internal Auditors give an opinion based on four grades of assurance (Substantial Assurance, Reasonable Assurance, Limited Assurance and No Assurance). Three of the four areas audited, Complaints, Procurement/Creditors and Payroll , have been given a Substantial assurance whilst Occupational Safety and Health has received a 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.**

**2. Recommendation**

- 1. That the Internal Audit reports for the Four areas covered under Block 1 for 2022/23 Payroll, Occupational Safety & Health, Procurement/Creditors and Complaints (in Appendices' 1- 4) are received and the agreed Management 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 Reports.**

**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 2022/23 was approved by the Authority meeting in July 2022 (Minute number 64/22 refers).**

**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 4 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, Diversity and Inclusion:**

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 - Payroll

Appendix 2 - Occupational Safety & Health

Appendix 3 - Procurement/Creditors

Appendix 4 - Complaints

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

Andrea McCaskie, Head of Law - 26<sup>th</sup> January 2023





# Payroll

## Peak District National Park Authority

### Internal Audit Report

Business Unit: Finance/HR  
Responsible Officer: Head of Finance  
Service Manager: Head of Finance  
Date Issued: 10 January 2023  
Status: Final  
Reference: P3180/001

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

### Introduction

The HR and Payroll function for the Peak District National Park Authority (PDNPA) is currently provided as part of an SLA (Service-level agreement) with Derbyshire County Council.

PDNPA use the Civica People Live system for HR and DCC use SAP system for Payroll. The Authority operates a partially self-serve system which allows employees to keep their details up to date, but all other processes are managed separately by Finance and Payroll.

It is essential that risks in this area are effectively controlled due to the total value of payroll transactions. PDNPA currently has 244 members of staff, 231 casual employees and 28 members, with a monthly payroll value of around £600,000.

### Objectives and Scope of the Audit

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

- Information was provided to payroll accurately and promptly.
- Appropriate monitoring was in place to ensure the pay run was accurate.

### Key Findings

Appropriate processes were found to be in place to oversee starters and leavers at the Authority. After the hiring manager carries out the recruitment exercise, HR will send a form to the new starter to complete to record their details. Once this is returned to them, HR will then complete another section before sending this to the Head of People Management, who will check and authorise the form, before being submitted to DCC. We reviewed a sample of 10 new starters to PDNPA since October 2021 and found that in all instances the start dates and salary details were correct and the forms were appropriately authorised by the Head of People Management. Similarly, after a member of staff resigns, a leavers form is completed by HR and signed electronically by the Head of People Management. We also reviewed a sample of 10 leavers from PDNPA since October 2021 and found that they were also all appropriately authorised.

Ad hoc payroll changes such as sick leave, overtime, maternity/paternity pay and other exceptional pay is recorded on a PM04 form by the relevant member of staff and approved by their Line Manager, before being processed by HR. The form is then submitted in one document monthly to DCC, via SharePoint. We reviewed the monthly documents from February, March, April and May 2022 and found they were all authorised by the Head of People Management before they were submitted to DCC. We then selected 4 individual changes from across these months and in every case, the PM04 form and email authorisation was provided. Each change had also been approved by an appropriate Manager or Head of Service.

Payroll information is transferred to and from DCC using SharePoint. Before the monthly pay run is sent to DCC, the Finance Officer carries out a 5% variance report, which we saw for November 2021 and February and April 2022. Any large variances, usually those over £1k, are investigated to ensure there are legitimate reasons, such as an annual pay award. The Finance Officer will then check and authorise the BACS amount each month by carrying out a payroll control account reconciliation. We checked January, March and July 2022 and found they matched and were balanced up to July 2022. After these checks, the Finance Officer approves the pay run on the BACS Authorisation Form and it is then sent to DCC to be processed. A lower variance threshold would reduce risk but this would require increased resources and the selected variance level is therefore a balance of risk against the cost of additional checks.

Annually, the Authority carry out a review of the establishment to check the accuracy of payroll data. HR check and compare everyone on the payroll to the HR system to ensure that fields such as Spinal Column Point, dates and inconvenience payments are correct. This is beneficial to the Authority as it helps them identify if there are payroll discrepancies and rectify them. We saw evidence of the Authority's most recent review of the establishment in 2022/23 Q3. No errors were identified and it was signed off by the Head of People Management.

Finance also carries out a Finance Payroll Verification Report annually which is intended to confirm all employees on the report are legitimate. The most recent report the Authority had completed was in August 2021 using date from April 2020 to March 2021. The 2021/2022 Report was still outstanding at the time of the audit.

## **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.

# 1 Financial Verification Report

## Issue/Control Weakness

At the time of the audit, the 2021/22 Financial Verification Report had not been completed.

## Risk

The Authority may be making payments using illegitimate employee details for up to nearly 2 years, without this being detected.

## Findings

Finance writes to all service managers annually to ask them to confirm all employees in their cost centres are legitimate. The Finance Payroll Verification Report uses data from the previous financial year and asks managers to check this by the end of August in the current financial year.

This exercise should be completed promptly as the earlier it is completed the sooner any issues can be rectified. In addition to identifying any incorrect staff, the exercise also helps to identify any incorrect coding of staff and therefore should be completed before the completion of the annual accounts process.

## Agreed Action 1.1

The Payroll Verification reports will be issued as soon as practicable and the exercise will be completed before the Final Audit Report is presented to Committee. The exercise will be included as part of the YE closedown timetable so that it is not delayed in future.

### Priority

3

### Responsible Officer

Finance Officer

### Timescale

January 2023

## 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.

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.



## Health and Safety

### Peak District National Park Authority

### Internal Audit Report 2022/23

Responsible Officer: Safety Officer  
Service Manager: Head of People Management  
Date Issued: 21/12/2022  
Status: Final  
Reference: P3270/001

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

## **Introduction**

The Peak District National Park Authority (PDNPA) has statutory responsibilities to have in place suitable arrangements for managing the health and safety of its employees and of those affected by its activities. The Health and Safety at Work Act 1974 places legal responsibilities upon the Members of the PDNPA and all of its employees and volunteers. The Authority recognises and accepts these responsibilities for providing a safe and healthy workplace and working environment.

There are a number of measures to help ensure health and safety is effectively managed and risks are mitigated to an acceptable level. A dedicated Safety Officer oversees health & safety arrangements including oversight of the Health & Safety Policy and delivering training across the Authority. Heads of Service and management are responsible for putting the policy arrangements into practical effect to manage workplace risks for their service and teams. Working arrangements have been under consistent review over the last few years, as the Authority adapted its approach in response to the Covid-19 pandemic. The authority has adopted hybrid working arrangements for its employees. There should be robust arrangements for managing Health & Safety for staff members working both on site and remotely.

## **Objectives and Scope of the Audit**

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

- Health and safety training is completed as required and managed appropriately.
- Risk assessments are up to date and completed in line with expectations to identify and assess relevant risks.
- Health & Safety risks are appropriately identified and managed through the Authority's risk management processes.
- Robust arrangements are in place to support occupational health and safety in relation to hybrid working.

## **Key Findings**

PDNPA employees are required to complete mandatory 'Introduction to Health & Safety' training as part of the Authority's standard induction which is overseen by their line manager and HR. Management and Heads of Service also receive advanced 'Managing Safely' training which is delivered and monitored by the Safety Officer. Updates on training are included in quarterly performance reports and an annual report which is presented to the Health & Safety Committee, Management Team and Programmes & Resources Committee.

Our review of both mandatory and advanced training found several employees had outstanding training at the time of the audit. For mandatory training, most employees with outstanding training were found to have been at the Authority for more than 3 months though this training should be completed within the 1<sup>st</sup> week of an employee's induction. Work is ongoing to address issues related to the delivery and monitoring of training including developments in the HR team, changes to the ELMs system used to deliver training and development of refresher courses for advanced training.



Health & Safety risks are managed via a suite of generic risk assessments completed on an annual basis by the Safety Officer. All generic risk assessments have been completed for 2022. These were last completed in 2020 as during 2021, the Authority's main concern was responding to Covid 19. 3 completed risk assessments completed in 2022 were reviewed, however only one of these was dated. It would be beneficial if completed assessments were dated consistently to ensure the most current versions are used across the Authority.

Premises visits are also carried out annually by the Safety Officer which include occupational health & safety and fire risk assessments which involves a review of fire safety checks, signage, and tests. A report is issued to the premises manager to highlight any identified issues for resolution. We found there are appropriate follow up processes in place to confirm issues are resolved, particularly 'urgent concern' matters which require immediate attention. We reviewed an example visit carried out in May 2022 including the report from this visit which highlighted matters of routine and urgent concern. For the latter, the Safety Officer provided appropriate evidence of these issues being resolved and checked at a follow up visit.

'One off' assessments for specific circumstances or events are completed by the relevant service areas as/when required. Management receives advanced training to enable them to carry out assessments. There is no formal review of the one-off assessments though there is an open invite for these to be discussed with the Safety Officer. Two assessments were reviewed, and we found they had been carried out appropriately. However, these were only known as they had been brought to the attention of the Safety Officer. We were unable to confirm if all assessments had been carried out appropriately as they are not centrally stored or recorded. As detailed above, we found a significant proportion of Management had not received the advanced training at the time of the audit so may not be able to conduct these assessments appropriately. It would be beneficial for bespoke assessments to be centrally recorded or stored to allow for central monitoring and sharing of best practice.

Health & Safety risks are identified and managed through the Authority's risk management processes. The corporate risk register is updated quarterly and currently includes a health & safety risk related to the Health & Wellbeing of staff. We found appropriate actions to be in place to mitigate this risk. Service level risk registers are also updated quarterly and include a specific section to record health & safety risks. Our review of the 9 service risk registers found an inconsistent approach to identifying health & safety risks. The PDNPA risk management policy does not currently include guidance on responsibilities and processes for identifying and monitoring these risks. The risk assessments completed by the Safety Officer identify mitigating controls for key risks such as lone working, driving at work and working at computers. These risks were included on some of the service registers reviewed, though we found no link to the risk assessments on the service level registers.

PDNPA have a hybrid working arrangement with staff being able to work on site and at home. Guidance related to safety at work and appropriate DSE set up have been issued to employees regularly in response to the Covid 19 pandemic. DSE assessments for office working are carried out when required and work is ongoing to source a provider to conduct DSE assessments both at home and in the office for staff. The mandatory training includes DSE and personal health and safety at work.

Separately to this, line managers complete a health & safety checklist as part of the induction process which includes some health & safety information such as evacuation procedures and signposting to relevant information on the intranet. Though not as comprehensive

Page 174  
As the mandatory training, the checklist does provide some assurance that employees are aware of health & safety matters. For 3 employees with outstanding training, HR confirmed checklists were completed for all though evidence could not be provided for 1 individual. HR advised moving forward managers will be required to return induction documentation including this checklist before the relevant HR Advisor can sign off the onboarding of new employees.

## **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 Health & Safety Training

## Issue/Control Weakness

There are insufficient processes in place to monitor completion of Health & Safety Training at PDNPA. Some staff training was found to be outstanding for a considerable period at the time of the audit.

## Risk

Staff do not receive appropriate training for their role. Incidents may occur which put the authority at risk of reputational and financial damage.

## Findings

At PDNPA, all employees receive mandatory training on a number of areas as part of their induction including 'Introduction to Health & Safety' training. There is currently no set deadline for refresher training, and this is required as and when the content of the course is significantly changed. It is expected training will be changed and a refresh of this training will be required following upcoming changes to the ELMs system, which used to provide virtual training and is overseen by HR. In addition, management and Heads of Service also receive advanced 'Managing Safely' training, which is delivered in person by the Safety Officer who has oversight for Health & Safety arrangements at the Authority.

HR advised that the mandatory Health & Safety training should be completed by all employees within the 1<sup>st</sup> week of employees joining the Authority. We identified 48 staff who were recorded as not completing this training, with only 20 of these employees being new starters who joined the authority in 2022 and only 4 having joined the Authority in the previous 3 months. This suggests ineffective monitoring of outstanding training as a high number of employees with outstanding training have had this have had training due for more than 10 months.

Monitoring and escalation of training is currently the responsibility of line managers, who can access information on outstanding training in their teams via ELMs. HR collate reports which show completed and outstanding mandatory training, and this is provided to the Health & Safety Committee. However, the ELMs system and HR system do not communicate, and the reports do not currently provide information that may be useful for monitoring such as start dates of employees or how long their training has been overdue. There is currently no comparison against previous reports to highlight individuals with significantly overdue training.

The 'Managing Safely' training is monitored via a spreadsheet, although due dates for refresher training varies with the most recently completed being due in 3 years and those completed further back being due in 5 years. However, 40% of management (19 in total) were overdue this training based upon their refresher date at the time of the audit. The Safety Officer advised these individuals would be invited to attend training before the end of 2022/23. Development of advanced training courses for Management and Heads of Service is in progress including development of 1 day health and safety refresher due to be introduced in 2023/24.

HR and the Safety Officer who oversee training are aware of these weaknesses and work is ongoing to make improvements. The HR team are currently undergoing a transition and HR officers will be assigned to designated areas within the authority to oversee HR arrangements including training. The ELM's system is shared with other National Park Authorities and is also due to undergo changes,

in particular to the way training is purchased and delivered. It would be beneficial if monitoring of training was improved with a clearer escalation process for outstanding training and consistent timescales for refresher training.

**Agreed Action 1.1**

1. Continue review and update of ELMS courses to include the system of ensuring timely completion and recording of compulsory courses (including for refresher intervals).
2. Consolidate the identification of training/qualification needs for all managers in respect of higher-level OSH training.
3. Complete the centralisation of all training records to ensure suitable corporate oversight and the production of timely reports.

<b>Priority</b>	3
<b>Responsible Officer</b>	Head of People Management
<b>Timescale</b>	30 April 2023

## 2 Health & Safety Risks

### Issue/Control Weakness

There is an inconsistent approach to identifying, assessing, and mitigating health & safety risks within service level risk registers. There is a lack of clarity around roles and responsibilities for health & safety risks.

### Risk

Responses to risks may not be consistently recorded which may result in inappropriate actions being taken to address risks.

### Findings

At PDNPA, risks are overseen at both corporate and service level and risk registers are updated in full in Q2 and Q4. For Q1 and Q3, exception reporting is done via the Chief Executives update if any significant changes have occurred. The corporate risk register as at Q2 2022/23 includes high priority risks and includes a specific health & safety risk related to the Health & Wellbeing of staff as a result of the covid 19 pandemic. We found appropriate actions to be in place to mitigate this risk. The Safety Officer who has oversight of the health & safety arrangements at PDNPA is involved with managing corporate health & safety risks.

Service level risk registers are overseen by relevant service areas and include a specific section to record identified health & safety risks. Health & safety risks are also included on the HR register as the Safety Officer sits within this team. However, our review of the 9 service level risk registers as at Q2 2022/23 found an inconsistent approach to identifying and managing these risks. 2 registers did not include any health & safety risks. The remaining 7 did have some risks recorded, though we found these were inconsistent. Lone working, site visits and covid 19 risks were the most commonly identified but not included on all registers.

The Information and Performance Management service's register included the most risks including lone working, manual handling, driving at work, electrical safety, personal safety, and occupational stress. It is reasonable to assume some if not all of these risks may be relevant for other areas in the Authority though these risks were not consistently included on the registers reviewed.

The PDNPA risk management policy does not include specific guidance on health & safety risks and who is responsible for identifying, scoring, and monitoring these risks, particularly at the service level. A suite of risk assessments are completed annually by the Safety Officer which identify mitigating controls for key risks such as lone working, driving at work and working at computers. These risks were included on some of the service registers reviewed, though we found no link between the register and the assessments had been made.

A lack of clear guidance may lead to management not being aware of their responsibilities for identifying and mitigating health & safety risks in their areas or not implementing appropriate actions in line with authority wide programs to address health & safety risks. If health & safety risks are included on service level registers, there should be a clear link between identified risks and risk assessments completed by the safety officer to ensure a consistent approach across the authority.

## Agreed Action 2.1

1. Further guidance will be issued to services on what to include in their risk-registers and how to reference corporate risks.
  2. We will agree how service risk-registers should be compiled and used to ensure they are comprehensive, consistent, and valuable documents.
- A meeting with officers responsible for maintaining the risk-registers has already taken place to pursue these actions.

**Priority**

**Responsible Officer**

**Timescale**

3

Head of  
Information and  
Performance  
Management

30 April 2023

## Annex 1

### 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.
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#### 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.
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# Creditors and Procurement

## Peak District National Park Authority

### Internal Audit Report

Business Unit: Finance  
Responsible Officer: Head of Finance  
Service Manager: Senior Finance Officer & Senior Legal Officer  
Date Issued: 16 January 2023  
Status: Final  
Reference: P3030/001

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

## Introduction

The procurement of, and payment to suppliers for goods and services are a key service within the Peak District National Park Authority (PDNPA). Controls should be in place to mitigate the risks associated with creditors payments, including bank mandate fraud and overpayments to suppliers.

A sound procurement process will ensure that the Authority are awarding contracts in line with the Public Contracts Regulations 2015 and that all tenders are treated equally, fairly, and transparently. Good procurement procedures will also ensure that best value is being achieved, something which has become increasingly significant with rising inflation rates.

The PDNPA currently use the Exchequer finance system and have been increasingly making procurement and creditors processes electronically, to enable officers to process orders remotely.

## 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:

- Payments for supplies and services are suitably ordered, authorised, and received.
- Invoices are paid within an appropriate timescale.
- Procurements are compliant with the contract procedures set out in the Standing Orders.
- Requests to change supplier details are carefully evaluated before any information is changed on the Authority's records.

## Key Findings

Overall, the processes in place for managing creditors payments and the procurement of goods are functioning as expected. A sample of 20 invoices processed between October 2021 to October 2022 were reviewed and we found that they are being provided by suppliers and sent to the relevant officers to confirm that goods are being received. Invoices were approved for payment in line with delegated authorities.

Payments were made following confirmation that goods have been received and authorisation had been given. Most payments were paid on time, however we found 3 out of the 20 payments sampled were paid late. 2 of these were a result of a delay in authorisation by the budget holder and the other was due to the Finance Team carrying out checks on bank details as they differed to the ones on the authorities record. Whilst late payments to suppliers should be avoided, these examples do demonstrate the authority does not make payments until proper authorisations and checks have been completed.

For the most part, quotations and tenders are being sought in accordance with the Standing Orders. There was some evidence that best value exercises are carried out for lower value orders. The Standing Orders require at least 1 written quotation for orders between £501-£5,000. There was evidence that this was being done, however, in 1 instance a written quote has not been presented upon request during the audit. Anything below £500 does not have any formal requirements for best value, however, it would be consistent with best practice if officers continued to apply best value to all their orders, regardless of whether it is formally required or not.

Orders over £5,001 should have 3 written quotations, and contracts with a value of £25,001 or more are subject to tender processes. 7 orders that were sampled from the list above and the contracts register dated to September 2022, fell within this threshold. Invitations to quote/tender were provided for 6 of the 7 and the 1 outstanding for an IT contract was exempted from Standing Orders. In 2 instances, only 1 quote/tender was returned, despite the authority issuing an invitation. Consistent with best practice, contracts were not simply awarded for lowest price, and evaluation criteria was established for each contract to identify best value that factored in price and quality. The criteria were scored and weighted and were published in tender invitations for each individual contract. The results of the tender have been approved by Heads of Services and in line with the Standing Orders, contracts worth more than £150,000 have been awarded in consultation with the Chair of the Committee.

6 procurements reviewed had a value of over £25,000 and have been presented as a written contract. In line with Standing Orders Part s.8, the written contracts were signed for by the CEO, Head of Law or Assistant Solicitor. Information included on the written contracts consistently included the services and goods to be provided, timescales, and legislative requirements.

A contract register is produced, with details consistent with those required in Standing Order Part 2 s.5.13. However, the wording of section 5.13 of Standing Orders Part 2 appeared to be inconsistent with current arrangements, implying that all orders over £5,000 would be included on the Contracts Register. In practice, only written contracts are included and any order over £250 in value are published separately on a monthly basis. The Senior Legal Officer advised this will be revised during the next review of the Standing Orders.

All organisations are vulnerable to bank mandate fraud attempts, when fraudsters pose as suppliers to change bank details, resulting in organisations paying out money to someone other than the supplier. The authority currently has a sound process in place to manage the risks of fraud. At present, when a change of bank details request comes through the Finance Team will initially try calling the supplier with the details that they currently hold. When unable to contact the supplier via phone, an email will be sent to an existing address, requesting confirmation of changes in the bank details. These were evidenced during the audit by notes on actions taken that are recorded on the Exchequer system and from email trails for change of bank detail requests

The Finance Team confirmed that they always check with the supplier when new bank details are sent, however do not consistently check for changes in contact details. Whilst checking with suppliers about new bank details is the most important action to reduce the risk of bank mandate fraud, it is noteworthy that fraudsters are becoming aware of these measures and finding methods to work around them. It would be consistent with best practice if any changes in supplier details are checked and confirmed before adding them onto the

Authority's system. This should prevent fraudsters sending the Authority any new contact details and then posing as the supplier when the Authority wants to confirm change in bank details.

## **Overall Conclusions**

A sound system of governance, risk management and control exist, 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.

## 1 Standing Orders Wording

### Issue/Control Weakness

Wording within the Standing Orders does not accurately reflect the requirements and practices of the Authority relating to the Contract register.

### Risk

Incorrect guidance can result in contract and order information being inappropriately published and recorded.

### Findings

CP5.13 and CP9.3 of part 2 in the Standing Orders says that "details must be added to the Authority's Contracts Register in respect of all Contracts and Orders exceeding £5,000 in value on the day of the award of Contract".

Senior Legal Officer said that this reflects the requirements of the Local Government Transparency Code 2015, which requires the publication of the information set out in Standing Orders. The Code does not stipulate that this information should be in a 'Contracts Register'. In practice, the Authority has published on the Contracts Register details of all Written Contracts, rather than Purchase Orders. The Authority separately publishes details of all expenditure over £250, monthly. Therefore, it appears the Authority has complied with the requirements of the Code, but by referencing the 'Contracts Register' rather than 'publication', there is an anomaly in the Standing Orders reference to the Contracts Register.

### Agreed Action 1.1

The Standing Orders will be amended at the next opportunity to reflect the code by saying the information will be "published" rather than referencing the Contracts Register.

#### Priority

3

#### Responsible Officer

Senior Legal Officer (Projects)

#### Timescale

Completed

## Audit Opinions and Priorities for Actions

### Audit Opinions

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### Priorities for Actions

Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
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**Complaints**

**Peak District National Park Authority**

**Internal Audit Report**

Service Manager: Democratic Services Manager  
Date Issued: 4 January 2023  
Status: Final  
Reference: P3290/001

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



### Introduction

The Peak District National Park Authority (PDNPA) deal with complaints either informally or formally. An informal complaint isn't registered and is usually raised about a minor issue that can be relatively easily and quickly remedied. They are normally resolved by the person handling the original enquiry to deal with the complainant to reach a resolution. When the complainant is given a response, they are also signposted how they can raise their complaint formally, should they remain unsatisfied.

Formal complaints follow two stages. A stage 1 complaint comes to the Democratic and Legal Support Team (DLST) who record the complainant's dissatisfaction into the Authority's Complaints Database, which stores all details about the complaint and assigns it a unique complaints reference number. The team then pass the complaint to an employee working in the service area most relevant to the complaint.

The complainant will receive a response within 15 working days and if they are not satisfied with the response, they can choose to escalate it to stage 2. This involves the Head of the relevant Service reviewing the stage 1 response and then responding back to the complainant within 20 working days. If the complainant remains dissatisfied, they can escalate the complaint to the Local Government Ombudsman who may further investigate the complaint.

### Objectives and Scope of the Audit

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

- Complaints were handled in line with Authority policy.
- Processes supported the effective handling of complaints received from the public.
- The investigation of complaints was conducted in a timely yet robust manner and was concluded by providing good quality responses to complainants.

### Key Findings

The Authority has a complaints procedure available to view on its website. It is subject to a review approximately every 18 months or sooner if any guidance from the Ombudsman is updated or there are any organisational changes in the Authority that affect the complaints process. The latest review was done in 2021 and the next review is due to be carried out in 2023, unless there are changes from the Ombudsman or within the organisation. We compared the content of the procedure to guidance offered by the Local Government and Social Care Ombudsman (LGSCO) and found that the content of the procedure covered all appropriate areas. At the time of the audit officer guidance was in place and available via the Authority's internal document drive and there were plans for the guidance to be transferred to an intranet library folder, which have now been implemented.

From April 2021 to September 2022 the Authority received a total of 30 complaints. Six complaints were escalated to stage 2 and two complaints were referred to the Ombudsman by the complainants. This information is freely available on the Authority's website for members of the public to view in line with requirements.

Seven complaints from this period were reviewed in further detail; three of which had been escalated to stage 2 level and two had been referred to the Ombudsman. Four were related to Planning, two regarding Authority Officers and one was related to the Engagement service. We found that all complaints in the sample were assigned unique reference numbers after details were entered into the Authority's Complaints Database. All the responses that the Authority had sent to complainants had also been uploaded onto the database. Our review confirmed that all escalations were done at appropriate stages and none of the complaints were escalated inappropriately. However, our review did identify a complaint that had been raised 'retrospectively' after the customer initially raised a complex query. Although, this was done with the complainant's consent and although they requested details about the Ombudsman, the Authority was able to resolve their complaint at the stage 2 level.

The DLST receive and register formal complaints and allocate them to a relevant manager, which can be a team manager or a head of service, depending on who is best placed to deal with the issue. If a head of service deals with the complaint at stage 1 then another head will deal with it at stage 2, should it be escalated. Our review found no instances of the same person dealing with both stages of an escalated complaint. The DLST monitor the progression of each formal complaint and chase it up when necessary to ensure the Authority's timescales are adhered to. There is not an automated process within the Complaints Database which does this, so it relies on the DLST manually setting reminders for themselves. We reviewed the number of working days to respond to stage 1 and stage 2 complaints. Only 1 delay in response time was identified, but in this instance the DLST Manager contacted the complainant to keep them informed and provide a new timescale which was adhered to. All other stage 1 complaints were responded to within the 15 working day timescale and the stage 2 complaints were responded to within the 20-working day timescale. The DLST reports to the Authority meeting, as part of the Performance report, in Quarters 2 and 4 each year, with the last time being on 11<sup>th</sup> November 2022. This report provides updates on the number and types of complaints the Authority is receiving and helps ensure timescales are monitored.

All responses to the complaints in our sample appeared to be comprehensive and addressed complainants' issues. All complaints we reviewed except two were able to be resolved by the Authority without the complainant feeling the need to refer the matter to the Local Government and Social Care Ombudsman. The two complaints that were referred didn't appear to have been done so due to failings on the Authority's behalf. With one complaint the Ombudsman considered the complaint but decided not to investigate as it did not meet the tests in their Assessment Code and with the other one, they decided not to investigate as they said the Authority was not at fault and was a private matter.

## **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.

## 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.

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### Priorities for Actions

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**11. REVENUE BUDGET 2023/2024 AND MEDIUM TERM FINANCIAL PLAN 2023/24 TO 2026/27 (JW)**

**1. Purpose of the report**

This report presents the Authority's 2023/24 revenue budget for Member approval.

**2. Recommendations**

- 1. the Authority's annual budget for the 2023/24 financial year as shown in Appendix 1a be approved.**
- 2. Members note the budget reductions at Appendix 2 taken to balance the 2023/24 budget**
- 3. Members note the Medium Term Financial Position (MTFP) of the Authority in the period up to March 2027.**

**How does this contribute to our policies and legal obligations?**

3. The Authority is required to set a balanced revenue budget for the 2023/24 financial year. For 2023/24 the National Park Grant is 100% funded from central government, from the Department of Environment, Food and Rural Affairs (Defra). The Authority retains the ability to levy Grant from constituent councils, although that funding historically was also provided centrally by the Defra to Local Authorities so that the cost of National Parks was not borne by local taxpayers. Although they remain unused, it is considered that retaining levying powers is an important consideration in terms of the Authority's ability to recover VAT as a Section 33 body, within the same VAT regime as Local Authorities, as well as its utility as a funding mechanism being preserved in statute.

**Background**

4. The National Park Grant (NPG), provided by Defra, is the Authority's largest source of income amounting to £6.7m annually. The NPG agreement received by the Authority in March 2021 confirmed the 2022/23 allocation of £6.7m and provided indicative values for the 2023/24 and 2024/25 financial years for National Park Authorities that this value would continue. At the time of writing this report the Authority's 2023/24 NPG settlement figure is not confirmed. The MTFP assumes that the settlement will continue to be a cash settlement with no inflation protection nor any other increases up to 2026/27.
5. The NPG settlement for the Authority has remained at the 2019/20 level of £6.7m and there is no current indication that this will change. The Authority continues to report to Defra on how the Authority planned for and uses the NPG.
6. For the 2021/22 budget the Authority took decisions that cut £609k from the base budget, this, along with the baselining of the 'biodiversity fund' means the 2022/23 was balanced. However, Members approved changes to the 2022/23 budget (minute 100/22) as a result of a much higher than anticipated pay award and increased energy costs offset by higher interest received on the Authority's balances and the introduction of a vacancy factor. The 2022/23 pay award gave rise to an overall pay increase of 6.8% that was much higher than planned for. The pay award that was agreed added £1,925 to each pay point on the National Joint Committee (NJC) pay scale, giving a range of percentage increases between 10.5% for scale point (scp) 1 to 3.87% for scp 45.

**Proposals – 2023/24 Budget**

7. The 2023/24 budget has been set on the basis that there is a balanced budget for the financial year. The Management Team worked together to bring forward £204k of budget reductions to enable this (Appendix 2). These were shared with members at the Autumn 2022 workshops and have now been included in the budget shown at Appendix 1a. The Finance team has continued to work with budget holders to review the baseline budgets and set the 2023/24 using a bottom up approach. This is to ensure that operational budgets are a true reflection of the expenditure and income for each service.
8. The 2023/24 pay award is not yet known but this will continue to be a budget pressure for the Authority. The impacts of increasing National Living Wage (NLW) as well as inflation and high costs of living has meant that the 2023/24 budget and Medium Term Financial Plan includes a forecast of a 5% increase. For the 2023/24 budget a 5% pay increase will cost the Authority £350k and this has been included in contingency costs in Appendix 1a. Members approved a 4% vacancy factor in December 2022 (minute number 100/22) to be included in the revised budget for 2022/23 and this continues in the 2023/24 budget at a level of £272k. This is included in Other Reserves in the funded by section of Appendix 1a. A vacancy factor is the assumption that there will be a saving to the Authority whilst posts are vacant as part of usual recruitment practices (i.e. gaps between officers leaving and new officers being appointed into post).
9. The 2019 actuarial revaluation results, published in January 2020, gave rise to employer contributions of 19.57% (an increase of 1% from 18.57%). The Actuary considered this level was required to maintain the Authority's pension fund at 101% funded. This increase was implemented in 2020/21 and is continued in 2023/24 budget, however the actuary reviews the employer contribution levels every three years. The outcome of the current review is due now but the results have not yet been shared with the Authority, therefore contingency costs includes £71k for a projected increase of 1.25% for employer pension costs.
10. Contingency costs also includes an additional £70k for energy cost increases. The Authority continually reviews the current position on energy costs and has estimated an increase of £70k will be required across all sites for 2023/24.
11. As reported to Members in December 2022, interest rates have increased throughout 2022/23 which has meant the Authority has received higher interest on investments. It is assumed that this will continue into 2023/24. The base interest rate at the time of writing is 3.5% with the next review in February 2023. The Bank of England has stated that they will continue to increase the base rate as necessary to bring down inflation (December 2022 CPI at 10.5%). The budget for interest income for 2022/23 was revised to £75k, however actual receipts to date are higher at £94k. Therefore the budget for 2023/24 has been increased to £110k.
12. The contingency costs includes £30k for an anticipated increase in external audit fees. In November 2021 Members approved the arrangements for appointing and External Auditor through Public Sector Audit Appointments (PSAA). The outcome of the tender was made known in 2022/23 and Local Authorities were advised that budgets for the 2023/24 audits would need to increase by up to 150%. The current scale fee for the Authority is £10.2k, however additional fees have been required each year. The Authority has a baseline budget of £18k per year to allow for the additional fees, therefore an additional amount of £30k has been allowed in the 2023/24 budget (£18k +150% totals £48k).
13. Additional funding of £47k has also been included in the 2023/24 budget for Fundraising. This was agreed by RMM in February 2022 to support the Authority's



fundraising approach. Whilst the Fundraising Team has been subject to change over the last year it was agreed to continue to invest in fundraising and a further report to Members on this agenda gives more information.

14. The budget headings for 2023/24 contained within Appendix 1a have been reviewed for 2023/24 and are structured according to the current Management structure and according to their separate business units / activities. A detailed explanation of the headings within Appendix 1a is shown at Appendix 1b.

### Capital Strategy and Programme 2023/24

15. The Chief Finance Officer's report on the application of the Prudential Code for Capital Finance will be reported to the March 2023 Authority meeting, and the day to day responsibility for Treasury Management is set within the constraints of the Treasury Management Policy, which forms part of the same report.
16. The current Capital Strategy was approved in December 2015 covering the years 2015 to 2020. This is planned to be refreshed and brought to Members in March 2023 alongside the Treasury Management Policy. The Capital Strategy will also include the Capital budget for 2023/24.

### Medium Term Financial Plan 2023/24 to 2026/27

17. As previously mentioned, the Authority is still awaiting confirmation from Defra of our NPG for 2023/24. It is assumed that the level of NPG will remain at the same value (£6.699m) for the next three financial years. This is the same value as in the previous three financial years (from 2019/20).

18. The MTFP is as follows:

	2023/24 £000's	2024/25 £000's	2025/26 £000's	2026/27 £000's
<b>Net Expenditure</b>	<b>7,166</b>	<b>7,450</b>	<b>7,874</b>	<b>8,313</b>
Financed by:				
National Park Grant	(6,699)	(6,699)	(6,699)	(6,699)
Reserves and Interest	(468)	(448)	(465)	(483)
<b>Funding</b>	<b>(7,167)</b>	<b>(7,147)</b>	<b>(7,164)</b>	<b>(7,182)</b>
<b>(Surplus) or Deficit after financing</b>	<b>(1)</b>	<b>303</b>	<b>710</b>	<b>1,131</b>
Cumulative Position	(1)	302	1,013	1,433

- 19.. The key assumptions included in the MTFP are:
- The NPG will not increase for the whole period;
  - Pay will rise by 5% each year;
  - The vacancy factor of 4% continues to support the annual budget;
  - There will be no other significant taxation changes;
  - The superannuation triennial review will result in a 1.25% increase in employer contributions from 2023/24 onwards;
  - £20k per year included for non-pay inflation;
20. The budget for 2023/24 is balanced, however there need to be significant savings made or income growth to balance the budgets for 2024/25 onwards. This is based on a 5% pay award for 2023/24 and for the next three financial years. The Authority is about to begin a period of organisational change, part of which is to provide more financial resilience for the Authority, therefore the MTFP is only correct as now without allowing for any future changes, however it will be used to inform the change process.

## Reserves

21. Clause 25 of Part 2 of the Local Government Act 2003 requires the Chief Finance Officer to report to Members, when calculating the net budget requirement, on the level and adequacy of cash reserves. The full level of reserves is reported to Members in the Outturn report in May and in the financial accounts. The level of cash backed reserves are carefully managed and the situation at the end of 2023/24 is expected to be:-

<b><u>Reserves (£'000s)</u></b>	<b>Actuals as at 31/03/2022 (from Statement of Accounts) £'000s</b>	<b>Estimates as at 31/03/2024 £'000s</b>	<b>Difference £'000s</b>
General Reserve	614	615	1
Minerals & Legal Reserve	567	567	0
Restructuring Reserve	486	486	0
Matched Funding Reserve	1,184	1,184	0
Slippage Reserve	1,173	234	(939)
Covid-19 Reserve	126	126	0
Revenue Grant Reserve	1,589	1,589	0
Capital Reserve	1,598	1,598	0
Specific Reserves	2,152	2,152	0
Restricted Reserves	123	123	0
<b>Total</b>	<b>9,612</b>	<b>8,638</b>	<b>(974)</b>

The reduction in reserves of £974k is 10% of the 31 March 2022 reserve balance. This comprises the expected use of the revenue grant reserve as raised by services during the budget process, and use of the slippage reserve. It is hoped that slippage will be reduced at outturn (2022/23) to minimal levels. This, however, does stop the use of specific reserves that are required end of the 2022/23 financial year (included in the Outturn in May 2023) nor any other events that arise during the 2023/24 financial year.

22. General Reserve  
The minimum level of the general reserve has traditionally been calculated on the basis of a recommended level which is 2% of net expenditure (approximately £140k), with a trading contingency of £75k, giving a base level of £215k. However this should be considered as an absolute minimum. The general reserve balance at the end of the Statement of Accounts for 2021/22 was £614k which is considered to be sufficient given the current complex mix of activities within the revenue budget. The level of the reserve is reviewed annually to take account of the availability of other reserves, the degree of income risk, the degree of risk underlying budget assumptions, and the availability of other contingencies.
23. Capital Reserve  
This is only available to support capital expenditure as it holds unused proceeds from the disposal of capital assets. This reserve will be used to support the capital programme and will also be considered as part of the Capital Strategy refresh.
24. Specific Reserves  
These are used to support individual service areas and each reserve's objective and planned usage is reported to the Authority in May. Specific reserves, although earmarked for specific purposes, are available to support any Authority priorities as

required in an emergency, subject to any commitments already made from them.

25. It is necessary to maintain adequate reserve levels to meet future financial commitments and to cushion any unexpected events. Reserve levels are only available as one-off sources of finance and cannot be relied upon to balance future budgets except on a temporary basis.

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

26. **Financial:**

The financial implications are contained in the main body of the report.

27. **Risk Management:**

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

The 2023/24 budget has been set based on the savings taken in Appendix 2 and on on-going financial restraint. The Authority remains vulnerable to increases in pay, inflation, energy and other unavoidable costs and the continued likelihood of no increases to the National Park Grant provision.

The Moors for the Future team's continuing ability to handle very significant project expenditure remains important, in order to meet grant and contractual conditions, and to finance its core team.

28. **Sustainability:**

The 2023/24 revenue budget and MTFP are key documents to ensure the financial sustainability of the Authority.

29. **Equality:**

Any issues of equality are included within the budget setting process.

30. **Climate Change:**

Any issues relating to climate change are included within the budget setting process.

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

None

31. **Appendices –**

Appendix 1a – Revenue Budget 2023/24

Appendix 1b – Explanation of Appendix 1a

Appendix 2 – Budget Savings 2023/24

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

Justine Wells, Head of Finance and Chief Finance Officer, 26 January 2023

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# 2023/24 REVENUE BUDGET

NB there may be small rounding errors in totals

# APPENDIX 1a

£000's	A	B	C	D	E	F	G	H	I	J	K	L	M	N	
External Facing Policy Lead Services	Permanent Staff	Fixed Term Staff	Total Pay	Indirect Staff/ Premises/ Travel / other costs	Supplies and Services/ Programme Expenditure	Total Non Pay	Sales, Rents, Fees and Charges	Other Income	Total Income	Net Budget	Net Budget 2021/22	Difference between years Plus (Minus)	Main Reason for Difference	Support Service Recharge	Net Cost of Services
Natural Environment	194	0	194	5	4	9	0	0	0	203	192	11	Pay award increases	107	310
Rural Economy	189	0	189	5	45	50	(8)	(19)	(27)	212	246	(33)	£40k reduction in grants, replaced by FiPL	137	349
Cultural Heritage	279	0	279	6	17	23	(1)	(9)	(10)	292	265	27	Pay award and project funded by SWP Legacy	117	409
Planning Service: Area Planners	458	0	458	9	31	40	(361)	0	(361)	138	150	(12)		411	548
P.S: Monitoring & Enforcement	186	0	186	3	0	3	0	0	0	188	181	8		267	455
Planning Service: Minerals	207	0	207	2	1	4	(20)	0	(20)	191	202	(11)	Realignment of planning pay, overall difference £1.6k	311	503
Community Policy Planner	35	0	35	0	0	0	0	0	0	35	29	6		9	45
Planning Policy	151	0	151	7	22	29	0	0	0	180	171	9		93	273
Transport Policy	46	0	46	3	10	14	0	0	0	60	59	1		39	99
Planning Service: Admin	64	0	64	1	1	2	(15)	0	(15)	51	44	7	Pay award increases	125	176
Pennine Way	23	0	23	8	2	10	0	(38)	(38)	(4)	(1)	(3)		14	11
Access & Rights of Way	114	0	114	8	18	26	(3)	(4)	(7)	132	123	9	Pay award increases	74	206
Volunteers (PPCV)	120	0	120	31	15	46	(20)	(43)	(63)	103	65	38	Movement of pay costs as part of Engagement Team Restructure	81	184
Visitor Centres	415	0	415	131	273	404	(529)	(14)	(543)	277	258	18	Pay award increases	233	510
Cycle Hire	227	0	227	16	29	45	(309)	(1)	(310)	(37)	(53)	15	Pay award increases	76	39
Fundraising Development	8	0	8	0	130	130	0	0	0	138	84	54	Additional support for Fundraising and support to the Foundation	68	206
Marketing Communications	181	0	181	10	16	25	0	0	0	206	195	11	Pay award increases	100	306
Engagement Rangers	809	0	809	160	30	190	(52)	(200)	(252)	747	713	34	Movement of pay costs as pert of Engagement Team Restructure	455	1,202
Projects															
Landscape Enhancement Project	0	0	0	0	65	65	(65)	0	(65)	0	0	0		0	0
Woodland Creation Project	46	0	46	1	15	15	0	(61)	(61)	0	0	0		0	0
Farming in Protected Landscapes	0	121	121	25	1,161	1,186	0	(1,307)	(1,307)	0	0	0		0	0
Recreation Projects	0	0	0	0	26	26	0	(50)	(50)	(24)	(24)	0		0	(24)
Championing National Parks Project	10	0	10	0	0	0	0	(10)	(10)	0	7	0		0	0
The Access Fund	0	0	0	23	0	23	0	0	0	23	0	23	Increase in projects planned to use Access Fund reserve	0	23
	3,761	121	3,882	454	1,911	2,365	(1,382)	(1,755)	(3,137)	3,111	2,904	213		2,717	5,828
Implementation in Service of External Facing Services															
Woodlands	0	0	0	25	1	26	(5)	(1)	(5)	21	20	1		25	45
Warslow Estate	19	0	19	200	25	225	(227)	(113)	(340)	(96)	(103)	7	Net income reduced by pay award increases	107	11
Eastern Moors Estate	0	0	0	0	50	50	(23)	0	(23)	27	27	0		4	31
North Lees Estate	67	15	82	94	29	123	(306)	(1)	(307)	(102)	(140)	38	Additional income estimated for 2022/23 unachievable in 2023/24	151	49
Minor Properties	0	0	0	16	0	16	(15)	(9)	(23)	(7)	(7)	0		7	(0)
Trails	81	0	81	242	53	295	(274)	(12)	(285)	90	85	5	Pay award increases	151	241
Asset Management Team	283	0	283	6	1	7	0	0	0	290	247	43	Movement of pay costs from Property Support Team to Asset Management Team	(290)	0
non-Estate Car Parks & Concessions	0	0	0	68	39	107	(261)	(1)	(262)	(156)	(72)	(84)	Additional Car Park income for 2023/24	27	(128)
non-Estate Toilets	35	0	35	80	13	92	(12)	(8)	(20)	107	102	5		63	169

Recreation Minor Properties	0	0	0	9	1	10	(4)	0	(4)	6	(2)	8	Movement of Edale Campsite to Moors for the Future Centre	27	34
Maintenance & Projects Team	195	0	195	41	25	66	(0)	(96)	(96)	165	141	24	Pay award increases & team increments	53	218
Property Support Team	170	0	170	5	8	12	0	0	0	183	231	(48)	Movement of pay costs from Property Support Team to Asset Management Team	(183)	0
Property: Aldern House HQ	0	0	0	209	19	228	(76)	(17)	(93)	135	173	(38)	Increase of £30k income for planned lettings of Aldern House, & £10k reduction in costs	(135)	0
Projects															
Moors for the Future Centre	0	0	0	56	2	58	(16)	(2)	(18)	41	57	(17)	Movement of Edale Campsite to Moors for the Future Centre & £10k budget reduction	9	50
Moors for the Future core team	241	0	241	48	1	50	0	(237)	(237)	54	79	(25)	Planned reduction to MFFP	517	572
Moors for the Future projects	0	1,192	1,192	2	2,494	2,496	(20)	(3,668)	(3,688)	0	0	0		0	0
	1,092	1,207	2,299	1,101	2,760	3,861	(1,238)	(4,164)	(5,402)	758	838	(80)		534	1,291
Enabling Delivery, Partnership Plan and Performance															
Corporate Strategy	187	0	187	2	22	24	0	0	0	211	208	3		(211)	0
Legal Services	257	0	257	7	49	56	(7)	0	(7)	306	276	30	Pay award increases	(306)	0
Democratic Services	155	0	155	5	17	22	0	0	0	177	174	4		(177)	0
Members	0	0	0	3	119	122	0	0	0	122	114	8	Approved increase in members allowances	(122)	0
Information Management	351	0	351	3	330	333	0	0	0	684	671	13	Pay award increases	(684)	0
Customer & Business Support Team	421	0	421	1	21	23	(0)	(8)	(8)	435	420	15	Pay award increases offset by £28k agreed budget reductions	(435)	0
Finance	248	0	248	0	100	101	0	0	0	349	327	22	Pay award increaases plus inflation increases for IT costs	(349)	0
Contingency/ inflation costs	421	0	421	20	100	120	0	0	0	541	170	371	Increases for pay award, pension contributions, energy costs and external audit fees	(541)	0
Corporate Management	132	0	132	66	75	141	0	0	0	273	291	(18)	Business Change Manager costs removed	(273)	0
Corporate overhead fund	0	0	0	0	0	0	0	(202)	(202)	(202)	(152)	(50)	Agreed increases in corporate overhead income	202	0
People Management	250	0	250	86	26	112	0	(9)	(9)	354	278	76	Increases for Volunteering & Apprenticeship Levy costs	(354)	0
	2,423	0	2,423	194	860	1,054	(7)	(219)	(226)	3,251	2,776	475		(3,251)	0
Total	7,276	1,328	8,604	1,749	5,531	7,280	(2,627)	(6,138)	(8,765)	7,119	6,518	607		0	7,119

Financing

Net Cost of Services	7,119
Central Debt Charges	47
Net Revenue Expenditure	7,166
Funded by:-	
NPG @ 0% increase	6,699
Other Reserves	358
Interest on balances	110
Total	7,167
Surplus to /(deficit from) general reserve	1

## Explanation of Baseline spreadsheet (Appendix 1a)

## APPENDIX 1b

### ***Income and Expenditure***

Only revenue income & expenditure passing through the Authority's accounts is shown here. Therefore, leverage of others' funds (e.g. economic income) and capital items are not shown.

### ***Rows***

These represent each service broken down into its principal activity (department on the accounting system). The services are grouped into the relevant corporate strategy heading. Initials of the accountable officers are shown.

### ***Columns***

The columns are provided to help understand how costs are allocated within each activity area.

### **Pay**

- A Establishment pay shows the full salary cost of permanent staff
- B Establishment pay shows the full salary cost of temporary and fixed term staff
- C Total staff costs (sum of A&B)

### **Expenditure**

- D The cost of travel claims, premises related items, transport costs for vehicles, and office and field running costs.
- E The cost of supplies and services which includes programme expenditure, cost of sales, and other expenses.
- F The total of non-pay expenditure (sum of D&E)

### **Income**

- G Charge-driven income (sales, fees and charges)
- H Other income (e.g. recurring grants, partnership contributions, external grant aid)
- I Total income (sum of G&H)

### **Net Budget**

- J The net service baseline budget; consequently, a cost supported by National Park Grant.

### **Financing Box at bottom**

This shows how the total net baseline budget in column J is financed by National Park Grant, interest receipts and any reserve contributions. For convenience, any central debt charges not allocated to services are shown here. Any surplus or deficit after the above is considered represents the sum added to or subtracted from the General Reserve.

### **Further columns**

- K This column shows last year's approved budget for comparison purposes.
- L This column shows the difference between the years (Col J minus K) with a brief explanation of any difference in the text alongside. Minor differences are usually due to general pay/non-pay inflation costs and are not explained.
- M This column shows the allocation of the cost of support services within the Corporate and Democratic Core to front line services.
- N This column shows the total net cost of services with the value of the support services included (Column J plus M)

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## **Appendix 2 - Budget Savings 2023/24**

### **Reductions identified for 2023/24 budget included within Appendix 1a**

<b>Description</b>	<b>Saving £'000s</b>
Increase to Corporate Overhead Income Budget	50
Reduction to Engagement Vehicle Fleet & Costs & Pool Car Fleet	17
Reduction to Environmental Enhancement Scheme (EES) - Land Management Grants	40
CBST not replacing current Apprentice	25
CBST Non-staff budget reductions	4
Legal & Democratic Services not replacing current Apprentice	10
Training Budgets	8
Merge Fieldhead campsite and Moorland Centre cost centres to manage the site as one	10
Aldern House reduce expenditure budget	10
Increase letting space at Aldern House	30
<b>Total Reductions Identified</b>	<b>204</b>

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## **12. CAR PARKS REVIEW: CONSULTATION OUTCOMES**

### **1. Purpose of the report**

To update the Authority on the outcomes of the Byelaws and Traffic Regulation Order (TRO) consultation and seek approval to continue the process to implement the 2021 Car Park Review.

#### **Key Issues**

- **The Authority needs to generate more income to meet increasing inflationary pressures and due to a flat cash grant settlement from government. The increased charges will support the operation of the facilities they serve but overall the management of the facilities remain a net cost to the Authority.**
- **Car parking charges should be seen in the context of the wider work the Authority is undertaking to promote sustainable transport and address transport issues within the National Park.**
- **The Authority approved the implementation of tariff changes and the inclusion of 13 additional chargeable car parks (P&R April 2021).**
- **The Authority approved the regular review of the parking tariff on 1<sup>st</sup> April every three years, starting in 2024.**
- **The implementation process includes consultation processes that are set out for both the Byelaws and the Derbyshire TRO. A number of responses have been received to the consultation, the majority objecting to the proposals, especially the additional chargeable car parks.**

### **2. Recommendation(s)**

- 1. That the consultations feedback and officers' responses to that feedback are noted.**
- 2. That the processes to implement the proposed increase in charges and the introduction of charging to the additional proposed car parks as approved are continued, by requesting DEFRA to confirm the amended Byelaws and requesting DCC to make the TRO (subject to its own approval processes).**

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

The provision of car parking within the National Park for visitors supports the PDNPA in providing a sustainable, welcoming and inspiring place for all. The majority of the car parks are associated with facilities and land that the Authority manages for visitors to use free of charge. This includes the multi-user trails, North Lees Estate and public toilets. Car parks provide a sustainable source of income to offset the management costs of the Authority's assets and an important contribution to achieving income targets.

The car park infrastructure provided by the Authority and others helps to manage traffic flow within the park, reducing the incidence of verge-parking and resultant damage to roadside flora.

### **4. Background**

On 30 April 2021 the Authority, through Programme and Resources Committee, agreed to alter the tariff and to include an additional 13 car parks within the chargeable portfolio. It is estimated that this would bring in an additional income of £220,316 (see Appendix 1 and 2).

The income that the Authority receives from car park charges helps to offset the cost of providing the car parks and the sites that they service, most notably the Monsal, High Peak and Tissington Trails, North Lees Estate and the public washroom facilities.

Amending the Byelaws and TRO requires public consultation, this was carried out simultaneously from 19<sup>th</sup> October 2022 for 1 month. The consultation followed the process and the level of detail required to form the notices and Order, as well as writing to the statutory consultees. Both were advertised within local papers, within the car parks and on the Authority website.

DCC have indicated, based on the number of respondents, that they will need to go back to Committee for approval to make the TRO. The Secretary of State for DEFRA will need to confirm the Byelaws before they come into force.

## 5. Agreed Proposals and Consultation Feedback

### The agreed proposals are to:

#### **a) Increase the current tariff.**

Appendix 1 shows the agreed tariffs.

#### **b) Increase the number of Authority pay and display car parks**

The car parks proposed for the introduction of charges have been assessed as economically viable, including for putting the machines in, managing them and enforcement. The sites were also assessed by the machine supplier as suitable for the solar powered machines including card payment. The initial set up costs are estimated at £112,700. Income projections show that this should be recouped in twelve months.

Appendix 2 identifies the car parks where the introduction of charges will be economically viable and the potential gross income that could be achieved from each site, based on the average revenue per space achieved in 2019/20. The car parks serve our Trails and North Lees Estates with a number of others in popular locations.

### Consultation Feedback

The consultations for both the Byelaws and TRO are now complete, responses were collated by the Authority for the Byelaws and Derbyshire County Council for the TRO. The numbers received were Byelaws 42 responses, TRO 123 responses, some responded to both consultations. Most responses objected to the proposals under both consultations.

Many of the respondents made more than one point in the response, with some attributing these to specific car parks. In analysing the responses to the consultations there are a number of key themes that came out of the responses, there were many detailed comments around these key themes. Site specific response numbers are given in Appendix 3.

The key themes, and officers' views on and responses to the points raised, are as follows:

#### **a) An increase in on road parking, especially around the newly chargeable car parks.**

- *On road parking in villages could annoy the locals*
- *In the countryside this can cause damage to the verges and the environment*
- *On road parking can cause narrow roads and safety issues for pedestrians and restricting emergency vehicles*
- *Charging in some locations will cause issues for businesses and/or residents*

Derbyshire Police have no objections regarding the car park proposals.

The Highway Authorities for each car park have been consulted with, and Derbyshire County Council have noted the potential for verge parking at the majority of the sites, at that this already happens at a number of the sites.

To mitigate for any additional on road parking it is proposed to undertake additional communication at the sites to highlight how parking fees are spent and the negative impact of verge

parking. Previously targeted engagement and PR led to an increase of 29% in parking fees at the Hollin Bank Car Park. In addition, on road parking will be surveyed prior to charges being implemented and afterwards to assess the impact, if significant change is identified then further targeted PR will be undertaken, with other actions reviewed.

**b) The Countryside access is important for people's mental and physical health.**

- *Introducing charges prevents people accessing the countryside*
- *Charging is not in line with the statutory purposes of the National Park*

The Authority provides a number of facilities to visitors enabling them to access the countryside for mental and physical health. This includes the provision of 34 miles of former railway line as multi-user trail, 17 toilet blocks, 44 car parks, 13 of which will remain free to use, all of which need to be maintained, cycle hire, Visitor Centres, campsites, litter clearance etc.

The additional car park revenue will be used reinvested within the estates and help to maintain visitor facilities to enable people to access and enjoy the countryside.

**c) The current cost of living crisis is not the right time to be implementing changes to charges.**

- *Charges will present barriers to poorer people coming, this may have an impact on the diversity of people visiting.*
- *The charges will mean that people will go elsewhere.*

Available information and research<sup>1</sup> indicates that car parking charges are not a barrier to low income and diverse audiences accessing the National Park.

The charges apply between 9am and 6pm daily and this is not proposed to change. This gives the opportunity to access free of charge outside these hours. The car parks remain free for all blue badge holders, and there are weekly and annual permits available to all users that will significantly reduce the parking cost for regular users.

**d) Has the business plan for new car parks and machines been fully worked through?**

- *The cost of installation and operation will be far more than the revenue received.*

There were a lot of comments regarding the business plan for the implementation of charges within the additional chargeable car parks. This was clearly developed and included within the Committee Report on 30<sup>th</sup> April 2021, this shows based on P&D car park usage that implementation costs are likely to be recouped within 12 months, and that the ongoing machine and enforcement costs are small in comparison to the likely P&D income.

- *The tariff has not been fully thought through, the charges should be lower, residents shouldn't pay, some increases are more than others, motorbikes should be charged the same as other vehicles, motorbikes should be free.*

The tariff and charges were based on the current tariff with a few amendments to make it more user friendly at the machine. This means some charges have been increased more than others to ensure there is "user differentiation" with the charges. The annual pass has been increased, this is in line with other local providers and represents 12 visits within the year to break even.

A number of comments were made about motorbikes and the separate charge, this is the same as the current tariff that has an all-day charge for motorbikes.

- *Some methods of payment exclude people e.g. those without cards or mobile phone. There isn't the mobile signal to support card or phone payment.*

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<sup>1</sup> Improving the Ethnic Diversity of Visitors to England's Protected Landscapes and Peak District National Park Authority Diverse Audience Plan work

It is proposed to have the majority of machines as card only, as the signal testing undertaken by the machine provider showed that all sites are viable for card payment. Cash payments result in increased costs and risk of vandalism/theft and is therefore not proposed for any new machines. Pay by Phone could be implemented across all existing and new sites, however there will be some networks that do not work in the rural area.

- *The car parks are in poor condition or don't have the services to be suitable for charges.*

The additional revenue will be reinvested back into the estates the car parks serve, which will include the car parks. All car parks are maintained to the same standard whether chargeable or not.

**e) Issues outside the control of the National Park Authority**

- *There are too many car park providers within the area, and it is hard for users to understand, especially with annual permits.*
- *No public transport options to the new car park areas, as an alternative to car use.*

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

**6. Financial:**

The addition of pay and display car parks requires significant investment, this is estimated at £112,700. This figure may have changed since calculation in April 2021 and there has been significant inflation since.

The Corporate Property Asset Management Plan 2020 highlighted a backlog of maintenance associated with the Authority's build infrastructure. Car park income is critical to fund ongoing maintenance liabilities, enabling the Authority to continue to provide the facilities that are essential to our visitors and local communities. If the recommendations are not approved/implemented in order to provide the required funds then the backlog of maintenance is likely to continue to increase. No other comparable source of additional income has been identified.

**7. Risk Management:**

There have already been significant delays to the processes as the TRO process is managed through Derbyshire County Council (DCC), and as such relies on Officer time of a third party.

There is a risk that, due to the objections, DCC's Committee will not approve implementation of the TRO, and/or DEFRA will not confirm the Byelaws, or will require a public inquiry.

Charging for currently free car parks has a risk as visitors may choose not to use the car parks and use road side spaces instead. This is not a safe possibility at some locations. This is also a risk with increasing the tariff. This was highlighted as a risk during the 2016 car park review but those concerns were not borne out.

The P&D machines all require planning permission, there is a risk that planning permission is not granted for some or all of the machines. Planning applications have been submitted, with the relevant fee. This is an additional cost and timescale to the implementation process.

**8. Sustainability:**

The proposed, new pay and display machines will be solar powered, and where possible card only machines will be installed to reduce the need for regular vehicular visits for cash collection and maintenance. The new machines are all mobile enabled so ticket levels and other maintenance issues can be monitored remotely, therefore reducing and managing vehicular visits.

**9. Equality, Diversity and Inclusion:**

Annual and weekly permits are available that significantly reduce the cost of parking for regular users. The charges apply between 9am and 6pm daily and this is not proposed to change. This gives the opportunity to access free of charge outside these hours.

The proposed P&D machines will be installed with consideration to those with mobility limitations. There is no impact on many of the protected characteristics described in the Equality Act 2010, however for Disability, parking for blue badge holders will remain free of charge and access to disabled parking bays will be protected through the enforcement of restrictions. Some parking providers charge for blue badge holders, however, in order to support visits to the park by under-represented audiences.

## **10. Climate Change**

The proposal does not directly contribute to the Authority's role in climate change or the carbon net zero targets. The machines will be managed remotely as outlined in the sustainability section.

## **11. Background papers (not previously published)**

None

### **Appendices**

Appendix 1 – Agreed New Tariff Increase

Appendix 2 – Agreed Additional Sites

Appendix 3 – Level of Response to Consultation

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

Matt Freestone, Head of Asset Management, 25 January 2023

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## APPENDIX 1 – Agreed New Tariff Increase

Tariff structure	Existing Charge (£)	Agreed Charge (£)	Excluding VAT (£)
Up to 1 hr	1.50	£1.75	£1.46
Up to 2 hr	2.50	£2.90	£2.42
Up to 4hr	4.00	£4.65	£3.88
All day	4.75	£5.50	£4.58
Coaches (where permitted) 3hrs	4.00	£5.10	£4.25
Horse boxes/lorries up to 4hrs	4.00	£5.00	£4.00
Horse boxes/lorries all day	7:00	£8.10	£6.75
Motorcycles all day	1.50	£2.10	£1.75
Blue badge holders	Free	Free	Free
Cycles	Free	Free	Free
<b>Permits</b>			
Visitors Permit (annual)	40.00	£66.00	£55.00
Holiday permit (week)	15.00	£17.50	£14.58

The gross car park and permit income to the Authority in 2019/20 (exclusive of VAT) was £357,920. This has been used as the base figure for all income calculations within the proposals. With maintained car park usage this should offer the Authority an estimated increased income of £68,066 (exclusive of VAT).

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## APPENDIX 2 – Agreed Additional Sites

Site Name and locality	Spaces	Potential income - existing tariff (excluding VAT)	Potential income - new tariff (excl. VAT)	Estimated additional annual revenue costs	Estate budget
Friden (Nr Newhaven)	45	£12,701	£14,734	£2,031	Trails
Minninglow (Nr Pike Hall)	25	£7,056	£8,186	£2,008	Trails
Narlows Lane (Thorpe)	45	£12,701	£14,734	£2,299	Car parks and toilets
Thorpe Station (Thorpe)	45	£12,701	£14,734	£2,299	Trails
Dennis Knoll (Nr Stanage Edge)	10	£2,822	£3,274	£1,807	North Lees
Hook's Carr (Nr Stanage Edge)	50	£14,113	£16,371	£2,366	North Lees
Upper Burbage Bridge (Nr Stanage Edge)	25	£7,056	£8,186	£2,737	North Lees
Barber Booth, (Edale)	20	£5,645	£6,548	£1,941	Car parks and toilets
Alstonefield	25	£7,056	£8,186	£1,408	Car parks and toilets
Milldale (Nr Alstonefield/ Dovedale)	40	£11,290	£13,097	£1,609	Car parks and toilets
Derwent Overlook (Nr Fairholmes)	60	£16,935	£19,645	£2,523	Car parks and toilets
Blore Pastures (Ilam)	55	£15,524	£18,008	£1,832	Car parks and toilets
Moor Lane (Youlgrave)	20	£5,645	£6,548	£1,941	Car parks and toilets
<b>Total</b>	<b>465</b>	<b>£131,245</b>	<b>£152,250</b>	<b>£26,801</b>	

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### APPENDIX 3: LEVEL OF RESPONSE TO CONSULTATION

The consultations for both the Byelaws and TRO were undertaken at the same time during October and November. The consultation response were collated by the Authority for the Byelaws and Derbyshire County Council for the TRO. The numbers received were Byelaws 42 responses, TRO 123 responses, some respondents submitted comments to both consultations.

Many of the respondents made more than one point in the response, with some attributing these to specific car parks. In analysing the responses to the consultations there are a number of key themes that came out of the responses, there were many detailed comments around these key themes.

For the consultation many respondents made general comments, rather than identifying specific car parks, however the following number of responses were given for the specific car parks:

Friden (Nr Newhaven)	5
Minninglow (Nr Pike Hall)	6
Narlows Lane (Thorpe)	6
Thorpe Station (Thorpe)	6
Dennis Knoll (Nr Stanage Edge)	8
Hook's Carr (Nr Stanage Edge)	7
Upper Burbage Bridge (Nr Stanage Edge)	4
Barber Booth, (Edale)	7
Alstonefield	16
Milldale (Nr Alstonefield/ Dovedale)	8
Derwent Overlook (Nr Fairholmes)	9
Blore Pastures (Ilam)	0
Moor Lane (Youlgrave)	5

Currently chargeable car parks

Tissington Station	5
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For Tissington concerns about the current parking on the road within Tissington village, especially during busy times.

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## **13. PEAK DISTRICT NATIONAL PARK FOUNDATION PARTNERSHIP AGREEMENT AND ANNUAL REPORT**

### **1. Purpose of the report**

To inform Members of the progress of the Peak District National Park Foundation (the Foundation) in 2012/22. To seek an extension of the current Memorandum of Understanding (MoU) and grant offer while new terms are agreed that will see the Foundation achieve financial independence over a five-year period. The Foundation will employ their own staff team, giving a greater agility and independence from the formality and rigidity that comes with the current interconnections with the Authority.

In November 2021, the Authority approved a 12-month extension to the grant agreement and MoU with the Foundation. This included providing staff resources to manage and develop the charity and embed the Foundation across the Authority to support Management Plan outcomes. There is now an opportunity to support the Foundation to become more effective and allow it to focus more on generating funds to help deliver the Management Plan objectives. This report sets out the Authority's proposed support for the Foundation going forward.

### **Key Issues**

The Foundation was established by the Authority to help generate sustainable income and registered with the charity commission in February 2019. The initial MoU was for 3 years and was extended for a further year to March 2023 to enable development work following the Business Change Manager recommendations and to identify the ideal fundraising resource to develop and grow support for agreed National Park priority projects.

Fundraising remains a priority for the Authority and is recognised in the new Management Plan. The Foundation has successfully doubled year on year income (adjusted for one-off unanticipated gifts), and increased its visibility and brand recognition.

The partnership between the Foundation and the Authority is critical to its continued success. Whilst the Foundation continues developing and building its fundraising capacity, it needs the support of the Authority to underpin that growth and allow it to reach its full potential. It is proposed that the Authority gives a grant to the Foundation agreed for the next five years that will enable it to fund core staff and running costs while moving to be a more sustainable self-financing model. The Authority and Foundation will continue to work closely together to raise funds to support the delivery of Management Plan objectives.

### **2. Recommendations**

- 1. To note the 2021/22 annual report of the Foundation and progress in its first three years of operation.**
- 2. To approve a short extension of the current MoU and grant on similar terms, to enable the Authority and Foundation to negotiate terms of the ongoing relationship for the next five years. The extension would come to an end on completion of the new five-year agreement, or after a period of twelve months, whichever is the earlier.**
- 3. To approve in principle a new five-year grant agreement and MoU with the Foundation.**
- 4. To delegate approval of the terms of the new MoU and grant agreement to the CEO, in consultation with the Deputy Chair of Authority and Chair of Programmes and Resources Committee.**

- 5. To authorise applications for and acceptance of grants from the Foundation up to a maximum of £200,000 per annum, subject to approval of the relevant Head of Service, without the need to comply with Standing Order 7.C-2 in respect of each individual grant.**

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

The Peak District National Park Authority has a long-term ambition and need to diversify and increase income. As a statutory body the Authority is restricted in some forms of fundraising and there is some limitation in attracting charitable donations, hence the Authority took the decision in 2018 to establish a charity to harness fundraising opportunities and create a special purpose vehicle for fundraising.

In the new Management Plan the Foundation is the responsible partner to deliver actions to provide opportunities for communities and visitor businesses to support the National Park through advocacy, volunteering and financial support. The Foundation can also help deliver Authority Plan objectives around financial resilience and value for money.

### **4. Background Information**

#### **4.1 What the Foundation has achieved so far**

In its first three years of operation the Foundation has raised £303,222 (see table below). The annual report for 2021/22 details activity in the last full year of operation. See appendix 1

	<b>19/20 Income</b>	<b>20/21 Income</b>	<b>2021/22 Income</b>	<b>Total to date</b>
<b>Total Income</b>	£88,667	£54,652	£159,903	<b>£303,222</b>
<b>Core income</b>	£26,103	£54,652	£109,903	<b>£190,658</b>
<b>One-offs</b>	£62,564		£50,000	<b>£112,564</b>
	Legal deposit		Legacy	

#### **4.2 The Foundation strategy**

Thanks to the support of the Authority, the Foundation has been able to demonstrate its capacity as an effective fundraising body and has built a solid base across all the major charitable income streams. To continue to develop and improve its capacity for income generation, the Authority is proposing a new MoU with the Foundation which will allow for longer term planning. The Foundation would be able to independently hire staff and control its own operations.

The Foundation has prepared financial projections with the aim of:

- Continuing to develop the Foundation brand to build profile and a supporter base
- Developing and refining a pipeline of projects which the Foundation supports
- Applying for funds that are not open to the Authority or are better suited to a charity
- Developing and delivering a major gift strategy and Trusts and Foundations plan
- Developing the Peak Partner scheme
- Increasing regular donors and digital fundraising



Alongside charitable fundraising by the Foundation, the Authority will create a Grants Officer who will develop a pipeline of projects and coordinate grant applications across the Authority. They will create a pipeline of projects both for funding directly via Authority grant applications and via donations from the Foundation.

## **5. Proposals**

It is proposed that a new MoU and grant offer is developed between the Authority and the Foundation that will enable the Foundation to employ its own team of staff and work towards being self-financing. The new agreements will set out the annual contribution of cash and resource (office accommodation only) for a five-year period, following which the Authority's financial support will cease as the Foundation should have become fully self-financing.

The proposed grant is £130,000 pa for three years with a further two years of funding decreasing at 20% pa. The Authority will also provide office accommodation. It is proposed that the grant has an annual inflationary increase set at the level used by the Authority in its medium-term financial plan (currently 5%).

The grant is based on the cost of two staff at pay scale J (higher management level) and one admin post at pay scale C (each role being four days per week), with additional running costs based on the current operational costs of the Foundation. This represents a higher staffing resource than is currently provided.

This proposal would see staff directly employed by the Foundation. This will give the Foundation the flexibility and agility to grow and develop its capacity to support delivery of its charitable aims.

The proposed grant will give the Foundation the certainty it needs to develop, grow and accelerate support, and gives potential funders and donors the confidence to partner with the Foundation.

It is proposed that acceptance of grants from the Foundation are authorised, up to a maximum of £200,000 per annum, without the need to obtain all of the separate authorisations under Standing Orders, to enable the smooth running of processes for grant giving to the Authority by the Foundation.

## **6. Are there any corporate implications members should be concerned about?**

### **Financial:**

The current model of providing support for the Foundation has been shown not to work and carries an ongoing financial commitment. Current levels of financial support for the Foundation equate to £59,000 in direct costs plus a range of in-kind support measures. The proposal gives the Authority greater certainty as to the level and length of time that financial and in-kind support are given. It is expected that the Foundation will continue to raise more funds to support the Management Plan than the Authority gives the Foundation.

## **7. Risk Management:**

The risk of continuing support for the Foundation is low and is managed in a number of ways:

- There are robust processes, policies and systems in place for the charity
- The trustee board includes 3 members nominated by the Authority although the number might change with the new working relationship.
- A list of fundraising projects has been agreed to meet Management Plan outcomes.
- The MoU and grant agreement sets out the partnership working, including the formal pattern of regular meetings.

- There is a fundraising strategy in place with a clear plan to grow support.

Given the above mitigation the risk is considered low.

## **8. Sustainability:**

The Foundation will raise funds to support sustainability work identified in the Management Plan.

## **9. Equality:**

Supporting the Foundation has a positive impact on equality as funds support projects which contribute to a National Park for everyone and connect diverse communities to the National Park.

## **10. Climate Change**

1. How does this decision contribute to the Authority's role in climate change set out in the UK Government Vision and Circular for National Parks?

- a. Educators in climate change

- b. Exemplars of sustainability

The Foundation fundraises for the following Management Plan outcomes:

- Preparing for a Future Climate
- Conservation on a Landscape Scale
- A National Park for Everyone

To date the Foundation has raised over £300,000 for a range of projects including funding for Moors for the Future Partnership's moorland restoration, supporting woodland restructuring work at Stanage North Lees estate, Ambassador Schools, supporting access improvements and footpath restoration, supporting conservation and ash die back mitigation work on the Monsal Trail

- c. Protecting the National Park

- d. Leading the way in sustainable land management

- e. Exemplars in renewable energy

- f. Working with communities

As above the Foundation is funding a range of projects which meet the above outcomes including community led projects: Hedgerow restoration in the Hope Valley; Bradwell hydro-electric Christmas lights project; supporting sustainable land management in Stanage North Lees; and via the Connect Fund small grants pot.

- How does this decision contribute to the Authority meeting its carbon net zero target?

The Foundation supports nature restoration for carbon sequestration.

- How does this decision contribute to the National Park meeting carbon net zero by 2050?

The Foundation supports projects which deliver nature restoration and carbon sequestration.

- Are there any other Climate Change related issues that are relevant to this decision that should be brought to the attention of Members?

No.

**11. Background papers (not previously published) - None**

**12. Appendices**

Peak District National Park Foundation Annual Report 2021/22 [Our Annual Report 2021/2022 - Peak District National Park Foundation \(peakdistrictfoundation.org.uk\)](https://peakdistrictfoundation.org.uk/our-annual-report-2021/2022)

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

Sarah Wilks Head of Engagement, 26<sup>th</sup> January 2023

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