Public Document Pack

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

Our Values: Care – Enjoy – Pioneer

Our Ref: A.1142/4716

Date: 25 January 2024

NOTICE OF MEETING

Meeting: **National Park Authority**

Date: **Friday 2 February 2024**

Time: **10.00 am**

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

PHILIP MULLIGAN
CHIEF EXECUTIVE

AGENDA

1.	**Apologies for Absence**	
2.	**Minutes of previous meeting held on 10th November and 1st December 2023** *(Pages 5 - 14)*	5 mins
3.	**Urgent Business**	
4.	**Public Participation** To note any questions or to receive any statements, representations, deputations and petitions which relate to the published reports on Part A of the Agenda.	
5.	**Members Declarations of Interest** Members are asked to declare any disclosable pecuniary or prejudicial interests they may have in relation to items on the agenda for this meeting.	

FOR INFORMATION

6.	**Chair's Briefing**	5 mins
7.	**Chief Executive Report (PM)** *(Pages 15 - 20)*	5 mins

FOR DECISION

8.	**Statements of Accounts and External Audit 2022/23 (JW)** *(Pages 21 - 128)* Appendix 1 Appendix 2	20 mins
9.	**2022/23 Annual Governance Statement** *(Pages 129 - 142)* Appendix 1	10 mins
10.	**Internal Audit Report Block 1 2023/24** *(Pages 143 - 168)* Appendix 1 Appendix 2 Appendix 3	15 mins
11.	**Revenue Budget 2024/25 and Medium Term Financial Plan 2024/25 to 2027/28 (JW)** *(Pages 169 - 176)* Appendix 1 Appendix 2	30 mins
12.	**Appointment of Interim Chief Financial Officer (S151 Officer)** *(Pages 177 - 180)* Appendix 1	10 mins

13. **Authority Plan 2023-28 Update and Year 2 Look Forward (2024/25 Decile 3 & 4)** *(Pages 181 - 198)* 20 mins
Appendix 1

Appendix 2

14. **Farming in Protected Landscapes Programme - Arrangements for the Fourth Year** *(Pages 199 - 202)* 10 mins

15. **Proposed Changes to the Membership of the Planning Committee and the Programmes and Resources Committee** *(Pages 203 - 204)* 10 mins

16. **Proposed Derbyshire Dales District Council and Peak District National Park Authority Joint Working Group on Housing in the National Park and Appointment of Members** *(Pages 205 - 210)* 15 mins
Appendix 1

FOR INFORMATION

17. **Reports from Outside Bodies - none submitted** 5 mins

Duration of Meeting

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

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

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

Agendas and reports

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

Background Papers

The Local Government Act 1972 requires that the Authority shall list any unpublished Background Papers necessarily used in the preparation of the Reports. The Background Papers referred to in each report, PART A, excluding those papers that contain Exempt or Confidential Information, PART B, can be inspected on the Authority's website.

Public Participation and Other Representations from third parties

Please note that meetings of the Authority and its Committees may 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 Customer and Democratic Support Team 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 Customer and Democratic Support Team 01629 816362, email address: democraticandlegalsupport@peakdistrict.gov.uk.

Written Representations

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

Recording of Meetings

In accordance with the Local Audit and Accountability Act 2014 members of the public may record and report on our open meetings using sound, video, film, photograph or any other means this includes blogging or tweeting, posts on social media sites or publishing on video sharing sites. If you intend to record or report on one of our meetings you are asked to contact the Customer and Democratic 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 an audio visual broadcast and recording available after the meeting. From 3 February 2017 the recordings will be retained for three years after the date of the meeting.

General Information for Members of the Public Attending Meetings

Please note meetings of the Authority and its Committees may 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 visually broadcast via YouTube 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. Car parking is available. Local Bus Services from Bakewell centre and from Chesterfield and Sheffield pick up and set down near Aldern House. Further information on Public transport from surrounding areas can be obtained from Traveline on 0871 200 2233 or on the Traveline website at www.travelineeastmidlands.co.uk.

Please note that there is no 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: Mr K Smith
Deputy Chair: Mr J W Berresford

Cllr M Beer
Cllr M Buckler
Cllr C Farrell
Cllr N Gourlay
Cllr A Gregory
Cllr B Hanley
Cllr A Hart
Cllr Mrs G Heath
Cllr D Murphy
Cllr C O'Leary
Cllr V Priestley
Dr R Swetnam
Cllr J Wharmby
Cllr B Woods
Cllr P Brady
Cllr M Chaplin
Cllr P G Fryer
Cllr C Greaves
Prof J Dugdale
Ms A Harling
Cllr L Hartshorne
Cllr I Huddlestone
Cllr A Nash
Cllr Mrs K Potter
Cllr K Richardson
Mr S Thompson
Ms Y Witter

Constituent Authorities
Secretary of State for the Environment
Natural England

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

MINUTES

Meeting:	**National Park Authority**
Date:	Friday 10 November 2023 at 11.00 am
Venue:	Aldern House, Baslow Road, Bakewell
Chair:	Mr K Smith
Present:	Mr J W Berresford, Cllr M Beer, Cllr M Buckler, Cllr M Chaplin, Cllr C Farrell, Cllr P G Fryer, Cllr C Greaves, Cllr A Gregory, Prof J Haddock-Fraser, Cllr B Hanley, Cllr L Hartshorne, Cllr Mrs G Heath, Cllr I Huddlestone, Cllr D Murphy, Cllr A Nash, Cllr Mrs K Potter, Cllr V Priestley, Cllr K Richardson, Miss L Slack, Dr R Swetnam, Ms Y Witter and Cllr B Woods
Apologies for absence:	Cllr P Brady, Cllr N Gourlay, Ms A Harling, Cllr A Hart, Cllr C O'Leary, Mr S Thompson and Cllr J Wharmby.

88/23 ROLL CALL OF MEMBERS PRESENT, APOLOGIES FOR ABSENCE AND MEMBERS DECLARATIONS OF INTEREST

Item 10

Cllr Priestley declared an interest as the current Member Champion for Natural Environment, Farming & Biodiversity.

89/23 MINUTES OF PREVIOUS MEETING HELD ON 29 SEPTEMBER 2023

The minutes of the last National Park Authority Meeting held on 29 September 2023 were approved as a correct record subject to the following amendment.

Minute Number 84/23 – Local Government and Social Care Ombudsman Annual Review Letter

Where it states “The Democratic Services Manager” it should state “The Customer & Democratic Support Manager”.

90/23 URGENT BUSINESS

There was no urgent business.

91/23 PUBLIC PARTICIPATION

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

92/23 CHAIR'S BRIEFING

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

- Attended the funeral of Paul Hamblin, former Executive Director of NPE on October 3rd on behalf of the Authority.
- Attended the Parishes Day on October 7th which was well worth attending and urged Members to consider attending in the future.
- Attended Board Meeting of National Parks England.
- Attended Members workshops on People & Finance and Planning.
- Attended Hartington Village Trail 10th Anniversary which is a fine example of a Thriving Community.
- Met with Jayne Butler the new Executive Director of National Parks England.
- Joined a Questions & Answers session with DEFRA on Teams regarding the Levelling Up and Regeneration Bill.
- Attended a meeting of the Derbyshire Archaeology Society regarding the ACID magazine.
- Along with the Chief Executive met with DCC (Cllr Barry Lewis & Cllr Caroline Renwick) regarding sustainable transport.
- Local Plan meetings regarding housing provision and development.
- Met with Chief Executive of Chesterfield Borough Council regarding transport.
- Met with Council of Europe Assessors regarding renewal of diploma.
- Met with the Peakland Environmental Farmers Group.
- Met with Hope Valley Climate Action Group.

93/23 CHIEF EXECUTIVE REPORT (PM)

The Chief Executive’s report gave an update to Members on recent meetings with stakeholders, partners and other organisations.

Members questioned the commitment to Race To Zero and what the next steps are. The next steps are for the collective of the National Parks to sign up and then the agreement can be signed. These next steps are to be taken at National Parks collective level and the new UK Director of Communications will be in role in January 2024 when one of their initial tasks will be to take this forward in terms of national communications.

Members queried the level of Member involvement regarding the National Park Management Plan and this was clarified that it will be at stakeholder level. The initial indication is that the Chair and Deputy Chair may be involved with other Member representatives as required depending on the agenda. It was noted that consultation may take place in the form of a conference that would be open to Members.

RESOLVED:

To note the report.

94/23 RISK MANAGEMENT POLICY (A91941/SG)

Simon Geikie, the Senior Strategy and Performance Officer presented the report to Members which had been reviewed and revised following the Authority organisational changes.

One additional amendment was made to the presented document to include the “Monitoring Officer” in the list of roles documented on Page 18, just above paragraph 6.

Members asked for clarification on some items of Appendix 1 and what the responsibilities regarding the tone, influence and culture should be for risk going forward. It was noted that the register comes to Members twice a year for further scrutiny and for officers to share the technical detail with Members.

The process of cascading risks and the escalation process was explained along with the process of quarterly reporting.

The recommendation as amended was moved, seconded, voted on and carried.

RESOLVED:

That Members formally approved the updated Risk Management Policy.

95/23 AUTHORITY PROGRESS REPORT - MID YEAR (DECILE1) 23-24 (EF)

This Authority Progress Plan Report was introduced by Simon Geikie the Senior Strategy and Performance Officer, who updated Members on progress over the first six months of the five year Authority Plan. An overview of the objectives and key actions were given. This report and progress made is available online.

Members asked about the annual grant from DEFRA and the Chief Executive has an annual grant meeting with DEFRA and shall be asking DEFRA for at least an increase in the budget in line with inflation.

It was acknowledged by Members that the Authority Plan is achievable but not as aspirational as it could be due to the way DEFRA performance manage the Authority. It was noted that we could do so much more if there was more funding available. The team were thanked for the new ways of reporting which was seen as an improvement on previous reporting styles. A single visual “dashboard” to summarise the status of all indicators and actions in one place is in preparation and anticipated for the next presentation of the report at the end of the year.

Congratulations were extended from the Members to the Head of Planning and Planning Team for getting the service back on track.

The Chair noted the status of IT projects. In the Authority Plan IT projects appear to be on track and yet there is a high risk associated with IT projects in the corporate risk register. It was confirmed that the risk in the register was due to external factors delaying the commissioning of the ASSURE planning system. The IT Team are taking all possible steps to manage the situation, hence a good performance report, but the risk remains high in terms of it’s potential impact on our operations.

The recommendation as set out in the report was moved, seconded, voted on and carried.

RESOLVED:

1. **That the digital Authority Progress Plan Report (decile 1) is reviewed and any actions to address issues agreed.**
2. **That the Corporate risk register (Mid Year) is reviewed and the status of risks accepted.**

96/23 SOUTH YORKSHIRE STATEMENT OF COMMON GROUND (BJT)

Brian Taylor, the Head of Planning, presented this report to Members to seek Authority approval to become joint signatory to the Joint Regional Statement of Common Ground prepared for the South Yorkshire Mayoral Combined Authority.

This initiative is an example of joint working across our boundaries and across joint Authorities. It was acknowledged that there were a number of points made in the document that are now a little out of date and this would be fed back to the co-ordinator by the Head of Planning. It was felt that all these opportunities should be grasped as they come forward from other Authorities.

A motion to approve the recommendations was proposed, seconded, voted on and carried.

RESOLVED:

That the Authority approves the Statement (in Appendix 1 of the report) and that the Chair of the Authority signs it.

Ms Slack left the meeting at 12pm

Cllr Woods left the meeting at 12.05pm

Cllr Heath left the meeting at 12.06pm

97/23 MEMBER APPOINTMENT TO OUTSIDE BODIES (SLF)

This report was presented to the Members by Rhodri Thomas, Team Manager for Land and Nature. The purpose of the report was to appoint the Member Champion for Natural Environment, Biodiversity and Farming as a representative for the Authority, to the Board of the Derbyshire Local Nature Recovery Strategy and the Steering Group of the Staffordshire Local Nature Recovery Strategy and to any other body or event requiring Member involvement within the context of nature recovery.

The recommendation as set out in the report was moved, seconded, voted on and carried.

RESOLVED:

1. **To appoint the Member Champion for Natural Environment, Biodiversity and Farming to:**
- **the Board of the Derbyshire Local Nature Recovery Strategy**
- **the Steering Group of the Staffordshire Local Nature Recovery Strategy**

2. **To delegate appointment of the Member Champion for Natural Environment, Biodiversity and Farming to any other body or event requiring Member involvement within the context of nature recovery to the Chief Executive in consultation with the Chair and Deputy Chair of the Authority.**

3. **That attendance at meetings of these bodies and/or events are approved duties for the payment of travel and subsistence allowances as set out in Schedule 2 of the Members' Allowances Scheme**

98/23 ANNUAL REPORT ON MEMBER LEARNING AND DEVELOPMENT (RC)

This report was presented to the Members by the Customer and Democratic Support Manager. The report set out the Member learning and development framework and the proposals for the next annual programme of Member learning and development events. The report also proposed a review of the current tools used in the learning and development framework, the events programme and the individual target hours for learning and development.

One area of learning that needed to be added into the Essential Learning & Development section for the Members was the online Data Security Training - there were some Members who had yet to complete this essential training and the Chair reminded members of the need to complete it.

Three new Members had recently attended the 3 day National Induction Training for National Park Authority Members and thoroughly recommended it to other new Members. They had found it was useful and most informative.

The recommendation as set out in the report was moved, seconded, voted on 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 2024 (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.**
3. **To review the tools used by Members in the learning and development framework, the learning and development events programme and target hours for learning and development.**

99/23 AMENDMENT TO PART 7 OF STANDING ORDERS - DELEGATION OF POWERS TO THE CHIEF EXECUTIVE(S) (RC)

The Customer & Democratic Support Manager presented the report to Members which requested an amendment to the Scheme of Delegation to the Chief Executive in the Authority's Standing Orders. The amendment requested was to enable the Chief Executive, in consultation with the Chair and Deputy Chair of the Authority, to make amendments to Standing Orders and Authority Policies to reflect approved changes in job titles and changes in legislation provided those changes did not have a significant effect on operational matters.

The recommendation as set out in the report was moved, seconded, voted on and carried.

RESOLVED:

1. **To amend the Scheme of Delegation to the Chief Executive set out in Part 7 of Standing Orders to authorise the Chief Executive, in consultation with the Chair and Deputy Chair of the Authority, to amend Standing Orders and Authority Policies to reflect any approved changes in job titles and**

changes to legislation if those changes do not have a significant effect on operational matters.

2. **The Standing Orders are otherwise confirmed**

The meeting ended at 12.15pm

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MINUTES

Meeting:	**National Park Authority**
Date:	Friday 1 December 2023 at 10.00 am
Venue:	Aldern House, Baslow Road, Bakewell
Chair:	Mr K Smith
Present:	Mr J W Berresford, Cllr M Beer, Cllr P Brady, Cllr M Chaplin, Cllr C Farrell, Cllr P G Fryer, Cllr C Greaves, Cllr A Gregory, Prof J Dugdale, Cllr B Hanley, Cllr L Hartshorne, Cllr I Huddlestone, Cllr A Nash, Cllr C O'Leary, Cllr K Richardson, Dr R Swetnam, Mr S Thompson, Cllr J Wharmby, Ms Y Witter and Cllr B Woods
Apologies for absence:	Cllr M Buckler, Cllr N Gourlay, Ms A Harling, Cllr A Hart, Cllr Mrs G Heath, Cllr D Murphy, Cllr Mrs K Potter, Cllr V Priestley and Miss L Slack.

100/23 APOLOGIES FOR ABSENCE, ROLL CALL OF MEMBERS PRESENT AND MEMBERS DECLARATIONS OF INTEREST

There were no declarations of interest.

101/23 URGENT BUSINESS

There was no urgent business.

102/23 PUBLIC PARTICIPATION

No members of the public were present to make representations to the Committee.

103/23 NEW PAY GRADE STRUCTURE (TR)

Theresa Reid, the Head of People Management, presented the report to Members to inform them about the Authority’s current labour market position regarding its pay structure: and to seek a decision from Members on the proposal for a new pay grade structure.

The recommendations being put forward are a result of a comprehensive pay review with consultations with the Staff Committee and Trade Union representatives. Members were thanked for their input into the process. The Finance Team are closely involved and all staff have been consulted. Members were pleased to see such an extensive staff consultation process and welcomed the feedback from the staff and the Management responses to the feedback. It was gratifying to see that staff are understanding and accepting of the situation.

Option 3B would mean that all staff get a pay increase which will mean that the pay grades are closer to the Public Sector Median and is affordable for the Authority. It was acknowledged that other recruitment and retention incentives and allowances need to be reviewed as part of the overall salary package.

Members enquired about staff morale and how it had been low earlier in the re-structure process. Theresa Reid felt that staff morale had improved now that the re-structure had taken place.

Members thanked Theresa Reid for her considerable work on this project. They felt it was frustrating that due to outside budget constraints the Public Sector Median could not be reached.

The recommendation as set out in the report was moved, seconded, voted on and carried.

RESOLVED

1. **That Members note the Authority's market position of its pay structure in comparison to direct competitors for labour.**
2. **That Members approve the new pay grade structure proposed – Option 3B**
3. **That Members support exploration of recruitment and retention incentives to be used for hard-to-fill posts.**
4. **That Members support a review of Authority allowances with regional local authorities and other national park authorities.**

104/23 2023/24 REVISED REVENUE BUDGET

Emily Fox, the Head of Resources, presented the report on behalf of the Finance Manager. The report presented to Members revisions to the 2023/24 budget as a result of the pay strategy.

Members were thanked for their attendance at the earlier Finance Workshop in November which partially focussed on the revised budget.

Members were mindful that the expected rise in income from the increase in the interest rate may be overly optimistic and may not reflect the recent drop in the interest rate – this has been considered and taken into account and the figures presented are prudent and reflect this. Future movement in the interest rate can be amended in the budget.

Members asked about the donation to the Visitors Centres and how this is being drawn down. The 3 years funding received does not correspond with the financial year. It was confirmed that there is some front loading of the funding due to paying for the consultancy that has been implemented. It is hoped that the Visitors Centres will start to show an increase in performance sooner rather than later.

The recommendation as set out in the report was moved, seconded, voted on and carried.

RESOLVED:

1. **Following the approval of the new Pay Grade Structure (Minute 103/23 above) to approve the changes to the revenue budget based on Pay Strategy Option 3B for 2023/24 as set out in the report.**

The meeting ended at 10.30 am

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7. CHIEF EXECUTIVE REPORT (PM)

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

Members should notice some small changes to Authority meetings (rollcall, declarations of interest, papers taken as read rather than presented by Officers) designed to allow more time for debate on substantive issues. I have also changed the content of the CEO report to go beyond the normal account of meetings attended so that I can give a wider update on what is happening and how the Authority is doing.

National issues
National Parks England (NPE) recently hosted a visit by Defra Minister Rebecca Pow. The meeting covered a broad range of issues which are picked up below. NPE also met with Labour shadow Defra lead Steve Reed, who took his team to Dartmoor for an extended visit. Secretary of State, Steve Barclay, is meeting with the Chair of NPE in the Yorkshire Dales. A visit to the Peak District is being organised for Toby Perkins, Labour shadow for Rural Affairs. Political engagement at a national level is clearly increasing both as there is a new Defra team and ahead of a general election. The Campaign for National Parks has produced a manifesto and asks for the political parties, National Parks England has developed a number of asks and the solutions we offer – these will be used in upcoming political engagement.

The new Protected Landscapes Partnership (PLP), which brings together National Parks, Protected Landscapes (new name for AONBs), National Trails and Natural England, is now seeking to appoint an independent Chair. Significant, but short-term, government funding is going into the Partnership. National Parks England is active in the Partnership and is trying to manage a potential risk that this informally becomes a ‘National Landscape Service’ with the distinctiveness and voice of Nationals Parks becoming lost.

Defra’s £2.5m of extra Access funding is being discussed with the hope of delivering a second round of Generation Green. £1m of extra funding for active travel is also being discussed with Active Travel England, for walking and cycling strategies across English National Parks, with each earmarked to receive £100k.

The International Union for the Conservation of Nature (IUCN) has recently assessed that only 3.1% of land in England is protected and effectively managed for nature, falling far short of the government’s 30x30 ambition (30% of land protected by 2030). The IUCN is saying National Parks no longer qualify as protected areas in their entirety. About 5-6% of the Peak District National Park qualifies as being protected and in good condition. There is a risk that in trying to meet the 30x30 ambitions, resources will move away from National Parks.

Biodiversity Net Gain (BNG) requirements for new developments are about to come into effect. There could be opportunities for improving habitat within the National Park. The scale and potential impact needs to be better understood. It is proposed that an Essential Member Training session is organised on BNG.

Dartmoor National Park's recent High Court victory on backpack camping is going to be appealed. The outcome of this appeal will have implications for all English National Parks as the judgement involves defining what constitutes open-air recreation and could become linked to future arguments around extending a Right to Roam.

All 15 UK National Parks have now signed up to the UN backed Race to Zero, which involves committing to and measuring progress on decarbonisation. Formal announcement is expected in March, when we will become the first National Parks globally to sign up.

National Park Management Plan (NPMP)
The long-awaited new outcomes framework and guidance is due to be published just ahead of this Authority meeting. It is hoped this will focus on place-based targets rather than organisational ones. The government want to tie in the outcomes in National Parks more closely to the 25-year Environment Plan's targets. Guidance is also awaited on what the new strengthened power of National Parks means, i.e. the new duty for public bodies to 'strengthen the purposes' of National Parks, rather than just 'having regard' to them.

We now have an established Delivery Group to support the implementation of our NPMP. This group has met for the first time and will continue to meet quarterly. Representatives from all the main partners responsible for the NPMP are in this group. A Leaders Group has also been established which will meet annually with the purpose of continuing and reaffirming commitment at the highest level from partners. There will also be an annual Forum for wider stakeholders to be updated on the progress of the NPMP.

Alongside the NPMP we also have our five-year Authority Plan. At this meeting Members will be reviewing a revised Authority Plan and a forward look at what is proposed for year two. The NPMP is reviewed annually at the end of each year whereas the Authority Plan is reported on every six months (every 'decile' of the five-year period it covers). Sitting beneath the Authority Plan each Service has its own annual plan. These are currently being finalised for the year ahead and have for the first time been worked up from the bottom and across the organisation. This should help us deliver a more coherent and realistic work programme.

Some points to note under each of our four aims in the NPMP:

Climate Change
Moors for the Future Partnership is currently in delivery mode for its biggest ever annual programme of restoration. Opportunities for BNG, carbon credits and green financing are actively being explored alongside developing a programme of work to be funded over the next five years by water companies.

Our three-year Sustainable Travel Project has started with the appointment of a Sustainable Travel Officer (Matthew Eglin). Matthew has been working with various groups interested in decarbonising travel. We have submitted a bid to the Department for Transport for a Transport Decarbonisation Demonstration Project working on the practicalities of cross pavement EV charging points. Matthew is working on improving data collection to inform ways to increase the sustainability of travel in the Park.

Nature Recovery
We have secured £441k to help conserve habitats and wildlife on the Warslow Moors Estate via a new Countryside Stewardship grant. We are also in the process of using an additional Defra grant of £523k to buy some land adjacent to our Warslow Estate with a view to improving water quality and habitat restoration.

Morridge Hill Country Landscape Recovery Project is progressing through an enrolment phase ahead of trying to secure two years of development funding to look at landscape recovery across a block of land. We are aiming to secure funding by early April. Our Landscape Recovery bid for the White Peak was unsuccessful but we are looking at ways we can maintain momentum and develop the concept further ahead of a revised application, which Defra are keen to see.

I will shortly be taking part in a retreat with key environmental organisations in the region to review opportunities for greater collaboration and increasing our shared ambitions around woodland creation, nature friendly farming, managing visitor pressure, reducing wildfire risk and achieving more inclusive access to nature. This follows a day I spent recently with the Peak District Moorland Group on Moscar Estate, to learn more about the complex and competing priorities of habitat creation and conservation associated with the wildlife impacts of creating and maintaining habitats that support grouse populations but which also benefit a number of other bird species such as golden plover and curlew. I also spent a day with Sheffield and Rotherham Wildlife Trust, looking at how their newly acquired Ughill Farm can be used for showcasing nature restorative farming and seeing their partnership working with Yorkshire Water at Redmires Reservoir, where there are huge visitor pressures in a sensitive natural environment.

I am increasing my role and work on nature recovery nationally on behalf of National Parks England. Shortly I will be attending a stakeholder session with Natural England's Board and I will be attending the Nature North annual conference (Nature North is a partnership between the northern English National Parks, National Landscapes, environmental NGOs, Natural England, the Environment Agency and various donors).

Welcoming Place
The new Local Visitor Economic Partnership (LVEP) has come into effect and I am a member of its Board. The view of Visit England is that this should be the go to organisation for destination marketing but it is also there to help manage the visitor economy. The LVEP is currently trying to fund the development of a destination management/tourism plan. I will continue to advocate for the LVEP's role in helping manage visitor pressure.

Peak District Mosaic have been successful in their Lottery bid for 'Championing National Parks for Everyone'. This will fund training of community champions and provides a significant boost to our efforts in trying to attract more diverse audiences into the Park.

Consultants have begun work on reviewing our Visitor Centres, using funding provided through the Foundation. Our Visitor Centres were very busy before Christmas, with engaging displays that helped attract high footfall. Cycle hire operations have been quieter, with sustained adverse weather not helping. The generous donation we received to keep Visitor Centres open means we have time to really understand how they are performing and to consider ways in which they can change so that they can become financially sustainable.

Thriving Communities
Having an effective planning function is key to helping create thriving communities. Recently there have been some real successes for the Enforcement team with a High Court injunction gained against unauthorised developments over many years in Sheldon village. At Cressbrook Dale we have taken enforcement action against unauthorised development in the natural zone. Our Minerals team also managed to stop unauthorised mineral extraction being carried out at an old quarry site, the former Wagers Flat Quarry on Longstone Edge. I would like to pay tribute to the individuals and teams who helped secure these great outcomes in all three cases.

A joint letter from the Authority, Derbyshire Dales District Council and High Peak Borough Council / Staffordshire Moorlands District Council, has been sent to Homes England regarding the additional costs of building affordable housing within the National Park. A copy of the letter has also been sent to local MP Lee Rowley, Minister of State (Minister for Housing, Planning and Building Safety) and Sarah Dines MP.

I am about to launch a series of roadshow events across the Park, giving residents a chance to meet with me so I can hear their views. I aim to hold one such event a month throughout 2024 so that we can learn from local communities and become more enabling and responsive.

In the year ahead, I also want to establish ways in which the Authority can become more informed by and responsive to the views of younger people. The Member-led Governance Working Group will also be looking at the ways in which members of the public can participate at our meetings. The group will also review Standing Orders, which reports go to Authority/Planning/Programmes & Resources/Forum meetings, the format of our reports (to make them more accessible), Member learning and development needs and the role of Member Champions.

<u>Resource issues</u>
At this Authority meeting Members are being asked to approve our budget for the year ahead. The context of this is that we are continuing to experience a squeeze on our resources driven by a frozen Defra grant, increased activity costs and our desire to improve pay and conditions to help address our long-term recruitment and retention issues. In January we were able to implement our new pay levels as well as giving all staff a free pass for all our carparks. Both measures have landed extremely well. We will shortly be consulting on further recruitment and retention incentives, focused on hard to fill roles.

Our revenue position remains extremely challenging, although the Authority does have a good level of reserves. The additional funding we are being offered from Defra, whilst being welcome, does not address our revenue difficulties. Generally, the additional funding we are being offered is restricted for capital (such as the money to buy land in Warslow), one-off, very short notice and being shared across a wider range of partners such as the new Protected Landscapes. Additional funding for Farming in Protected Landscapes (FiPL) is expected (due to other areas underspending) but it can be difficult to hire sufficient staff to deliver this when such funding is short term. We need, therefore, to focus on generating more unrestricted income which can help our revenue position. Our planned carparking developments will be aimed at trying to promote more sustainable transport and help manage visitor pressures but should also generate some additional income. We are also trying to increase income through more letting of surplus space at Aldern House. I am conducting a wider review of Aldern House to see what the best use of this asset is and how we can use restricted capital reserves to help generate future revenue.

<u>Staffing update</u>
Last year's restructure is now almost complete. Changed or shifted teams within the four Services are settling in, new roles are being filled and there is greater cross-organisation understanding and working. Our turnover rate has gone down from 17% to 11%, indicating our work to increase pay is having a positive impact and we are seeing higher numbers applying for roles and some longstanding hard to fill roles being appointed to. Softer benefits such as free carpark passes and time off to do volunteering are all helping to contribute to a more positive staff morale as has the introduction of staff name badges. The arrival of some new starters has also helped create energy and confidence.

Notably we have recruited Hannah Turner as our new Head of Assets and Enterprise and we have made an appointment to the Authority Solicitor/Monitoring Officer role (at the second attempt). Unfortunately, we have been unsuccessful in two attempts at appointing to the new Head of Resources role. This has necessitated the removal of the need for a financial qualification, to open the role up to a wider pool of candidates. We are also currently seeking to appoint a new Finance Manager, who will be the Section 151 Officer.

Looking forward, and attempting to diversify our workforce and address the aging staff profile we have, we are looking to create the Peak District National Park Training Academy. This is an exciting project that will be explained further in the Member Forum following this Authority meeting.

Alongside all of the above staffing developments we are developing a volunteer strategy that seeks to grow the number of volunteers we have, diversify the roles that volunteers undertake and diversify the profile of those that volunteer with us. This emerging strategy may be an interesting topic for a future Member Forum.

Recent external meetings
Since my last report on 10th November I have continued to meet with stakeholders, partners and organisations based in and around the National Park Authority including:

- Institute of Quarrying, National Stone Centre
- Sarah Dines MP
- Launch of National Landscape Partnership at the Royal Society
- Sheffield & Rotherham Wildlife Trust
- Lord & Lady Edward, Haddon Hall
- Neil Moulden, Chief Executive Derbyshire Dales CVS
- Craig Best, National Trust
- Richard Bailey, Peak District Moorland Group
- Stephen Vickers, CEO Chatsworth
- Victoria Manton, Natural England
- Chris Henning, Executive Director DCC
- Prof. Kathryn Mitchell, CEO University of Derby

Report Author, Job Title and Publication Date

Phil Mulligan, CEO, with input from Victoria Peel, Executive Support Officer
25 January 2024

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8. STATEMENT OF ACCOUNTS AND EXTERNAL AUDIT 2022/23 (JW)

1. **Purpose of the report**

To seek approval for the audited Statement of Accounts for 2022/23 and for Members to consider the External Auditors' (Mazars) 2022/23 annual completion report. Mark Surridge, of Mazars will be present at the meeting. The related report on the annual governance statement is on the same agenda.

Key Issues

- **The External Auditor expects to give an unqualified audit opinion on the 2022/23 financial statements.**

- **The External Auditor will also report that the Annual Governance Statement (AGS) for 2022/23 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 the audit opinion.**

2. **Recommendations(s)**

   1. **To approve the audited Statement of Accounts for 2022/23 at Appendix 1.**

   2. **To consider and note the External Auditor's Audit Completion Report (ACR) at Appendix 2.**

   3. **To note that the letter of management representation at Appendix A within Appendix 2 needs to be signed by the Chief Finance Officer.**

How does this contribute to our policies and legal obligations?

3. The production of the draft Statement of Accounts as at the 31 March each year is a statutory requirement. The draft accounts were authorised for issue by the Chief Finance Officer by 31st May 2023 in line with the statutory deadline. The audited accounts must also be approved be presented to Members for their approval.

4. Section 9 (3) a of the Accounts and Audit Regulations 2015 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.

5. 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. 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

13. are Authority performance indicators.

Proposals

6. The final statement of accounts for 2022/23 is presented at Appendix 1, with amendments to the draft statements highlighted in yellow. These relate to a change in the pension asset values following the issue of an updated report. 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.

7. The Audit Completion Report is presented at Appendix 2. 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. The Annual Audit Report for 202/23 is expected to be issued later in 2024. This is because the external audit of the Derbyshire Pension Fund is not yet finalised. The Annual Report will also include the final opinion on the Authority's Value for Money (VFM) conclusion.

8. The Chief Finance Officer has responded to a number of queries raised by the External Auditors during the course of the audit and these are detailed in the ACR.

9. The External Auditor has also raised four internal control recommendations, all at the medium level. The first recommendation arises from a long standing issue regarding journals not being approved in the finance system, which has now been resolved due to the implementation of the new finance system in October 2023. The second recommendation is regarding the fixed asset register not holding the required data in the most efficient manner which will also be resolved by the implementation of a new asset management system. The third relates to an error in the process for accruals during the year end process, which will be reviewed by the finance team to ensure that the risk of errors is reduced. The fourth recommendation also relates to the holding of asset data (specifically site plans and the area of assets) which will also be resolved by the new asset management system.

Are there any corporate implications members should be concerned about?

Financial:

10. The fees for external audit are funded from the existing Finance Services budget. The audit scale fee for the 2022/23 audit is £13.7k plus VAT. Additional Fees are expected but have not yet been quantified as advised in the Audit Strategy Memorandum. Based on previous year's this could be approximately £6k. Audit fees for the 2023/24 audit have been confirmed as substantially higher at £44.8k which is included in the 2023/24 budget.

Risk Management:

11. 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.

Sustainability:

12. There are no issues to highlight.

Equality:

13. There are no issues to highlight.

Climate Change:

14. There are no issues to highlight.

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

None

16. **Appendices**

Appendix 1 – Statement of Accounts 2022/23
Appendix 2 – External Audit (Mazars) Audit Completion Report for 2022/23

Report Author, Job Title and Publication Date

Justine Wells, Finance Manager and Chief Finance Officer, 25 January 2024

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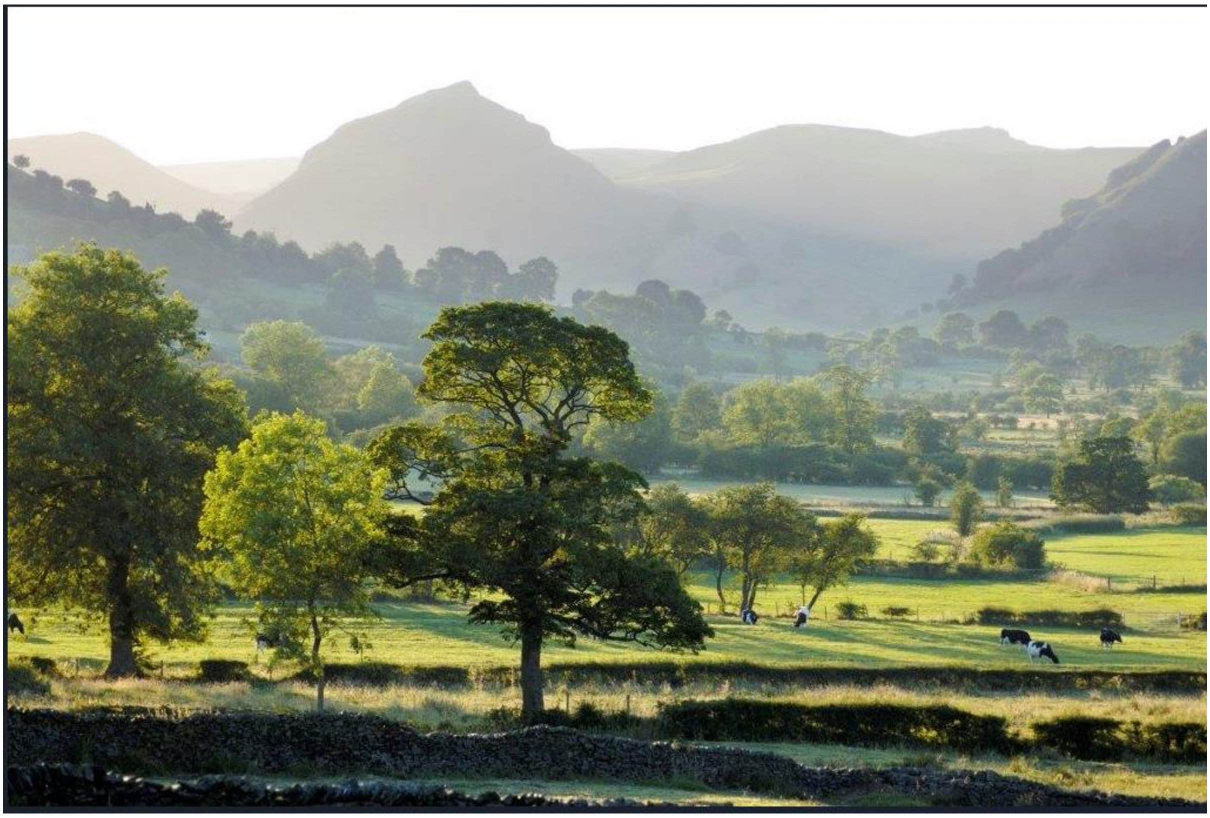
Statement of Accounts

2022/23



Statement of Accounts
for the Financial Year

1st April 2022 to 31st March 2023

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Signed: **Date:**

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 31st March 2023

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 31st March 2023 and its income and expenditure for the year ended 31st March 2023.

Justine Wells CPFA
Finance Manager and Chief Finance Officer
2 February 2024

Peak District National Park Authority
Annual Accounts for the Year Ended 31st March 2023

Narrative Report

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.

Accompanying notes, cross referenced from the statements, explain in greater detail some of the calculations and reasoning behind the figures; these notes, on pages 26 – 63, form part of the financial statements. The figures are rounded up to the nearest thousand pounds. 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.

Each year the Department for Environment, Food and Rural Affairs (Defra) sets the level of funding for the National Park Authority. In 2022/23, the funding was again set at £6.699m (£6.699m in 2021/22). 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.

Overall, the Authority's usable reserves increased by £1.125m, with a £1.330m net transfer into earmarked reserves of which £735k is a transfer to the Revenue Grant Reserve for unspent grant income received in year and the remaining £595k is from underspends from across the Authority as a result of significant vacancies to be put towards future commitments. There was also a net reduction of £206k for the Capital Receipts Reserve, mainly as a result of the use of capital receipts to fund capital expenditure in the year.

The Service Expenditure Analysis recommended for all National Park Authorities has been retained, with income and expenditure being allocated across eight functional headings.

The Authority continued its rolling programme of asset re-valuations, concentrating this year on land and buildings that had not formed part previous year's revaluations.

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 31st March 2023 shows an asset of £3.098m, an increase in value of £18.005m compared to the liability of £14.907m for the previous year (representing a pension liability, which is now 105% funded, up from 82% at 31 March 2022). 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.

For the 2022/23 financial year, the Authority set a borrowing limit (the authorised limit) of £2.5m. The Authority's external borrowing as at 31st March 2023 was £331k. The Authority's Capital Financing Requirement, i.e. its underlying need to borrow for capital purposes, was £1.240m at 31/03/2023 (£1.325m at 31/03/2022). The Authority did not enter into any financing transactions during the year, and relied upon internal cash resources.

Analysis of amounts recognised in the financial statements.

On 4 February 2022, the Authority approved the 2022/23 Budget and the variances from 2022/23 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 2022/23 results can be found in the outturn report (reported to the Authority meeting on 28 July 2023); obtainable from the Authority's website (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 project related fluctuations; the main differences (above £50k and 10% of the previous year's net expenditure) are outlined below.

	Difference £'000s	Comment
Comprehensive Income and Expenditure Statement (CIES)		
Conservation & Environment Projects	+337	Fluctuation in project costs between financial years
Cycle Hire	+94	Reduction in hire income and increases in pay costs
Access, Walking & Riding Routes	-305	£286k impairment cost for Millers Dale Café/ Goods Shed in 2021/22
Car Parks & Concessions	+96	Reduction in car park income as visitor numbers reduce to pre-covid levels
Recreation & Transport Projects	+292	Fluctuation in project costs between financial years
Visitor Centres	-406	£434k increase in asset values charged to the CIES for Castleton land and buildings
Promoting Understanding Projects	+67	Fluctuation in project costs between financial years
Countryside Volunteers	-64	£16k increased income, reduction in capital charges between 2021/22 and 2022/23
Property Team	-99	£38k reduction in pay due to vacancies and £40k reduction in building costs due to works on septic tanks being completed in 2021/22
Development Control	+191	Income from planning fees reduced in 2022/23 leading to greater net cost and under spent budget brought forward from 2021/22 for consultant support to the planning function
Planning Policy	-63	Reduction in pay budgets following Management Team restructure in 2021/22
Democratic Services & Members	+82	£60k one off expenditure for new recording and broadcasting equipment for the Boardroom
Corporate Management	+58	Increase in capital expenditure on vehicles
Balance Sheet		
Long Term Assets	+1,502	Capital additions of £788k (enhancement of trails facilities, tenanted farms, North Lees property, vehicles and IT expenditure), disposals of -£247k net asset revaluations of £1.582m, and depreciation of -£621k.
Current Assets	+1,273	Current assets have increased mainly due to an increase in cash and cash equivalents of £1.576m offset by disposals in assets held for sale £330k.
Current Liabilities	-82	The reduction is an increase in creditors of £386k (fluctuations in creditors is usual) offset by a £305k reduction in accruals for accumulated absences.
Long Term Liabilities	+18,038	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 from £14.907m to an asset of £3.098m (movement of £18.005m). It also includes a reduction in long term borrowing of £33k.
Usable Reserves	+1,125	The variance in the usable reserves includes £735k grant income in advance added to the Revenue Grants Reserve (as per the CIPFA code), -£206k of capital receipts used to fund capital expenditure, £2.5k of bequests received to a restricted reserve plus £595k to earmarked reserves for future commitments.

The Development and Performance of the Authority in the 2022/23 Financial Year

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

- The Annual Governance Statement 2022/23
- The Performance and Business Plan 2022/23, 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:-

- 2022/23 Year End Performance Report, 2022/23 Performance and Business Plan and 2023/24 Corporate Risk Register COMMITTEE: (peakdistrict.gov.uk)
- Appendix 1a & 1b 2022-23 Q4 Performance Report and Commentaries Normal Document Template (peakdistrict.gov.uk) Normal Document Template (peakdistrict.gov.uk)
- Appendix 2a Performance and Business Plan 2023-24 draft content Normal Document Template (peakdistrict.gov.uk)
- Appendix 2b Authority Plan Programme Year 1 (2023-24) Normal Document Template (peakdistrict.gov.uk)
- Appendix 3 Corporate Risk Register 2022-23 Q4 EF Appendix 3 - Corporate Risk Register 2022-23 Q4.pdf (peakdistrict.gov.uk)

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

- Agenda Template (peakdistrict.gov.uk)

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 2022/23 year, the quarter 4 and final performance 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 2022/23 identifies 13 issues for improvement action. The Chief Finance Officer has reviewed the statements on governance for the 2022/23 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

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 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

The Authority approved an updated Capital Strategy on 17 March 2023 which set out a forward Capital Programme to 2027/28, however it is expected that this will be reviewed annually. The strategy estimated potential capital expenditure in support of the corporate strategy of up to £2.98m, financed by borrowing of up to £651k, allocations from the Authority's Capital Reserve and other reserves of up to £2.005m and £325k from revenue resources. All Capital expenditure is governed by the key principles 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 17 March 2023. The Capital Reserve reported in the Balance Sheet reduced in the year from £1.598m to £1.392m due to continued capital works. The Capital Financing Requirement is estimated to reduce as planned capital works are expected to be funded more from asset disposals rather than additional borrowing, however all estimated future borrowing is expected to be covered by the Authorised Limit as approved in the 17 March 2023 Authority report, remaining at £2.5m for 2023/24 and rising up to £3m in 2024/25 and 2025/26. Debt repayments for 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

There are no major changes in statutory functions. The budget for the 2022/23 year was approved on the basis that the Authority would be able to balance its revenue budget with reasonable assurance up to March 2023. However, looking forward the Authority is planning to undergo significant organisational change during 2023/24 to ensure the continued financial resilience of the Authority.

National Park Grant

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.

Conclusion

The Authority has maintained a satisfactory financial position in 2022/23, however significant vacancies across the Authority have contributed to an underspend in various budgets this year. The Authority's underlying financial strategy continues to have four principal aspects. 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, although this is an area that could be improved upon. The Authority is actively looking to procure a new finance system which will assist in this and ensure that management data can be produced and accessed more easily and in a more user friendly manner for budget holders. The third is to continue to ensure that the Authority's fixed asset base is sustainable, in line with the approved Asset Management Plan and Capital Strategy, and that the rationalisation of the Authority's property portfolio continues which in turn will reduce maintenance liabilities and potentially provide capital receipts for further investment in the remaining portfolio. 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.

Summary of Significant Accounting Policies

1. General Principles
The Statement of Accounts summarises the Authority's transactions for the 2022/23 financial year and its position at the year-end of March 2023. 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 (2022/23), supported by International Financial Reporting Standards (IFRS).

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.

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.

2. Accruals of Income and Expenditure
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. Acquisitions and Discontinued Operations
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, together with any outstanding liabilities arising from closure of a service.

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

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

6. Prior Period Adjustments, Changes in Accounting policies and estimates and errors
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.

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.

7. Charges to Revenue for Non-Current Assets
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.

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.

8. Employee Benefits
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.

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.

9. Post - Employment Benefits

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.

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.

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.

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.

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.

10. Events After the Balance Sheet Date

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.

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

11. Financial Instruments

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.

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.

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.

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.

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.

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

12. Foreign Currency Translation
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 31st March. Resulting gains or losses are recognised in the Financing and Investment Income & Expenditure line in the CIES.

13. Government Grants and Contributions
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.

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.

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.

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.

14. 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 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.

15. Intangible Assets
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.

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.

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.

16. Inventories and Long-Term Contracts
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.

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.

17. Leases
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.

<u>The Authority as Lessee, Finance Leases</u>
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.

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.

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.

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.

18. Overheads and Support Services
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.

19. Property, Plant & Equipment

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.

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.

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.

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 1st April 2007 only, the date of its formal implementation. Gains arising before that date were consolidated into the Capital Adjustment Account.

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.

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.

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.
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.

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.

20. Provisions, Contingent Liabilities and Contingent Assets
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.

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.

21. Reserves
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.

22. Revenue Expenditure Funded from Capital Under Statute

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.

23. VAT

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.

Comprehensive Income and Expenditure Statement

	2021/22			2022/23		
	Gross Spend £'000s	**Income £'000s**	**Net Spend £'000s**	**Gross Spend £'000s**	**Income £'000s**	**Net Spend £'000s**
Conservation of the Natural Environment	5,783	(5,812)	(29)	5,990	(5,587)	403
Conservation of Cultural Heritage	328	(20)	308	353	(18)	335
Recreation Management & Transport	1,843	(1,234)	609	1,824	(1,099)	725
Promoting Understanding	1,328	(846)	482	899	(776)	123
Rangers, Estates Service & Volunteers	1,737	(301)	1,436	1,592	(346)	1,246
Development Planning	903	(302)	601	1,036	(245)	791
Forward Planning & Communities	718	(90)	628	569	(47)	522
Corporate Management & Support Services	2,845	(137)	2,708	3,073	(110)	2,963
Exceptional item - Grant Income Restatement	0	0	0	0	0	0
Total Cost of Services	**15,485**	**(8,742)**	**6,743**	**15,336**	**(8,228)**	**7,108**
Other Operating Expenditure (Note 8)			(123)			254
Financing and Investment Income (Note 9)			465			280
National Park Grant, non-specific grant and capital income (Note 10)			(6,765)			(7,220)
(Surplus)/ Deficit on Provision of Services			**320**			**422**
(Surplus)/ Deficit on revaluation of Property, Plant & Equipment assets			(535)			(1,255)
Actuarial (Gains)/ Losses on pension assets/ liabilities			(9,927)			(20,079)
Other Comprehensive (Income)/ Expenditure (Note 5)			**(10,462)**			**(21,334)**
Total Comprehensive (Income)/ Expenditure			**(10,142)**			**(20,912)**

Movement in Reserves Statement

	General Fund Balance £'000s	Capital Receipts Reserve £'000s	Total Usable Reserves £'000s	Un-usable Reserves £'000s	Total Authority Reserves £'000s
Balance at 1st April 2022	8,014	1,598	9,612	3,734	13,346
Movement in reserves during the 22/23 year					
Total comprehensive Income/ (Expenditure)	(422)		(422)	21,334	20,912
and funding basis under regulations (Note 6)	1,753	(206)	1,547	(1,547)	0
Net Increase/ (Decrease) in 22/23	1,331	(206)	1,125	19,787	20,912
Balance at 31st March 2023	9,345	1,392	10,737	23,521	34,258
Balance at 1st April 2021	5,727	877	6,604	(3,400)	3,204
Movement in reserves during the 21/22 year					
Total comprehensive Income/ (Expenditure)	(320)	0	(320)	10,462	10,142
Adjustments between accounting basis and funding basis under regulations (Note	2,607	721	3,328	(3,328)	0
Net Increase/ (Decrease) in 21/22	2,287	721	3,008	7,134	10,142
Balance at 31st March 2022	8,014	1,598	9,612	3,734	13,346

	Notes	2021/22 £'000s	2022/23 £'000s
Property, Plant & Equipment			
- Land & Buildings	11	18,838	20,546
- Vehicles, Plant & Equipment	11	1,137	1,107
Intangibles Assets	12	175	0
Other Long term Debtors	32	0	3,287
Long Term Assets		20,150	24,940
Inventories	13	211	208
Short Term Debtors	14	3,319	3,319
Assets held for Sale	16	300	0
Cash & Cash Equivalents	15	6,378	7,954
Total Current Assets		10,208	11,481
Short Term Borrowing	34	(31)	(33)
Short term Creditors	17	(1,259)	(1,653)
Accumulated Absences	20	(484)	(179)
Total Current Liabilities		(1,774)	(1,865)
Long Term Borrowing	34	(331)	(298)
Other Long Term Liabilities	32	(14,907)	0
Total Long term Liablities		(15,238)	(298)
Total Net Assets		**13,346**	**34,258**
Financed by:			
Usables Reserves			
- General Reserve		614	616
- Restricted Funds	7	123	125
- Specific Reserves	7	7,277	8,604
General Fund Balance	1	8,014	9,345
Capital Receipts Reserve	19	1,598	1,392
		9,612	10,737
Unusable Reserve			
- Revaluation Reserve	20	8,413	9,476
- Capital Adjustment Account	20	10,712	10,936
- Pensions' Reserve	20	(14,907)	3,287
- Accumulated Absences Account	20	(484)	(178)
		3,734	23,521
Total Reserves		**13,346**	**34,258**

Cashflow Statement

	2021/22 £'000s	2022/23 £'000s
Operating Activities		
Rents	(327)	(345)
Charged for goods and services	463	(2,328)
Grants and partnership income	(8,695)	(5,584)
National Park grant and levies	(6,699)	(7,139)
Interest received	(19)	(159)
Cash Inflows	**(15,277)**	**(15,555)**
Employment costs	7,371	7,838
Payment for goods and services	4,959	4,504
Other costs	267	1,172
Interest paid	18	17
Cash Outflows	**12,615**	**13,531**
Operating Activities Net Cash Flow	**(2,662)**	**(2,024)**
Investing Actvities		
Purchase of property, plant and equipment and intangible assets	580	790
Sale of property, plant and equipment and intangible assets	(737)	(292)
	(66)	(81)
	(223)	**417**
Financing Activities (Note 37)		
Repayment of amounts borrowed	30	31
Net (Increase)/ Decrease in Cash and cash equivalents	**(2,855)**	**(1,576)**
Cash and cash equivalents at the beginning of the reporting period (Note 15)	3,523	6,378
Net Increase/ (Decrease) in cash and cash equivalents as above	2,855	1,576
Cash and cash equivalents at the end of the reporting period (Note 15)	**6,378**	**7,954**

Notes to the Accounts

Note 1 Expenditure and Funding Analysis

2021/22				2022/23		
Net expenditure chargeable to the General Fund	Adjustments between Funding & Accounting Basis	Net Expenditure in the CIES		Net expenditure chargeable to the General Fund	Adjustments between Funding & Accounting Basis	Net Expenditure in the CIES
£'000s	£'000s	£'000s		£'000s	£'000s	£'000s
(574)	(545)	(29)	Conservation of the Natural Environment	192	211	403
242	(66)	308	Conservation of Cultural Heritage	283	52	335
277	(332)	609	Recreation Mgt & Transport	415	310	725
323	(159)	482	Promoting Understanding	455	(332)	123
1,121	(315)	1,436	Rangers, Estate Services & Volunteers	1,097	149	1,246
446	(155)	601	Development Control	580	116	696
498	(130)	628	Forward Planning & Communities	549	68	617
1,554	(1,154)	2,708	Corporate Management & Support Services	2,687	276	2,963
3,887	**(2,856)**	**6,743**	**Net Cost of Services**	**6,258**	**850**	**7,108**
(6,174)	248	(6,423)	Other Income and Expenditure	(7,590)	904	(6,686)
(2,287)	(2,608)	320	(Surplus)/ Deficit	(1,332)	1,754	422
(5,727)			Opening General Fund Balance	(8,014)		
(8,014)			Closing General Fund at 31st March	(9,346)		

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

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 2023/24 financial year, with indicative figures for 2024/25.The settlement being the same in cash terms as the 2022/23 figure; nonetheless 2023/24 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 2023/24, 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 31/03/24 is £1.116m, and estimates of the (asset)/liability in the last five years have ranged between £(3.098)m 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 31 May 2023 and the audited accounts were reported to the Authority for approval on [Insert date]. 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 (31/03/23) and up to the authorisation of the accounts [insert date] 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

	2021/22 £'000s	2022/23 £'000s
(Surplus)/ Deficit arising on revaluation of non-current assets	(535)	(1,255)
Actuarial (gain)/ loss on pension fund assets and liabilities	(9,929)	(20,079)
Other - difference between actuarial and actual charge against	2	0
	(10,462)	**(21,334)**

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

2022/23	General Fund £'000s	Capital Receipts Reserve £'000s	Unusable Reserves £'000s
Adjustments to Revenue Resources			
Pension costs - removal of accrual of full pension costs as reported on an actuarial basis under IAS 19	3,013	0	(3,013)
Pension costs - replacement by employers actual paid contributions in year	(1,128)	0	1,128
Holiday pay - removal of accrual for holiday pay costs leaving actual pay costs paid in year	(306)	0	306
Reversal of entries in relation to depreciation and impairment of non-current assets	720	0	(720)
Reversal of entries - revaluation gain (loss) on Property, Plant & Equipment	(426)	0	426
Reversal of entries - revenue expenditure funded from capital under statute	23	(23)	0
Reversal of entries for carrying value of non-current assets as part of gain/ loss on disposal	547	0	(547)
Total Adjustments to Revenue Resources	2,443	(23)	(2,420)
Adjustments between Revenue & Capital Resources			
Transfer of non-current asset sale proceeds to the Capital Receipts Reserve	(292)	292	0
Statutory provision for the repayment of debt	(170)	0	170
Capital expenditure financed from revenue balances	(146)	0	146
Total Adjustments between Revenue & Capital Resources	(608)	292	316
Adjustments to Captial Resources			
Use of the Capital Receipts Reserve to finance capital expenditure	0	(475)	475
Application of capital grants to finance capital expenditure	(81)	0	81
Total Adjustments to Capital Resources	(81)	(475)	556
Total Adjustments	**1,754**	**(206)**	**(1,548)**

Note 6 Adjustments between Accounting Basis & Funding Basis under Regulations Continued

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

2021/22	General Fund £'000s	Capital Receipts Reserve £'000s	Unusable Reserves £'000s
Adjustments to Revenue Resources			
Pension costs - removal of accrual of full pension costs as reported on an actuarial basis under IAS 19	3,283	0	(3,283)
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)
Total Adjustments to Revenue Resources	3,819	0	(3,819)
Adjustments between Revenue & Capital Resources			
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
Total Adjustments between Revenue & Capital Resources	(1,145)	737	408
Adjustments to Captial Resources			
Use of the Capital Receipts Reserve to finance capital expenditure	0	(16)	16
Application of capital grants to finance capital expenditure	(66)	0	66
Total Adjustments to Capital Resources	(66)	(16)	82
Total Adjustments	**2,608**	**721**	**(3,329)**

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	Balance at 31st March 2021 £'000s	Transfers Out 2021/22 £'000s	Transfers In 2021/22 £'000s	Balance at 31st March 2022 £'000s	Transfers Out 2022/23 £'000s	Transfers In 2022/23 £'000s	Balance at 31st March 2023 £'000s
Minerals Reserve	(535)	0	(32)	(567)	0	0	(567)
Reducing Resources / Restructuring Reserve	(61)	0	(425)	(486)	0	(440)	(926)
ICT Reserve	(231)	0	(219)	(450)	0	(10)	(460)
Warslow Reserve	(16)	0	0	(16)	16	0	0
North Lees Reserve	(90)	0	(42)	(132)	71	(30)	(91)
Minor Properties Reserve	(18)	0	0	(18)	0	0	(18)
House	(95)	0	(24)	(119)	0	0	(119)
Maintenance Reserve	(22)	0	0	(22)	0	0	(22)
Vehicle Reserve	(5)	0	0	(5)	0	(22)	(27)
Forestry Reserve	(23)	23	0	0	0	0	0
Trail Reserve	(544)	55	(158)	(647)	42	0	(605)
Car Park Reserve	(32)	15	(9)	(26)	5	0	(21)
Cycle Hire Reserve	(50)	0	0	(50)	11	0	(39)
Covid Reserve	(1,087)	961	0	(126)	0	0	(126)
Matched Funding Reserve	(1,230)	46	0	(1,184)	336	0	(848)
Slippage Reserve	(1,187)	952	(939)	(1,174)	1,089	(315)	(400)
VAT Reserve	(60)	0	(60)	(120)	0	(100)	(220)
Resilience Reserve	(169)	0	0	(169)	0	(1,211)	(1,380)
Revenue Grant Reserve	0	0	(1,589)	(1,589)	413	(1,148)	(2,324)
CMPT Reserve	0	0	(17)	(17)	0	(15)	(32)
Local Plan Reserve	0	0	(110)	(110)	0	(19)	(129)
Authority Delivery Plan Reserve	0	0	(250)	(250)	0	0	(250)
Total	**(5,455)**	**2,052**	**(3,874)**	**(7,277)**	**1,983**	**(3,310)**	**(8,604)**

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

Restricted Funds	Balance at 31st March 2021 £'000s	Transfers Out 2021/22 £'000s	Transfers In 2021/22 £'000s	Balance at 31st March 2022 £'000s	Transfers Out 2022/23 £'000s	Transfers In 2022/23 £'000s	Balance at 31st March 2023 £'000s
Margaret Nicholls Bequest	(3)	0	0	(3)	0	0	(3)
Memorial Landscape Fund	(2)	0	0	(2)	0	0	(2)
Alan Beardsley Fund	(9)	0	0	(9)	0	0	(9)
J Disney Bequest	(33)	0	(23)	(56)	0	0	(56)
Friends of Losehill Hall	(3)	0	0	(3)	0	0	(3)
Margaret Egan Bequest	0	0	(50)	(50)	0	0	(50)
New Bequest - Margaret Vera Longhurst	0	0	0	0	0	(2)	(2)
Total Restricted Funds	**(50)**	**0**	**(73)**	**(123)**	**0**	**(2)**	**(125)**
Total Transfers		2,052	(3,947)		1,982	(3,312)	
Net Increase/ (Decrease) in Earmarked Reserves			(1,895)			(1,330)	

Note 8 Other Operating (Income)/ Expenditure

	2021/22 £'000s	2022/23 £'000s
(Gains)/ losses on the diposal of non current assets	(123)	254
	(123)	**254**

Note 9 Financing & Investment Income and Expenditure

	2021/22 £'000s	2022/23 £'000s
Interest payable and similar charges	18	17
Pension interest costs and expected return on pension assets	466	422
Interest receivable and similar assets	(19)	(159)
	465	**280**

Note 10 National Park Grant and capital or other non-specific grant income

	2021/22 £'000s	2022/23 £'000s
National Park Grant from Department for Environment, Food and Rural Affairs (DEFRA)	6,699	7,139
Capital grants		
Heritage Lottery Fund	66	0
Farming In Protected Landscapes	0	81
	6,765	**7,220**

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.

2022/23	Land & Buildings	Vehicles, plant and equipment	Community Assets	Infra-structure Assets	Surplus Assets	Total
Cost or Valuation	**£'000s**	**£'000s**	**£'000s**	**£'000s**	**£'000s**	**£'000s**
Gross book value at 1 April	17,139	3,426	2,350	2,038	72	25,025
Additions	151	199	245	165	15	775
Revaluation increases	1,166	0	0	0	89	1,255
Revaluation increases	426	0	0	0	0	426
De-recognition: disposals	(17)	(589)	0	0	0	(606)
Other movements -	(375)	0	0	0	(10)	(385)
Prior year adjustments	(933)	0	0	0	5	(928)
Gross book value at 31 March 2023	**17,557**	**3,036**	**2,595**	**2,203**	**171**	**25,562**
Accumulated depreciation/ impairment at 1 April 2022	1,679	2,289	223	854	4	5,049
Depreciation charge	336	187	41	55	2	621
Impairment charge	99	0	0	0	0	99
Depreciation written out to the revaluation reserve	(136)	0	0	0	(1)	(137)
Depreciation written out to the surplus/ decifit on the provision of services	(239)	0	0	0	(9)	(248)
De-recognition - disposals	0	(547)	0	0	0	(547)
Prior year adjustments	(933)	0	0	0	5	(928)
Accumulated depreciation/ impairment at 31 March 2023	**806**	**1,929**	**264**	**909**	**1**	**3,909**
Net book value at 31 March 2022	15,460	1,137	2,127	1,184	68	19,976
Net book value at 31 March 2023	**16,751**	**1,107**	**2,331**	**1,294**	**170**	**21,653**

Note 11 Continued

2021/22	Land & Buildings	Vehicles, Plant & Equipment	Community Assets	Infra-structure Assets	Surplus Assets	Total
Cost or Valuation	**£'000s**	**£'000s**	**£'000s**	**£'000s**	**£'000s**	**£'000s**
Gross book value at 1 April	17,034	3,341	2,239	1,974	72	24,660
Additions	203	85	111	64	0	463
Revaluation increases	590	0	0	0	0	590
Revaluation increases	(192)	0	0	0	0	(192)
De-recognition: disposals	0	0	0	0	0	0
Other movements -	(495)	0	0	0	0	(495)
Prior year adjustments	0	0	0	0	0	0
Gross book value at 31 March 2022	**17,140**	**3,426**	**2,350**	**2,038**	**72**	**25,026**
Accumulated depreciation/ impairment at 1 April 2022	1,746	2,084	181	802	2	4,815
Depreciation charge	330	205	42	52	2	631
Impairment charge	99	0	0	0	0	99
Depreciation written out to the revaluation reservse	(283)	0	0	0	0	(283)
Depreciation written out to the surplus/ decifit on the provision of services	(212)	0	0	0	0	(212)
De-recognition - disposals	0	0	0	0	0	0
Prior year adjustments	0	0	0	0	0	0
Accumulated depreciation/ impairment at 31 March 2022	**1,680**	**2,289**	**223**	**854**	**4**	**5,050**
Net book value at 31 March 2021	15,288	1,257	2,058	1,172	70	19,845
Net book value at 31 March 2022	**15,460**	**1,137**	**2,127**	**1,184**	**68**	**19,976**

Effects of Changes in Estimates
There are no material effects arising from changes in accounting estimates for residual values,

Revaluations
The Authority's property shown in the Land & Buildings column has been valued as at 31st March 2023 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 land and buildings that had not formed part of the previous four years revaluations.

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.

	2021/22 £'000s	**2022/23 £'000s**
Gross carrying amount at start of year	768	816
Additions	48	0
Disposals	0	(816)
Gross carrying amount at end of year	**816**	**0**
Accumulated amortisation at start of year	609	641
Amortisation for the year	32	0
De-recognition: Disposals	0	(641)
Accumulated amortisation at end of year	**641**	**0**
Net carrying amount at start of year	159	175
Net carrying amount at end of year	**175**	**0**

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 and other items for resale are:

	2021/22 £'000s	**2022/23 £'000s**
Opening stock	248	211
Purchases	199	275
Recognised as an expense in the year	(242)	(273)
Written off balances/ Reversal of write offs in previous years	6	(5)
Closing stock	**211**	**208**

Note 14 Debtors

Debtors can be analysed as follows:

	31-Mar-22 £'000s	31-Mar-23 £'000s
Central Government Bodies	1,393	1,196
Other Local Authorities	166	14
Public Coporations and Trading Funds		
Bodies external to general government	1,802	2,139
Study loans to staff		
Less: Provision for bad debts	(42)	(30)
	3,319	**3,319**

Note 15 Cash and Cash Equivalents

Cash and bank can be anlysed as follows:

	31-Mar-22 £'000s	31-Mar-23 £'000s
Bank current accounts	(271)	494
Cash held by the Authority	2	2
Deposits with North Yorkshire County Council	6,647	7,458
	6,378	**7,954**

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:

	31-Mar-22 £'000s	31-Mar-23 £'000s
Balance outstanding at start of the year	986	300
Property, plant and equipment newly identified	0	13
Revaluation (losses)/ gains	(55)	0
Impairment losses	(16)	0
Assets sold	(615)	(313)
Balance outstanding at the end of the year	**300**	**0**

Note 17 Creditors due within 12 months

Creditors can be analysed as follows:

	31-Mar-22 £'000s	31-Mar-23 £'000s
Central Government Bodies	161	133
Other Local Authorities	17	27
Public Corporations and Trading Funds	1	0
Bodies external to general government	1,080	1,493
	1,259	**1,653**

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

	31-Mar-22 £'000s	31-Mar-23 £'000s
Balance at start of the year	877	1,598
Receipts received in the year	737	292
Receipts used to finance capital expenditure	(16)	(498)
	1,598	**1,392**

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-Mar-22 £'000s	31-Mar-23 £'000s
Revaluation Reserve		
Balance at start of the year	8,041	8,413
Upward revaluation of assets	535	1,255
Surplus/ Deficit on revaluation of non-current assets not posted to the Surplus/ Deficit on the Provision of Services	8,576	9,668
Accumulated gains on assets disposed of	0	(17)
Difference between fair value depreciation and historical cost depreciation	(163)	(175)
Amounts written off to the Capital Adjustment Account	(163)	(192)
Balance at the end of the year	**8,413**	**9,476**

Note 20 Unusable Reserves Continued

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-Mar-22 £'000s	31-Mar-23 £'000s
Capital Adjustment Account		
Balance at start of the year	11,644	10,712
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income & Expendiutre Statement (CIES)		
Charges for depreciation of non-current assets	(631)	(621)
Revenue expenditure funded from capital under statute		(24)
Revaluation gains/ (losses) on Property, Plant & Equipment	(307)	327
Amortisation of intangible assets	(32)	0
Amount of non-current assets written off on disposal as part of the gain/loss on disposal to the CIES	(615)	(546)
	(1,585)	(864)
Adjusting amounts written out of the Revaluation Reserve	163	192
Net written out amount of the cost of non-current assets consumed in the year	(1,422)	(672)
Capital financing applied in the year		
Use of the Capital Receipts Reserve to finance new capital expenditure	16	498
Capital grants and contributions credited to the CIES that have been applied to capital financing	66	81
Statutory provision for the financing of capital investment charged against the General Fund	158	170
Capital expenditure charged against the General Fund	250	147
Total Capital Financing applied in the year	490	896
Balance at the end of the year	**10,712**	**10,936**

Note 20 Unusable Reserves Continued

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.

	31-Mar-22 £'000s	31-Mar-23 £'000s
Pensions Reserve		
Balance at the start of the year	(22,645)	(14,907)
Actuarial gains or (losses) on pension assets and liabilities	9,929	20,079
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CEIS	(3,284)	(3,013)
Employers' pension contributions and direct payments to pensioners payable in the year	1,093	1,128
Balance at the end of the year	**(14,907)**	**3,287**

The Accumulated Absences Reserve 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 31st March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

	31-Mar-22 £'000s	31-Mar-23 £'000s
Accumulated Absences Reserve		
Balance at the start of the year	(439)	(484)
Settlement or cancellation of accrual made at the end of the preceding year	439	484
Amounts accrued at the end of the current year	(484)	(178)
on an accruals basis is different from renumeration chargeable on a salary basis in accordance with statutory requirements	(45)	306
Balance at the end of the year	**(484)**	**(178)**

Note 21 Note to the Expenditure and Funding Analysis

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

	2021/22				2022/23			
	Adjustments for Capital Purposes (Footnote 1)	Net change for the Pension Adjustments (Footnote 2)	Other Differences (Footnote 3)	Total Adjustments	Adjustments for Capital Purposes (Footnote 1)	Net change for the Pension Adjustments (Footnote 2)	Other Differences (Footnote 3)	Total Adjustments
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Conservation of the Natural Environment	74	461	10	545	(85)	379	(83)	211
Conservation of the Cultural Heritage	0	64	2	66	0	61	(10)	51
Recreation Mgt & Transport	208	116	8	332	239	93	(22)	310
Promoting Understanding	(3)	153	9	159	(429)	125	(27)	(331)
Rangers, Estates Services & Volunteers	30	278	7	315	(54)	251	(47)	150
Development Control	0	152	3	155	0	141	(25)	116
Forward Planning & Communities	0	127	3	130	0	90	(22)	68
Support Services	781	371	2	1,154	21	323	(69)	275
Net cost of Services	**1,090**	**1,722**	**44**	**2,856**	**(308)**	**1,463**	**(305)**	**850**
Expenditure and Funding Analysis	(714)	466		(248)	482	422		904
Surplus/Deficit and Comprehensive	**376**	**2,188**	**44**	**2,608**	**174**	**1,885**	**(305)**	**1,754**

Note 21 Note to the Expenditure and Funding Analysis Continued

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

	2021/22 £'000s	2022/23 £'000s
Expenditure		
Employee expenses	9,139	8,995
Other services expenses	5,533	6,216
Capital accounting transactions	822	123
Interest Payments	484	439
Loss on the disposal of fixed assets	0	255
Total Expenditure	**15,978**	**16,028**
Income		
Fees, charges and other service income	(2,401)	(2,384)
Grants	(4,294)	(2,748)
Government grants	(8,728)	(10,244)
Donations	(83)	(70)
Interest & Investment Income	(19)	(159)
Gain on the disposal of fixed assets	(123)	0
Total Income	**(15,648)**	**(15,605)**
Surplus/ Deficit on the Provision of Services	**330**	**423**

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 32 Members of the Peak District National Park Authority as allowances in the year ended 31st March 2023.

	2021/22 £'000s	2022/23 £'000s
Basic Allowance	72	72
Special Responsibility Allowance	22	23
Travel and subsistence	3	5
	97	**100**

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:

Payment Range	Number of Employees 2021/22	Number of Employees 2022/23
£50,000 - £54,999	1	4
£55,000 - £59,999	0	0
£60,000 - £64,999	0	0
£64,999 - £69,999	0	0
£70,000 - £74,999	0	1
£75,000 - £79,999	0	0
£80,000 - £84,999	0	0
£85,000 - £89,999	0	0
£90,000 - £94,999	1	0
£95,000 - £99,999	0	0

Note 24 Employee Remuneration Continued

2022/23 Remuneration for senior employees

Job Title	Salary	Benefits in Kind	Subtotal	Employers Pension Contributions	Total Remuneration
Chief Executive *1	52,784	0	52,784	10,330	63,114
Head of Legal & Interim Chief Executive *2	74,454	0	74,454	14,570	89,024
Head of Finance *3	54,401	0	54,401	10,646	65,047
Head of Information & Performance M'ment *3	51,436	0	51,436	10,063	61,499
Director of Corporate Resources *3	50,140	0	50,140	9,812	59,952

2021/22 Remuneration for senior employees

Job Title	Salary	Benefits in Kind	Subtotal	Employers Pension Contributions	Total Remuneration
Chief Executive	93,020	0	93,020	17,518	110,538
Head of Legal	55,329	0	55,329	10,828	66,157

Note 1: Employment started 5th September 2022
Note 2: Interim Chief Executive 1st April to 4th September 2022
Note 3: No previous years comparison as under £50,000

Note 24 Employee Remuneration Continued

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

2022/23	Exit package cost band	Number of compulosry redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total cost of exit packages in each band £
	£0 - £20,000	0	3	3	17,053
	£20,001 - £40,000	0	0	0	0
	£40,001 - £60,000	0	0	0	0
	£60,001 - £80,000	0	0	0	0
	Total	**0**	**3**	**3**	17,053

2021/22	Exit package cost band	Number of compulosry redundancies	Number of other departures agreed	Total number of exit packages by cost band	Total cost of exit packages in each band £
	£0 - £20,000	2	1	3	10,219
	£20,001 - £40,000	0	0	0	0
	£40,001 - £60,000	0	0	0	0
	£60,001 - £80,000	0	0	0	0
	Total	**2**	**1**	**3**	**10,219**

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 Grant Income

The Authority credited the following grants, contributions and donated assets to the Comprehensive Income & Expenditure Statement in 2022/23, with amounts over £10,000 only shown:

	2021/22 £'000s	2022/23 £'000s
Revenue Grants Credited to Services		
Rural Development Programme for England – South West Peak Projects	67	0
Local Restrictions Support Grant	16	0
MOD – Warslow Moors Restoration Work	30	0
Dept of Culture, Media & Sport - Discover England Project	32	0
DEFRA – Environmental Stewardships / Moors for the Future Projects/FiPL	891	1,541

Note 25 Grant Income Continued

	2021/22 £'000s	2022/23 £'000s
Revenue Grants Credited to Services		
Historic England – Cultural Heritage Projects	35	0
Environment Agency – Moors for the Future / MoorLIFE Project	218	811
Environment Agency – Warslow Moors Estate Restoration work	29	0
Natural England - Pennine Way Ranger	37	38
Natural England - Pennine Bridleway	45	0
Natural England/DEFRA – Swallowmoss Rewetting Project	198	74
Natural England – Moors for the Future / MoorLIFE work	486	480
Peak District National Park Foundation – Conservation Projects	141	43
Heritage Lottery Fund – South West Peak Project	539	76
RSPB - Moors for the Future / MoorLIFE work	28	31
Leader EU – Moors for the Future Project	45	0
Derbys County Council – Rights of Way	20	20
City of Bradford MDC – Moors for the Future work	76	0
Calderdale Council - Moors for the Future work	0	68
South Downs NP – Generation Green Project	105	36
Tarmac Ltd – Conservation Volunteers Project	23	23
The Woodland Trust – Small Woodlands Creation Scheme	10	61
The Woodland Trust – Moors for the Future Work	25	25
Friends of the Trans Pennine Trail - Longdendale Landscape Enhancements	0	10
National Grid – Longdendale Landscape Enhancements	326	0
Esme Fairburn Foundation – South West Peak Project	51	0
Esme Fairburn Foundation – Moors for the Future work	96	174
United Utilities – Joint Ranger Costs	97	92
United Utilities – Moors for the Future / MoorLIFE Project	184	0
Severn Trent Water - Joint Ranger Costs	58	60
Severn Trent Water – MFF/MoorLIFE Project	567	202
Severn Trent Water – Car Park	50	50
Severn Trent Water - Operating Costs at Upper Derwent Visitor Centre	0	11
Yorkshire Water - Joint Ranger Costs	34	17
Yorkshire Water - Moors for the Future / MoorLIFE Project	783	1,397
BMC - Moors for the future/ MoorLIFE Project	0	70
WORLEY Foundation - Moors for the Future	0	20
Yorkshire Wildlife Trust – Moors for the Future	11	0
Derbyshire Environment Trust – South West Peak Project	23	0
Alan Turing Network - Internship	0	17
MOSAIC - Championing National Parks Project	0	15
National Trust - Moors for the Future/ MoorLIFE Project	0	13
National Trust - Moors for the Future / MoorLIFE Project	17	0
European Life Funding – MoorLIFE Project	763	258
OFGEM – Aldern House / Other Biomass Boilers	30	32
Other Revenue Grants each under £10,000	58	28
	6,244	**5,793**

Note 26 External Audit Cost

Fees paid to Mazars LLP for audit services were as follows

	2021/22 £'000s	2022/23 £'000s
External audit services as appointed auditor (note 1 and 2)	20	20
	20	**20**

Note 27 Related Parties

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 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 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. During the course of the 2022/23-year Cllr RPH Brady disclosed being a recipient of a Farming in Protected Landscapes grant to the value of £2,675. Cllr Brady is not on the FiPL grant panel. At the time of publication (31 May 2023) 1 Member, Cllr W Armitage has not returned their declaration form for 2022/23.

This disclosure note also applies to the involvement of Officers and Members 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:

Note 27 Related Parties Continued

Local Authorities	Income £'000s	Outstanding £'000s	Expenditure £'000s	Outstanding £'000s	NNDR £'000s
Bamford with Thornhill PC	0	0	1	1	0
Barnsley Met Borough Council	2	0	3	0	3
Derbyshire County Council	28	5	92	12	0
Derbys Dales District Council	10	0	5	0	96
High Peak Borough Council	5	3	5	0	36
Kirklees Council	0	0	0	0	0
Sheffield City Council	0	0	2	0	1
Staffs County Council	11	0	0	0	0
Staffs Moorlands District Council	1	0	2	0	15
Taddington & Priestcliffe Parish Council	2	0	1	1	0
Charities & Other					
Hadfield Infant School	1	0	0	0	0
Hope Valley Climate Action	0	0	33	32	0
National Parks Parts LLP	6	0	10	0	0
National Trust	13	0	46	5	0
Peak District MOSAIC	0	0	5	5	0
Peak District NP Foundation	43	0	2	2	0
Woodland Trust	79	0	0	0	0
Total	**201**	**8**	**207**	**58**	**151**

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

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.

	2021/22 £'000s	**2022/23 £'000s**
Opening Capital Financing Requirement	1,306	1,326
Capital Investment		
Land & Buildings	203	179
Vehicles, Plant & Equipment	84	198
Community Assets	111	245
Infrastructure Assets	64	165
Intangible Assets	48	0
Revenue Expenditure Funded from Capital under Statute	0	24
	510	811
Sources of Finance		
Capital Receipts	(16)	(498)
Givernment Grants and other contributions	(66)	(81)
Sums set aside from Revenue		
Direct Revenue Contributions	(250)	(146)
Minimum Revenue Provision for repayment of principal	(158)	(170)
Closing Capital Financing Requirement	1,326	1,242
Explanation of Movement in year		
Expenditure not supported by goverment financial assistance financed from internal funds	177	85
Minimum Revenue Provision	(157)	(170)
Increase/ (Decrease) in Capital Financing Requirement	**20**	**(85)**

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.

	2021/22 £'000s	2022/23 £'000s
Conservation of the Natural Environment		
Forestry & Tree Mgt	3	102
Conservation Projects	58	40
Estates Management	90	100
	151	242
Recreation Management		
Campsites, hostels and barns	11	14
Access, walking and riding routes	364	74
Car parks & Concessions	138	111
Cycle hire	50	57
Toilets	32	31
	595	287
Promoting Understanding		
Visitor Centres	19	(408)
Environmental education	0	0
	19	(408)
Rangers, Estate Services & Volunteers		
Rangers	36	
Conservation Volunteers	18	16
Vehicle Fleet	0	29
Field Services	3	6
Estate Workers	9	8
	66	59
Development Control		
Development Control	0	0
	0	0
Service Management and Support Services		
Vehicles	7	6
Headquarters Premises	48	54
Capitalised IT Expenditure	93	54
	148	114
	979	**294**

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 2022/23 and again had no vehicle leases in operation. Two vehicles were sold during the year and one new vehicles was purchased.

Equipment

The Authority utilities a dedicated private cloud solution to deliver core ICT infrastructure (this includes servers and storage). The infrastructure as a Service contract expires December 2026.

Property

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

During the year ended 31st March 2023 the Authority made the following payments for operating leases charged to revenue:

	2021/22 £'000s	**2022/23 £'000s**
Equipment	112	121
Land & Buildings	76	72
	188	**193**

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

	2021/22 £'000s	**2022/23 £'000s**
Not later than one year	196	212
Later than one year and not later than five years	799	661
Later than five years	26	17
	1,021	**890**

Note 30 Leases Continued

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 2022/23 from its assets as lessor:

	2021/22 £'000s	2022/23 £'000s
General Rents	2	20
Agricultural Rents	114	105
Residential Rents	104	122
Business Rents	66	76
Agricultutral Licences	16	16
Business Licences	17	6
Eastern Moors Lease	24	28
Refreshment Concession	153	177
	496	**550**

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.

Note 30 Leases Continued

	2021/22 £'000s	2022/23 £'000s
Not later than one year	226	214
Later than one year and not later than five years	960	907
Later than five years	254	241
	1,440	**1,362**

Note 31 Heritage Asets

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 14.

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:

Note 32 Defined Benefit Pension Scheme Continued

		2021/22 £'000s	2022/23 £'000s
Cost of Services			
Current Service Cost		2,816	2,585
Past Service Cost		0	6
		2,816	2,591
Financing & Investment Income & Expenditure			
Net interest expense	Note 9	466	422
Total chargeable to Surplus/Deficit on the Provision of Services		3,282	3,013
Other amount chargeable to the CIES (Re-measurement of plan liabilities)	Note 5		
Return on plan assets excluding amount included in net interest expense above		(3,426)	(3,680)
Actuarial (gains)/losses arising on changes in demographic assumptions		(503)	674
Actuarial (gains)/losses arising on changes in financial assumptions		(5,642)	30,057
Other experience		127	(6,972)
Total re-measurements		(9,444)	20,079
Total Charged to the Comprehensive		**(9,444)**	**20,079**
Movement in Reserves Statement			
Reversal of net charges made to the Surplus/ Deficit for the Provision of Services		(3,282)	(3,013)
Employers' Contributions Payable			
Actual amount charged against the General Fund balance for pensions in the year		1,093	1,128

Balance Sheet

The underlying assets and liabilities for retirement benefits attributable to the Authority as at 31 March 2023 are as follows:

	2018/19	2019/20	2020/21	2021/22	2022/23
Estimated liabilities in scheme	(75,238)	(65,336)	(84,547)	(81,355)	(60,667)
Estimated assets in scheme	54,773	51,529	61,902	66,448	63,954
Net Asset (Liability)	(20,465)	(13,807)	(22,645)	(14,907)	3,287
% Funded	73%	79%	73%	82%	105%

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**
Opening balance 1 April 2022	81,355
Current service cost	2,585
Past service cost	6
Interest cost	2,204
Contributions from scheme participants	357
Re-measurement (gains) and losses	
- changes in demongraphic assumptions	(674)
- changes in financial assumptions	(30,057)
- other	7,152
Past service gain	
Curtailment (gains)/ losses	
Benefits paid	(2,261)
Closing balance 31 March 2023	60,667

Analysis of Present Value of Scheme Assets	**£'000s**
Opening balance 1 April 2022	
Opening balance adjustment	66,448
Interest income	1,782
Re-measurement gain (loss)	
Return on plan assets excluding amount in net interest expense charged to CIES	(3,680)
Other	180
Contributions from employer	1,083
Contributions from employees into the scheme	357
Benefits paid	(2,216)
Closing fair value 31 March 2023	63,954

Note 32 Defined Benefit Pension Scheme Continued

Analysis of Pension Fund Assets

Asset Category	Perioed ended 31 March 2022				Period ended 31st March 2023			
	Quoted in active markets	Not quoted in active markets	Total	% of total assets	Quoted in active markets	Not quoted in active markets	Total	% of total assets
	£'000s	£'000s	£'000s		£'000s	£'000s	£'000s	
Equity Securities:								
Consumer	263	0	263	0.4%	201	0	201	0.3%
Manufacturing	169	0	169	0.3%	80	0	80	0.1%
Energy/ utilities	84	0	84	0.1%	59	0	59	0.1%
Financial	127	0	127	0.2%	80	0	80	0.1%
Health & Care	174	0	174	0.3%	111	0	111	0.2%
Information	238	0	238	0.4%	133	0	133	0.2%
Other	2,326	0	2,326	3.5%	1,872	0	1,872	2.9%
Debt Securities:								
Corporate Bonds	4,115	4,533	8,648	13.0%	3,644	4,552	8,196	12.8%
Corporate bonds	0	0	0	0.0%	0	0	0	0.0%
UK Government	5,576	0	5,576	8.4%	5,171	0	5,171	8.1%
Other	1,180	0	1,180	1.8%	1,064	0	1,064	1.7%
Private Equity:								
All	1,242	1,948	3,190	4.8%	974	2,136	3,110	4.9%
Real Estate:								
UK Property	357	4,881	5,238	7.9%	151	4,897	5,048	7.9%
Overseas Property	0	0	0	0.0%	0	0	0	0.0%
Investment Funds								
Equities	19,769	11,006	30,775	46.3%	10,872	19,192	30,064	47.0%
Bonds	0	0	0	0.0%	0	0	0	0.0%
Hedge Funds	0	0	0	0.0%	0	0	0	0.0%
Commodities	0	0	0	0.0%	0	0	0	0.0%
Infrastructure	1,389	4,087	5,475	8.2%	1,284	5,602	6,886	10.8%
Other	0	0	0	0.0%	0	0	0	0.0%
Derivatives:								
Inflation	0	0	0	0.0%	0	0	0	0.0%
Interest Rate	0	0	0	0.0%	0	0	0	0.0%
Foreign Exchange	0	0	0	0.0%	0	0	0	0.0%
Other	0	0	0	0.0%	0	0	0	0.0%
Cash & Cash								
All	0	2,986	2,986	4.5%	0	1,881	1,881	2.9%
Totals	37,007	29,441	66,448		25,695	38,259	63,954	

Note 32 Defined Benefit Pension Scheme Continued

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 2022.

The accounts have been prepared on the basis of the actuary's updated IAS 19 valuation report dated 19 April 2023. No further adjustment has been made within this year's results for the McCloud judgement.

The significant assumptions used by the actuary have been:

Long-term expected rate of return on assets in the scheme	**2021/22**	**2022/23**
Overall expected return	7.50%	8.00%
Mortality assumptions		
Longevity at 65 for current pensioners:		
Men	21.1 Yrs	21.0 Yrs
Women	23.8 Yrs	24.0 Yrs
Longevity at 65 for future pensioners:		
Men	22.2 Yrs	21.8 Yrs
Women	25.6 Yrs	25.5 Yrs
Financial assumptions		
Rate of CPI inflation	3.20%	2.95%
Rates of increase in salaries	3.90%	3.95%
Rate of increase in pensions	3.20%	2.95%
Rate for discounting scheme liabilities	2.70%	4.75%

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.

Note 32 Defined Benefit Pension Scheme Continued

Impact on the defined benefit obligation in the scheme	Approx % increase to defined benefit obligation	Approx monetary amount (£000s)
0.1% decrease in Real Discount Rate	2%	1,026
1 year increase in member life expectancy	4%	2,427
0.1% increase in the Salary Increase rate	0%	111
0.1% increase in the Pension Increase Rate (CPI)	2%	930

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 2022.

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 £1.064m expected contributions to the scheme in 2023/24.

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 2022/23 or the projected cost for 2023/24 on the basis that the previous adjustment is 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		
	31st March 2021	31st March 2022	31st March 2023	31st March 2021	31st March 2022	31st March 2023
Investments						
Loans and receivables	0	0	0	3,523	6,378	7,954
Debtors						
Financial assets carried at contract	0	0	0	4,493	3,185	3,298
Total debtors & investments	**0**	**0**	**0**	**8,016**	**9,563**	**11,252**
Borrowing						
Financial liabilities at amortised cost	(362)	(331)	(298)	(30)	(31)	(33)
Total borrowings	**(362)**	**(331)**	**(298)**	**(30)**	**(31)**	**(33)**
Creditors						
Financial liabilities at amortised cost	0	0	0	(918)	(1,029)	(1,439)
Total creditors	**0**	**0**	**0**	**(918)**	**(1,029)**	**(1,439)**

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 34. 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 £1.121m 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 2022/23. The Debtors figure of £2.139m relating to bodies external to government arises from a combination of normal business activity and one-off projects. The bad debts provision of £30k is regarded as reasonable mitigation of the risks of general debts not being paid, representing 0.12% 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 Management 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 2023 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. North Yorkshire County Council became North Yorkshire Unitary Council from April 2023, however a new SLA has been taken out with the new Authority and the level of risk remains low.

Note 33 Risks Arising from Financial Instruments Continued

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 2023. The final claim was submitted in May 2023 but final amounts will not be confirmed until July or August 2023. 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 9th 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 of deficit on the provision of services or other comprehensive income and expenditure.

Note 33 Risks Arising from Financial Instruments Continued

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 £1.240m CFR, £331k is financed from external fixed rate debt, with £909k 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 Loans

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

	2021/22 £'000s	2022/23 £'000s
Short Term Analysis by Type of Loan		
Public Works Loan Board	31	33
	31	**33**

	2021/22 £'000s	2022/23 £'000s	Average Interest Rate %
Long Term Analysis by Type of Loan			
Public Works Loan Board	331	298	4.70%
	331	**298**	

The CIPFA Code requires disclosure of the fair value of the loan, which is calculated by the PWLB

	2021/22 £'000s	2022/23 £'000s
PWLB Fair Value	424	
Balance Sheet Carrying Value		
Under 1 year	31	33
Between 1 - 30 years	331	298
	362	**331**

Note 34 Loans Continued

The Fair Value is more than the carrying amount at 31 March 2023 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 35 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 April 2024, 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 36 Reconciliation of Operating Activites in Cashflow Statement to Revenue

	2021/22 £'000s	2022/23 £'000s
(Surplus)/ Deficit on Income & Expenditure Account	330	422
Adjustments between accounting basis and funding basis (Note 6)	(2,617)	(1,754)
Transfers to/ (from) earmarked reserves (Note 7)	1,894	1,330
(Increase)/ Decrease in General Reserve Balance for the year	(393)	(2)
Minimum/ Voluntary Revenue Provision	(158)	(170)
Contributions (to)/ from Reserves	(1,821)	(1,330)
Contributions (to)/ from Restricted Funds	(73)	0
(Increase)/ Decrease in Creditors	(111)	(342)
(Increase)/ Decrease in Advanced Income	1,585	(12)
Increase/ (decrease) in Debtors	(1,402)	(19)
Increase/ (decrease) in Stock	(38)	(3)
Revenue Contribution to Capital Expenditure	(250)	(146)
	(2,268)	(2,022)
Net Cash Flow Operating Activities	**(2,661)**	**(2,024)**

Note 37 Reconciliation of Liabilities Arising from Financing Activities

	1st April 2022 £'000s	Financing Cashflows £'000s	31st March 2023 £'000s
Long term borrowings	(331)	33	(298)
Short term borrowings	(31)	(2)	(33)
	(362)	**31**	**(331)**

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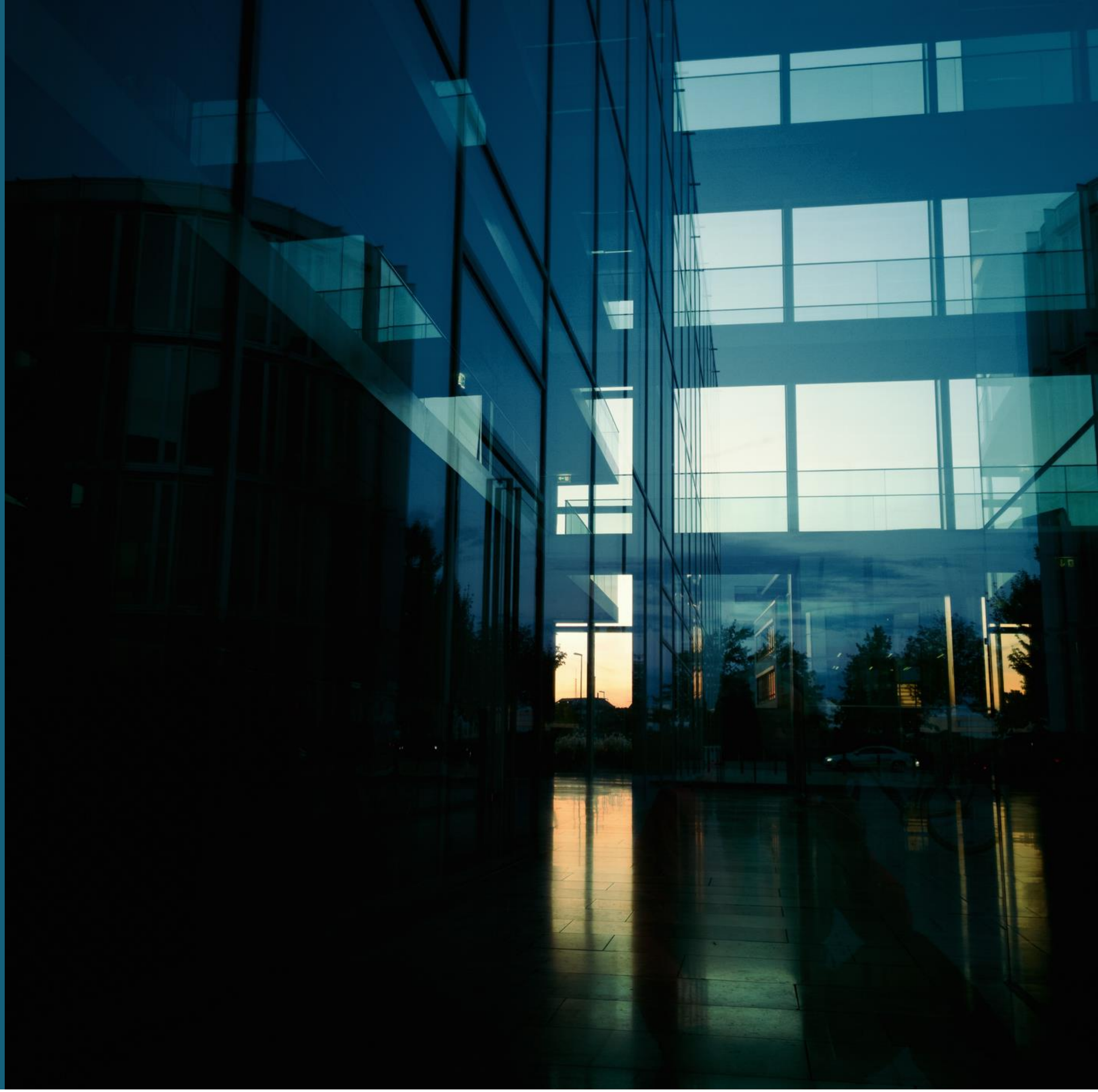
Appendix 2

Audit Completion Report

Peak District National Park Authority– Year ended 31 March 2023

02 February 2024



mazars

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DE45 1AE

Mazars LLP
Mazars LLP Park View House
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02 February 2024

Dear Committee Members

Audit Completion Report – Year ended 31 March 2023

We are pleased to present our Audit Completion Report for the year ended 31 March 2023. The purpose of this document is to summarise our audit conclusions. At the date of this report our audit remains in progress and we anticipate completion of audit testing shortly.

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 2022/23 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; and
- 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 £77k. 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 2023. At the time of preparing this report significant matters remaining outstanding as outlined in section 2. We will provide an update to you in relation to the significant matters outstanding through issuance of a follow up letter.

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. No significant weaknesses have been identified to date.

Whole of Government Accounts (WGA)
We have received group instructions from the National Audit Office in respect of our work on the Authority's WGA submission, however, we have not yet received information on which components have been sampled. This allows us to complete the basic assurance checks following completion of the audit file, but not to undertake any testing which may be necessary. We will update the Authority as soon as we have further information.

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
Net Defined benefit Asset/Liability	🔴	We are waiting for the IAS 19 assurance letter from the auditor of Derbyshire Pension Fund which will allow us to conclude on our work in this area. The letter is expected in January 2024.
PPE valuations	🟡	We are waiting for response to 1 audit query from the valuer in order to conclude upon our work on PPE valuations.
AGS	🟢	Our work on the AGS is ongoing.
Completion procedures	🟢	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 £319k using a benchmark of 2% of gross operating expenditure. Our final assessment of materiality, based on the final financial statements and qualitative factors is £315k using the same benchmark

We set our trivial threshold (the level under which individual errors are not communicated to the Authority, at £9k based on 3% of over all 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 £252k.

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 and we have used their report 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 identified the following relevant service organization:

Items of account	Service Organisation	Audit approach
Payroll expenditure	Derbyshire County Authority	We obtained assurance by understanding the process and controls that the Authority has in place to assure itself that transactions are processed materially correctly. Our testing include sample testing of transactions based on evidence available from the Authority rather than the Service Organisation.

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 5 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; and
- any significant difficulties we experienced during the audit;

Significant risks

Management override of controls	**Description of the risk** 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.
	How we addressed this risk We addressed this risk through performing audit work over: • Accounting estimates impacting amounts included in the financial statements; • Consideration of identified significant transactions outside the normal course of business; and • Journals recorded in the general ledger and other adjustments made in preparation of the financial statements.
	Audit conclusion Our work on management override of controls is complete. We have found no indication of management override of controls or fraud. We have raised one recommendation with regards to documentation of approval on the finance system.

4. Significant findings

Net defined benefit asset/liability valuation	**Description of the risk** The defined benefit liability relating to the Local Government pension scheme represents a significant balance on the Authority's balance sheet. The Authority uses an actuary to provide an annual valuation of these liabilities in line with the requirements of IAS 19 Employee Benefits. Due to the high degree of estimation uncertainty associated with this valuation, we have determined there is a significant risk in this area.
	How we addressed this risk We have addressed the risk by: - critically assessing the competency, objectivity and independence of the Derbyshire Pension Fund's Actuary; - liaising with the auditors of the Derbyshire Pension Fund to gain assurance that the controls in place at the Pension Fund are operating effectively. This assurance received covered 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; - reviewing 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 included comparing them to expected ranges, utilising information by the consulting actuary engaged by the National Audit Office; and - agreeing 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.
	Audit conclusion The Authority has obtained updated actuarial reports leading to adjustments in the financial statements, these are yet to be finalised. As part of our work, we discussed the impact of IFRC14 in calculating an ceiling over the Authority's share of pension fund assets whereby the Authority and the actuary needed to consider whether to cap the amount of asset gain in its accounts. We are waiting for the IAS 19 assurance letter from the auditor of Derbyshire Pension Fund auditor. We have contacted the auditor who estimates this will be ready in early February, following which we will be able to reach our conclusion.

4. Significant findings

Valuation of property, plant and equipment	**Description of the risk** 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.
	How we addressed this risk We addressed this risk by: • critically assessing the Authority's valuer's scope of work, qualifications, objectivity and independence to carry out the required programme of revaluations; • Considering whether the overall revaluation methodologies used by the Authority's valuer are in line with industry practice, the CIPFA code of practice and the Authority's accounting policies; • assessing whether valuation movements are in line with market expectations by considering valuation trends; • critically assessing the treatment of the upward and downward revaluation movements in the Authority's financial statements with regards to the requirements of the CIPFA code of practice. • Critically assessing the approach that the Authority adopts to ensure that assets that are not subject to revaluation in 2022/23 are materially correct, including considering the robustness of that approach in light of the valuation information reported by the Authority's valuers.
	Audit conclusion We have substantially completed the work in this area but have one remaining query with the valuer. We do not expect that this will result in material misstatement but will update the Authority and Those Charged With Governance prior to the issuing our Audit Report. Our review of the fixed asset register noted that the North Lees Campsite washrooms had been double counted as a result of a current non-enhancing addition not being impaired to nil and being revalued alongside the main asset. We have raised a control recommendation and an unadjusted misstatement in the sections 05 and 06 of this report. We also noted an overstatement of £38k in the land value of Lathkill Dale. Upon revaluation the Valuer included the area of three neighbouring dales in their calculation. We have raised a control recommendation and an unadjusted misstatement in the sections 05 and 06 of this report.

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 CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets, published in November 2022, appropriately tailored to the Authority's circumstances.

Draft accounts were received from the Authority's on 03 July 2023 and were of a good quality.

Significant matters discussed with management

During our audit we communicated the following significant matters to management:

- The national issue in relation to accounting for infrastructure which has impacted on every local Authority with material infrastructure balances. The Authority has completed its additional analysis and has updated the draft accounts as necessary, and we have completed our additional audit procedures on theses disclosures and processes.

Significant difficulties during the audit

During the audit, we did not encounter any significant difficulties and we have had the full co-operation of management.

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 2022/23 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

5. Internal control recommendations

As part of our audit of the financial statements, we obtained an understanding of internal controls sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control, we are required to communicate to Those Charged With Governance any significant deficiencies identified during the course of our work.

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.	0
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
3 (low)	In our view, internal control should be strengthened in these additional areas when practicable.	0

5. Internal control recommendations

Deficiencies in internal control – Level 2

Description of deficiency

Our journals testing highlighted that there had been authorisation of journals with no formal documentation of approval. We understand that these were posted by a finance team member before being approved by Head of Finance.

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. From our testing we have not identified any instances of this occurring.

Recommendation

Whilst it is not possible to evidence review on the current finance system, excel journal preparations which are then transferred into the finance system should have evidence of review to show appropriate segregation of duties and approval.

Management response

The journals for 2022/23 were completed by another Accountant during the process and reviewed by the Finance Manager. A new finance system was implemented in October 2023, which now provides an approval workflow and user log for journal records. The new system now ensures that a journal is uploaded and approved by different users, therefore ensuring segregation of duties. The user log is auditable, thereby providing a record of the different users involved in processing a journal.

Deficiencies in internal control – Level 2

Description of deficiency

The fixed asset register lacks sufficient clarity to facilitate accurate accounting. We have identified that as a result, a non-enhancing addition in the register was input onto its own asset line and not subsequently impaired, causing land and buildings to be overstated by £77k. We understand that the Authority is in the process of sourcing a new fixed asset register.

Potential effects

There is the potential for material misstatement in the financial statements as a result of information on assets being missed or duplicated in the preparation of the financial statements.

Recommendation

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

Management response

It is accepted that there was a non-material error in the fixed asset register during the 2022/23 process. The Authority is currently procuring a new asset management system which will have an accounting module to facilitate year end processes for the statement of accounts. It is hoped that this will be in place for the 2023/24 statement of account process.

5. Internal control recommendations

Other recommendations in internal control – Level 2

Description of deficiency

Testing of income cut-off identified a weakness relating to the year-end accruals process and controls. One misstatement (£3,256) related to income recognised in 2023/24 which related to 2022/23.

We cannot extrapolate this error to give a precise value because this is not taken from a full year's population which is complete, but the indicative error is immaterial but greater than trivial in relation to the first two months of the 23/24 financial year. As the factual error is below trivial, this is not reported in section 06.

Potential effects

The CIES and Debtors in the financial statements could be misstated in future.

Recommendation

Review year end processes and controls around accruals to ensure they are appropriately robust.

Management response

It is accepted that there was a small error in the recognition of income that related to 2022/23, however we feel that this is an exceptional occurrence. Nonetheless the accruals process will be reviewed for the 2023/24 year end to ensure that any error of this type is unlikely to occur again or would be corrected before completion of the year end processes.

Other recommendations in internal control – Level 2

Description of deficiency

Land and buildings revaluation testing identified that the area used in one of the Valuer's calculations did not agree to the Authority's site plans of the asset. This was caused by the Valuer including the area of three neighbouring dales in their calculation, resulting in an overstatement of £38k in the land value of Lathkill Dale. The Authority had not noticed this error on their review of the valuation report.

Potential effects

There is the potential for material misstatement of Land and Buildings and Surplus assets in the financial statements as a result of the valuer using incorrect inputs or assumptions.

Recommendation

Management should review the inputs and assumptions used by the Valuer to ensure the estimates in the financial statements are reasonable.

Management response

The Authority is currently procuring a new asset management system and this will mean that all information relating to fixed assets will be held in one place and this will reduce the likelihood of a similar mistake not being noticed. The fixed asset register held by finance does not include detailed information on the land area and is reliant on the valuer using the correct information supplied by our asset management team.

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 £9k. 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: Impairments	77			
	Cr: Land and buildings NBV				-77
	When reviewing the fixed asset register, we identified a non-enhancing addition in the register was input onto its own asset line and not subsequently impaired, causing land and buildings to be overstated by £77k. We understand that the Authority is in the process of sourcing a new fixed asset register.				
2	Dr: Revaluation losses to the SDPS	38			
	Cr: Land and buildings				38
	There is a variance in area used to revalue Lathkill Dale, comparing the Valuer's land size (122 acres), and Peak District's land plans (58 acres). On challenge with the client, we understand that the Valuer, in error, took Lathkill Dale's land plus three neighbouring dales to come to the 122 acres. Recalculating the value of the property with the correct land area, and satisfaction that the other inputs remain the same, Lathkill Dale has been overstated by £38k.				
	Total unadjusted misstatements	115	0	0	-115

6. Summary of misstatements

Adjusted misstatements

		Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr (£'000)	Cr (£'000)	Dr (£'000)	Cr (£'000)
1	Dr: Government grants	82			
	Cr: N/A				
	Our work on the agreement of the trial balance to the Statement of Accounts identified that a manual adjustment to the financial statements to move £82k of grant income to government grants had been erroneously entered twice on the credit side on the word document, resulting in a discrepancy between the statement of accounts and the trial balance. The reclassification adjustment itself was correctly coded from grants to government grants because the purchase of a vehicle was funded by government grant income. The trial balance itself balanced which is why this was not detected by the Authority and why there is no corresponding entry.				
	Total adjusted misstatements	82	0	0	0

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07

Section 07:

Value for Money

7. 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.

Status of our work

We have substantially completed our work in respect of the Authority's arrangements for the year ended 31 March 2023 and we have not identified any significant weaknesses in arrangements that have required us to make a recommendation. Our draft audit report at Appendix B confirms that we have no mattes to report in respect of significant weaknesses, but if any are identified they will be reported in the audit certificate. 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

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

Dear Mark

Peak District National Park Authority - audit for year ended 31 March 2023

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 2023 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 2022/23 (the Code), the Code Update 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 Finance Manager and Chief Finance Officer 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 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 are reasonable, including those measured at current or fair value.

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).

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.

Appendix A: Draft management representation letter

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 in accordance with the requirements of the Code and applicable law.

I have disclosed to you 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, including considerations of RAAC, that there is a permanent reduction in the recoverable amount of the property, plant and equipment below their carrying value at the balance sheet date. An impairment review is therefore not considered necessary.

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.

Appendix A: Draft management representation letter

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.

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.

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 are immaterial, both individually and in aggregate, to the financial statements as a whole. All uncorrected misstatements are included in the Appendix 1 to this letter.

Other matters

I can confirm in relation to the following matters that:

- COVID-19 - I have assessed the impact of the COVID-19 Virus pandemic on the Authority and the financial statements, including the impact of mitigation measures and uncertainties, and are satisfied that the financial statements and supporting notes fairly reflect that assessment.
- I confirm that I 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 and the subsequent events note to the financial statements fairly reflects that assessment
- We confirm that we have carried out an assessment of the potential impact of the United Kingdom leaving the European Union, including the impact of the Trade and Cooperation Agreement, and that the disclosure in the Statement of Accounts fairly reflects that assessment.
- I confirm I have considered the treatment of items or probable and potential expenditure notified to us by external parties in line with the accounting standards for contingent liabilities and provisions.
- We confirm that we have assessed the impact on the Authority of the on-going Global Banking challenges, in particular whether there is any impact on the company's ability to continue as a going concern, and on the post balance sheet events disclosures.

Appendix A: Draft management representation letter

- We confirm that our exposure (either direct cash exposure or direct / indirect through investments) with Silicon Valley Bank, Credit Suisse, Signature Bank or any other bank in a distress situation, is not material.
- I confirm the Authority has assessed the potential impact of Reinforced Autoclaved Aerated Concrete on the Authority, and in particular, whether there are indications of a need for an impairment of the Authority's property, plant and equipment or investment property balances. I confirm there are no such indications of impairment in those assets.

Yours faithfully

Section 151 Officer

Date:

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 2023, 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 2022/23, as amended by the Update to the Code and Specifications for Future Codes for Infrastructure Assets ("the Code Update"), published in November 2022.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 31st March 2023 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 2022/23 as amended by the Code Update.

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, and taking into account the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 as amended by the Code Update, 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 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. The Chief Finance Officer is responsible for the other information. 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 2022/23 as amended by the Code Update, 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 2022/23 as amended by the Code Update and prepare the financial statements on a going concern basis on the assumption that the functions of the Authority 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- inquiring with management and the Authority Committee, as to whether the Authority is in compliance with laws and regulations, and discussing their 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.

Appendix B: Draft audit report

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 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 February 2023.

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. This description forms part of our auditor's report.

Report on the Authority'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 view 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 2023.

We have nothing to report in this respect.

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 January 2023.

Appendix B: Draft audit report

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.

Certificate

We certify that we have completed the audit of Peak District National Park Authority in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

[*Signature*]

Peak District National Park Key Audit Partner
For and on behalf of Mazars LLP

Address

[Insert date]

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	We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations. 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.
External confirmations	We did not experience any issues with respect to obtaining external confirmations.
Related parties	We did not identify any significant matters relating to the audit of related parties. We will obtain written representations from management confirming that: 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 b. they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework.
Going concern	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.

Appendix D: Other communications

Other communication	Response
Subsequent events	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. 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.
Matters related to fraud	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 a. they acknowledge their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud; b. 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; c. they have disclosed to the auditor their knowledge of fraud or suspected fraud affecting the entity involving: i. Management; ii. Employees who have significant roles in internal control; or iii. Others where the fraud could have a material effect on the financial statements; and d. 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.

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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9 2022/23 ANNUAL GOVERNANCE STATEMENT

1. Purpose of the report

Members are asked to review and approve the audited Annual Governance Statement for 2022/23.

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.**

2. Recommendations

1. **To approve the Annual Governance Statement for 2022/23 for sign off by the Chief Executive Officer and the Chair of the Authority attached at Appendix.**
2. **To authorise the 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 aims and objectives, as set out in the Authority Plan. We aim to obtain a satisfactory External Audit conclusion on value for money through an assessment of the Annual Governance Statement.

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 44/23 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 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. The meetings for the 2022/23 review were held in late March and involved the 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 2022/23 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 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, following some

minor amendments to the Code since 2017, by the Authority in February 2023 and authorisation was given to the Head of Law and Monitoring Officer, in consultation with the Chair of the Authority, to make minor changes to the Code each year following publication of the AGS. Following the recent organisational changes authorisation for the Monitoring Officer to make minor changes to the Code, in consultation with the Chair of the Authority is requested.

Proposals

14. The proposed Annual Governance Statement for 2022/23 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 have indicated that as it stands they are not anticipating 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 2022/23, 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, during 2023/24 we are taking steps to address a number of issues identified from our review of effectiveness to further enhance our governance arrangements, these are set out in the table at the end of the Appendix 1.

Are there any corporate implications members should be concerned about?

Financial:

15. There are no financial implications to consider.

Risk Management:

16. 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:

17. There are no issues to highlight.

Equality, Diversity and Inclusion:

18. There are no issues to highlight.

19. Climate Change

There are no issues to highlight.

20. Background papers (not previously published)

None.

21. Appendices

Appendix 1 - 2022/23 Annual Governance Statement

Report Author, Job Title and Publication Date

Ruth Crowder, Customer and Democratic Support Manager and interim Monitoring Officer, 25 January 2024.

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2022/23 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 2023 and up to the date of finalising this statement on 31 May 2023 for publication by the end of May 2023. The statement will be revised prior to reporting to a meeting of the Authority in November 2023 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, the 25 Year Plan to Improve the Environment recently revised and updated in the Environmental Improvement Pan which was launched in February 2023. 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 2022/23.

(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 met monthly to create an emerging NPMP which needed to be reviewed by March 2023. Engaging with partners on the draft 20 year vision and aims which are based around Climate Change, Landscape & Nature Recovery, Welcoming and Conservation. The new NPMP was adopted by the Authority at its meeting on 2 December 2022 to run from 2023 to 2028. The Authority received an overall progress report on the 2018 to 2023 NPMP at its meeting on 28 April 2023 and this highlighted successful areas such as the Moors for the Future Partnership continuing to deliver excellent moorland restoration works alongside scientific monitoring and the White Peak Partnership development and implementation of the Peak District Environmental Land Management Scheme (ELMs) test. The report also included the 3 areas where less progress had been made than anticipated - sustainable travel, integration of more trees into the landscape and monitoring of landscape elements.

(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 worked towards the emerging new NPMP and Authority Delivery Plan to become one document for the place with the latter identifying what objectives the Authority will be delivering around the 20 year vision and aims. The Authority Plan for 2023 to 2028 was adopted alongside the new NPMP by the Authority at its meeting on 2 December 2022. The Authority Plan is structured around the four aims of the National Park Management Plan and a fifth aim of Organisational Health.

(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 2022/23 the Corporate Strategy continued to provide a steer for leading and managing change in light of external pressures on the Authority and guided our budget planning process. The Strategy also focused on how the Authority delivered its contributions to the National Park Management Plan 2018-23. Each outcome identified in the Strategy had a key performance indicator and target, alongside a set of strategic interventions which guided our work. Going forward the new Authority Plan will provide this steer.

(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 2022/23 overseen by the Members Local Plan 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 became 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 IiP 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 continued during 2021/22 in advance of the 3 year IIP re-assessment which was undertaken in April 2022. Following the re-assessment, the Authority was awarded IIP Silver level and moving forward over the next three years aims to strive towards the Advanced Gold level. Progress will be monitored by the Investors in People Delivery Group. The Authority was also awarded a Silver accreditation for Wellbeing and our Wellbeing action plan has been incorporated into the Health and Safety Committee which meets quarterly.

(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. These decisions are still awaited.

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. The Management Team were consulted and in accordance with the Authority's Code of Corporate Governance, a meeting was held on 30 March 2023 with the Chief Executive, the Deputy Chief Executive, the Chief Finance Officer (Head of Finance), the Monitoring Officer (Head of Law) and the Democratic Services Manager; the Monitoring Officer and the Democratic Services Manager then met with the Chair of the Authority on 31st March 2023 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 20221/23 year, which contributes to achieving our outcome of 'good governance'

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

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 2022/23 including draft annual report and assurance opinion. The Authority’s working practices changed significantly as a result of the Covid pandemic. Remote working was introduced which meant financial systems controls had to be changed 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. During 2022/23 seven areas were audited, of these six areas received an opinion of Substantial Assurance: Complaints, Creditors and Procurement, Payroll, Human Resources, Contract Management and Planning, whilst one area, Health and Safety, received Reasonable Assurance. The 2022/23 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.
(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 looked at the effectiveness of our Business Continuity Framework and it received the highest level of substantial assurance and this was reported to the Authority in July 2022. The Authority 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 was originally intended as a 12 month trial however the trial had to be paused in December 2021 to curb the spread of a Covid variant and resumed in early February 2022. Towards the end of the trial the Management Team concluded that the hybrid working model was here to stay and has been adopted by many organisations. A Hybrid Working Policy and Guidance has been developed and will be reported to the Authority for approval on 19 May 2023.

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. This has continued in 2022/23 and during 2023 we started to broadcast our meeting audio visually rather than just via audio.

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 impacts of the pandemic were still being felt last year and this was again identified as a key issue that would affect our effectiveness during 2022/23. However, the obvious impacts of the pandemic have reduced significantly, in that income generation is no longer directly impacted by lockdown's and enforced closures as the Covid-19 virus now becomes something that the country is learning to live with.

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

(A) Core Principle **Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of Law**
Issues identified which affect effectiveness 1. The impact of the impact of the delivery of the IIP Action Plan. 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. 3. The impact of the non-inflationary 3-year funding settlement from Defra on delivery targets in 2022/23 and the following 2 years.
(B) Core Principle **Making sure of openness and comprehensive stakeholder engagement**
Issues identified which affect effectiveness 4. Risk that partners do not deliver the objectives in the approved National Park Management Plan.

(C) Core Principle **Defining outcomes in terms of sustainable economic, social, and environmental benefits.**
Issues identified which affect effectiveness 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. Other factors will also have an impact including inflation, the cost of living and labour market.
(D) Core Principle **Determining the interventions necessary to optimise the achievement of the intended outcomes.**
Issues identified which affect effectiveness 6. The Authority's ability to achieve revenue income targets through trading and fundraising including external grant bids made by the Authority, corporate fundraising, major & individual donor fundraising by the Authority and corporate partnerships led by NPP.
(E) Core Principle **Developing the Authority's capacity including the capability of its leadership and the individuals within it**
Issues identified which affect effectiveness 7. In the context of the Organisational Review the ability of the Authority to deal with workforce and succession planning issues and retention of key Officers whilst experiencing high levels of sickness absence and turnover of employees in comparison to previous years. 8. As there will be District, Borough and Parish Council elections in May 2023 and a change in the Secretary of State directly appointed Members it is anticipated that there will be a turnover of Authority Members which will result in a loss of experience and knowledge. 9. The public sector apprenticeship target ended on 31 March 2022. The amount the Authority pays into the apprenticeship levy continues to exceed the amounts with-drawn. In addition, the Authority is often unable to provide relevant longer term employment opportunities at the end of apprenticeships meaning we do not reap the benefits of utilising the skills, experience and knowledge acquired.

(F) Core Principle **Managing risks and performance through robust internal control and strong public financial management.**
Issues identified which affect effectiveness 10. Failure to implement the effective delivery of Year 3 of the four-year Farming in Protected Landscape Fund and the reputational risk to the Authority if the programme is not a success. 11. Notification received that the Authority may be liable for designation into special measures due to its performance around the determination of non-major planning applications. 12. The impact of the suspension of the development management pre-application advice service on decision making and the impacts of the high turnover of staff within the Planning Service.

13. The Business Continuity Plan needs to be reviewed and all Internal Audit recommendations are completed including a desk top simulation exercise undertaken by the Management Team.
(G) Core Principle **Implementing good practices in transparency, reporting and audit, to deliver effective accountability.**
Issues identified which affect effectiveness
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

<u>Publication Date:</u>

May 2023 (Draft Unaudited Statement)

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10. INTERNAL AUDIT REPORT BLOCK 1 2023/24

1. Purpose of the report

The report presents to Members' the Internal Auditors' recommendations for the first block of the 2023/24 audit and the agreed actions for consideration. The Internal Auditors will be present at the meeting to answer any questions relating to the audit report or process.

Key Issues

- Auditors give an opinion based on four grades of assurance:
    - Substantial Assurance
    - Reasonable Assurance
    - Limited Assurance
    - No Assurance
- Three audits were completed and the following grades were awarded:
    - Project Management - Substantial Assurance
    - Performance Management - Substantial Assurance
    - Planning Enforcement – Reasonable Assurance
- If necessary, Agreed Actions are assigned based on a priority scale of 1 – 3:
    - Priority 1 - a fundamental system weakness requiring urgent attention
    - Priority 2 - a significant system weakness to be addressed by management
    - Priority 3 - no significant weakness but merits attention by management
- The following Agreed Actions were assigned:
    - Project Management – One action (P3)
    - Performance Management – No actions
    - Planning Enforcement – Three actions (P2 (2), P3 (1))
- Planning Enforcement Audit – Issue/Control Weakness:
    - Agreed Action 1.1 - Priority 2 - Site visits are not carried out within the timescales outlined in the Local Enforcement Plan.
    - Agreed Action 2.1 - Priority 2 - Targets for case resolution are not being met.
    - Agreed Action 3.1 - Priority 3 - The Local Enforcement Plan has not been updated since 2018.
- Project Management – Issue/Control Weakness:
    - Agreed Action 1.1 - Priority 3 – Larger projects are not monitored at a corporate level once in delivery.

2. Recommendation:

1. **That the Internal Audit reports for the three areas covered under Block 1 for 2023/24 Project Management, Performance Management and Planning Enforcement (in appendices 1-3 respectively) be received and the agreed**

actions considered.

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

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

4. Background Information

The Accounts and Audit Regulations 2015 requires relevant authorities to maintain an adequate and effective system of internal audit of its accounting records and internal control in accordance with proper practices. The contract for the internal audit service is let to Veritau Ltd. The Internal Audit Plan for 2023/24 was approved by the Authority meeting in July 2023.

5. Proposals

Managers have carefully considered the Internal Auditors' recommendations and Agreed Actions, which will be implemented according to the priority scale. Audit reports are attached in appendices 1 to 3 respectively for Members consideration.

6. Are there any corporate implications Members should be concerned about?

Financial:

There are resource implications of implementing recommendations and this is why the priority rating of recommendations is important, as this has to be managed within existing budgets, 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:

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

Sustainability:

There are no implications to identify.

Equality, Diversity and Inclusion:

There are no implications to identify.

Climate Change

There are no implications to identify.

7. Background papers (not previously published)

None

8. Appendices

- Appendix 1 - Project Management
- Appendix 2 - Performance Management
- Appendix 3 - Planning Enforcement

9. Report Author, Job Title and Publication Date

Ben Cookson, Interim Finance Manager (s.151 Officer), 25 Jan 2024

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Project Management

Peak District National Park Authority

Internal Audit Report

Business Unit: Resources
Responsible Officer: Finance Manager and s151 Officer
Date Issued: 22 January 2024
Status: Final
Reference: P3260/001

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

Summary and Overall Conclusions

Introduction

The Peak District National Park Authority (PDNPA) has a number of ongoing projects covering a variety of areas. One of the largest project areas is the Moors for the Future Partnership which aims to improve the condition of the Peak District and South Pennine moorland. It also involves restoration and conservation work, as well as encouraging responsible use of the area.

Effective project management helps an organisation successfully plan and deliver key aims and objectives. Projects should be fully planned and appraised before they start. A business case and risk assessment should be prepared and approved to outline elements such as the project brief, potential risks, financial impact and project benefits.

Projects should be managed and monitored on an ongoing basis to ensure they follow the project plan, remain within budget and are managed within the agreed risk tolerances. Good governance and an appropriate level of scrutiny at key points will also help to support effective project delivery.

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:

- Robust governance processes are in place to manage and monitor new and ongoing projects.
- Appropriate scrutiny procedures are followed prior to project approval, including a consideration of risk and financial impact.

The audit reviewed procedures in the two largest departments, by volume of projects (Moors for the Future and Asset Management).

Key Findings

Due to the small size of the authority, there is no central project management team and instead, projects are managed within the relevant departments. There is no central list of all projects across the authority, which could help to ensure greater oversight and monitoring of ongoing projects. Once in delivery, there is no formal process to report the status of ongoing projects back to members or senior management, however organic updates do take place as part of senior management meetings or if members request an update. Training and guidance is carried out within the departments, although a central business case template is in place to ensure projects submitted for approval include consistent information.

Within Moors for the Future, a suite of documentation is in place to help support management of projects. This suite includes a project toolkit, risk log, cash flow template, project approval document and a change request form to record authorisation for any changes to projects. Four dedicated Project Manager posts within the team are responsible for overseeing approximately 20 projects. These officers have, or are being trained in, a relevant project management qualification such as PRINCE2[1].

Within the Asset Management Team, projects are assigned to officers who hold a RICS[2] Chartered Surveyors qualification, which includes some elements of project and contract management training. Where building works are involved, officers with the Chartered Building Surveyors qualification are responsible. Continuing Professional Development (CPD) activities also take place within both teams, with project management elements included.

The Moors for the Future Team present a tracker report (MFFP, *Moors for the Future Partnership*, Programme Tracker) to the RMM on a monthly basis. This provides updates on projects in delivery, projects in development, financial forecasts and staffing updates. The Project Managers within the team also meet regularly to discuss any updates or emerging issues. Within Asset Management, there is no formal tracking across all projects such as this, however evidence was provided during our testing (detailed below) which showed those projects were being monitored appropriately.

Part 3 of the Standing Orders (*Financial Regulations*) outlines the authorisation routes for various levels of expenditure, as follows:

Expenditure level:	Authorisation route:
Over £30,000	Business case agreed with the relevant Head of Service and Chief Finance Officer.
Over £50,000	Business case consulted at the Resources Management Meeting (RMM).
Over £150,000	Authority of the relevant Committee required.

Six projects with varying levels of expenditure were reviewed to assess whether the appropriate authorisation route was followed, including whether the financial impact and risks had been considered. In all cases, the correct authorisation was sought and granted. A business case was appropriately completed in all cases, which included an assessment of risk and financial impact. Due to their size, both projects reviewed from Moors for the Future had associated risk logs completed. Where applicable, evidence was received to demonstrate some form of monitoring once the projects were in delivery, though in one case this was provided through verbal assurance. In Moors for the Future, evidence was provided through the monthly tracker report.

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] Projects in Controlled Environments.
[2] Royal Institution of Chartered Surveyors.

1. Corporate project management arrangements

Issue/Control Weakness	Risk
Larger projects are not monitored at a corporate level once in delivery.	There is no corporate oversight around ongoing projects.

Findings

There is no central project management team at the authority due to the small size of the organisation. Therefore, the various departments are responsible for managing their own projects. As a result, there is no central list of all ongoing projects across the authority. Compiling a list would help to ensure there is some corporate oversight around the number of projects in delivery and updates can be requested if necessary. The Finance Manager explained the general ledger system can show some projects, which are coded to cost centres, however not every project would be included.

As outlined in the key findings above, projects with expenditure of over £30,000 have specific authorisation routes to ensure there is a robust approval process. Projects over £150,000 in value must be approved at Committee-level. However once projects have been approved and are in delivery, there is no formal process to report the status of these projects back to the relevant governance forum. This would help to ensure that any delivery issues or overspends are monitored corporately and receive an appropriate level of scrutiny if required. The Head of Finance explained that currently, some organic updates do take place, despite there not being a formal process. For example, if Members request an update for a particular project, or if it is felt an update would be beneficial. The Programmes and Resources (P&R) Committee meeting minutes during 2023 were reviewed and two examples were found where project updates had taken place, which demonstrates that some level of scrutiny post-approval is in place. However, ensuring this is carried out regularly would help to strengthen the corporate arrangements around the management of projects.

Agreed Action 1.1

The Authority can incorporate the action around the ongoing monitoring of projects alongside the Governance Working Group who are looking at what goes to committee and the general visibility of items. Creating a central list of projects should also be something that we can consider and maybe include within a new role (Grant Development Officer) as this would be linked to monitoring external funding. This work is ongoing, and we would expect to be able to conclude this by the end of March 2025.	**Priority**	3
	Responsible Officer	Head of Resources
	Timescale	31 March 2025

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.
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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.

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Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.

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Performance Management

Peak District National Park Authority

Internal Audit Report

Business Unit: Resources
Responsible Officer: Head of Information and Performance Management
Date Issued: 05 January 2024
Status: Final
Reference: P3280/001

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

Summary and Overall Conclusions

Introduction

The National Park Management Plan (NPMP) provides the framework for all Peak District stakeholders to work together to achieve national park purposes and conserve and enhance its special qualities. The Authority Plan outlines how the Peak District National Park Authority (PDNPA) will contribute to the delivery of the NPMP. Both the 2023-28 NPMP and the 2023-28 Authority Plan were implemented in April 2023.

The PDNPA monitors and measures performance to understand whether it is achieving the outcomes set out in the Authority Plan. Monitoring performance helps the authority demonstrate that it is making the best use of resources to accomplish the authority's outcomes. The 2023-28 NPMP involves monitoring and reporting on performance every six months, and a performance report is shared with full authority meetings.

A Key Performance Indicator (KPI) is the measure of performance of an activity that is critical to the success of the authority's outcomes. Successfully designed KPIs are specific, measurable, achievable, relevant, and timely (SMART). Associated with the Authority Plan, the PDNPA measures a set of KPIs, and each of these has a supporting data dictionary. The data dictionary includes an outline of the source of information used to record performance, the methodology for calculating performance, and previous performance for each KPI.

Objectives and Scope of the Audit

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

- An appropriate performance management framework and reporting cycle is in place.
- KPIs have supporting data dictionaries that are accurate and complete.
- Performance of objectives and their KPIs are reviewed appropriately on a regular basis.

Key Findings

The Peak District National Park Authority's performance is measured through a range of objectives and targets set out in its Authority Plan, approved by Members in December 2022, which form the basis of the Authority's performance management system. This framework enables areas of performance for which the NPA contributes toward the National Park Management Plan to be monitored and ensures performance in these areas is regularly reported to Members and to the public. Officers have developed Key Performance Indicators (KPIs) alongside the Authority Plan, in collaboration between the Performance Management team and service area specialists, which are clearly defined, and correspond directly to the Authority's priorities. The KPIs represent measures that are 'SMART', referring directly to the specific goals and timescales of the Authority Plan, are achievable, and can be measured by clearly defined criteria. Members raised the lack of ambition in the KPI targets during the first decile of progress reporting. The Head of Information and Performance

Management explained that due to potential financial consequences from the Department for Environment, Food & Rural Affairs (DEFRA) for not meeting these targets, longer-term and more ambitious targets have instead been included in the National Park Management Plan.

Officers have set out the required information and clear reporting deadlines to officers, who, with the support and guidance of the Performance Management team, are responsible for the collation and publication of their service areas' data on the new 'Performance Reporting' website. Responsibility for each area of data is clear, and the reporting mechanism feeds clearly through into the Progress Report, which presents the objectives of the Authority Plan and reports on progress in meeting them over time. This procedure was carried out successfully in the first round of reporting in November 2023, with all the available information being shared ahead of the National Park Authority meeting. The reporting frequencies for this data – 10 deciles of reporting, during Q2 and Q4 of each year – are appropriate, though less regular than the Authority had previously updated and reported on their performance-related actions.

To ensure performance data is calculated in a reliable and repeatable manner, the Performance Management team have produced a consolidated data dictionary, which defines how the Authority produces its performance data for the eight objectives which together form the overarching 'Enabling Delivery' aim. This document collates information from across the relevant service areas of the Authority. Testing found that for all delivery objectives, the data owner, frequency of calculation, reporting date and frequency are clearly defined. The geographic and temporal scope of the data to be calculated are also defined where relevant, to ensure the correct data is used in calculations. Where the service is required to produce quantitative performance measures, a formula or worked example is also provided. However, where data is based on regular indicators, the source of the data within the relevant department is not always specified for the use of the Performance Management team. The performance data itself is no longer stored within data dictionaries at the corporate level, instead being used directly by service areas to update the online Progress Report. The data dictionary is therefore suitable for ensuring these statistics refer directly to the Authority Plan's objectives and can be reviewed if necessary.

Through the online Progress Report, as supplemented by the standard-format Authority Progress Report, Members are able to effectively monitor the Authority's progress against the objective delivery targets set out in its Authority Plan and identify the areas in which there are potential delays, a lack of resources, or quality issues. This online format is now more accessible and actionable for Members and the public than previously. The presentation of the performance data clearly identifies the NPA's progress against their targets, enables progress to be tracked over time, and contextualises each objective's progress with commentary from the relevant Head of Service. Members were consulted in the development of the new performance reporting mechanism at the regular Members' Forum – their review resulted in their suggestion of introducing an additional performance dashboard by the second decile of reporting, which was accepted by officers. All KPIs created with the Authority Plan were reported to Members for the first time in November 2023; this presentation was effective in initiating further discussion of areas of interest highlighted in the report and their associated actions.

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

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.

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Appendix 3

Planning Enforcement

Peak District National Park Authority

Internal Audit Report

Business Unit: Planning Monitoring and Enforcement
Responsible Officer: Principal Enforcement Planner
Service Manager: Head of Planning
Date Issued: 23rd January 2024
Status: Final
Reference: P3330/002

	P1	P2	P3
Actions	**0**	**2**	**1**
Overall Audit Opinion	Reasonable Assurance		

Summary and Overall Conclusions

Introduction

The Peak District National Park Authority (PDNPA) is the statutory planning authority for land and property within the National Park Area. As the planning authority, it is responsible for guiding development and meeting statutory duties as well as safeguarding the natural environment and heritage of the area. Processes for planning enforcement have been established within the Local Enforcement Plan.

The authority receives reports of potential breaches, largely from members of the public, as well as carrying out selected site inspections of approved developments to ensure development is in accordance with permission. The Local Enforcement Plan states that enquiries from the public will be acknowledged within three days. The Planning Monitoring and Enforcement staff aim to perform site visits within seven days if the issue appears to be particularly serious or within four weeks for low priority and medium priority issues.

Performance and compliance with internal targets is reported to the Planning Committee quarterly. Minutes and reports from the Planning Committee's meetings are made available on the PDNPA website.

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:

- Planning enforcement processes are well documented, and roles and responsibilities are clearly defined.
- A clear process is in place to manage potential breaches, including the maintenance of a register.
- Reports of potential planning breaches from the public are efficiently received, documented and acted upon, leading to timely resolution.
- Performance and compliance with enforcement targets is calculated accurately and reported to the Planning Committee quarterly.

We tested a sample of enquiries and cases from 1st January 2023 to 9th October 2023.

Key Findings

The Local Enforcement Plan is a readily accessible document which defines planning enforcement procedures and processes across 11 sections. The plan is designed to be used by both the public and officers and includes key information such as how to report a potential breach of planning control. It also sets out expected timescales for responses to enquiries. However the Local EnforcementPlan has not been updated since 2018. Consequently at least one section of the plan (Section 3 – Monitoring) does not reflect the current practice being followed by officers.

Planning Monitoring and Enforcement staff undergo regular training, encompassing induction for new officers and continuous professional development through conferences and online learning. However, a training log is not maintained to record participation in enforcement training activities. Roles are clearly defined in job descriptions and through the daily work allocation on the M3 system.
The Local Enforcement Plan outlines the steps for addressing potential breaches, with all cases logged on the M3 planning system. The system links to the planning Hub which stores enquiry documentation such as site visit records and communication with stakeholders. Together, M3 and the planning Hub serve as a comprehensive breach register, capturing essential details and supporting documentation. A sample of resolved cases taken from the M3 system found that the enquiries had all been resolved appropriately and in line with documented procedure. Section 8 of the Local Enforcement Plan recommends that where possible breaches are resolved through voluntary compliance, and each of the sampled cases were resolved in line with this recommendation.

Public interaction with the enforcement process is facilitated through various channels, such as via telephone or e-mail, as outlined in Section 6 of the Local Enforcement Plan. Recently, an online reporting form, has been launched on the PDNPA website, which aims to enhance this process. Notably, the plan sets out a target of acknowledging public reports within three working days. Eight out of the ten sampled responses were within this timeframe and the remaining two were responded to in six and four working days.

Issues were found in meeting prescribed timescales for site visits and initial investigations. Site visits are not always being carried out within the timescales outlined in the Local Enforcement Plan. While a sample of site visits for more serious enquiries demonstrated adherence to the seven-day timeframe, only four out of ten cases met the four-week timeframe for the less serious enquries. Furthermore, only three out of the ten sampled investigations were concluded in a timely manner.

To ensure transparency, progress against enforcement targets is regularly reported to the Planning Committee. The Principal Enforcement Planner, per their job description, holds the responsibility for producing these reports, with data accuracy assured through automatic generation from the M3 system. Quarterly reports to the Planning Committee include a segment on workload and performance. In the past year, these reports have consistently pointed to resource challenges within the team as a key factor behind delays in investigating enquiries. However, delays to site visits are not explicitly addressed in the report.

Two posts have been unfilled since June 2021 and September 2023, however the posts were filled in January 2024. A part-time role also remained vacant since March 2023, though a contractor has been engaged for three days a week since February 2023. There is an ongoing process of organisational change which will see the line management of Monitoring and Enforcement Officers transferred to the Area Team Managers. A process to address the backlog of breaches has also been commenced by officers. This involves categorising cases based on the action needed to close them, and reporting progress through the quarterly report. These changes aim to create greater resilience, ensuring targets are more consistently met and that the backlog of cases is reduced to a sustainable level.

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.

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1. Site visit delays

Issue/Control Weakness	Risk
Site visits are not always being carried out within the timescales outlined in the Local Enforcement Plan.	Targets are not met. The authority's reputation may be damaged if visits are not carried out promptly.

Findings

In accordance with best practice, the Local Enforcement Plan outlines the investigation process in Section 7. The plan prioritises site visits based on the perceived seriousness of the reported issues. The aim is to conduct visits within four weeks of an enquiry, or within one week for particularly serious matters. This approach is designed to ensure timely and effective responses to potential breaches.

A review of ten enquiries deemed less serious and therefore, requiring a site visit within four-weeks, revealed a significant deviation from this timeline. In five of the sampled cases, site visits had been conducted between 12 and 18 weeks after the recommended four-week period. For example, Case 23/0033, received its original enquiry on March 15th 2022, but the first site visit was not conducted until August 3rd 2022. This delay was linked to a vacancy in the Monitoring and Enforcement Officer position in the Southern area of the National Park. Another delay was due to repeated challenges by the property owner, necessitating a more detailed examination of the available evidence. Persistent, long-term vacancies were identified as the primary cause of most delays in site visits, contributing to the reported backlog in open cases.

We also reviewed five high priority cases, and found that site visits were generally being carried out in line with the one week timeframe. Although reassuring that the more urgent enquiries are handled efficiently, it is important to acknowledge that this represents a small proportion of the total number of enquiries received by the team. During 2022-23, only eight were deemed to warrant a site visit within one week. This underscores the ongoing challenge of meeting the target for less serious enquiries.

Agreed Action 1.1

Vacancies will continue to be filled and training for new staff will be provided. Performance targets for enquiry site visits will be reinforced. Performance targets will also be reviewed to check if they are achievable with the available resources and amended if necessary.	**Priority**	2
	Responsible Officer	Principal Enforcement Planner
	Timescale	31 July 2024

2. Case resolution delays

Issue/Control Weakness	Risk
Targets for case resolution are not being met.	Increased workload and pressure on the Planning Monitoring and Enforcement Team.

Findings

Sections 7 and 8 of the Local Enforcement Plan outline the investigation process and the process for handling breaches once a breach of planning control is found. The Planning Monitoring and Enforcement Team has an internal target to complete cases within 30 days of the case opening. Informal actions, including closure for cases with no or minor breaches, are expected to align with this timescale.

A review of five completed cases revealed a deviation from the target. Three of these were resolved within the specified 30-day period. One case, despite having no enforcement action taken, was marked as resolved over a year after the investigation commenced. This was due to repeated challenges from the owner of the property which delayed resolution. In another case where a breach was resolved through voluntary compliance, the resolution extended to five months from the start of the investigation due to a an application for retrospective planning permission causing delays.

Quarterly monitoring and enforcement reviews highlight numerous unresolved high-priority cases. From the July 2023 review, five remain unresolved despite being initially reported between 2014 and 2022. While the quarterly reviews do not specify the causes of these delays, insights were provided by the Principal Planning Officer for two cases. The first case (initially reported in 2014 but appears to have become a formal case in 2018) faced initial delays due to appeals against enforcement action. Further delays were due to the Covid-19 pandemic and resourcing issues. The case remained mostly static from 2018 until 2022, when it was picked up by a part-time officer who left the authority in 2023. It has since been passed to another officer and has been awaiting comment since August 2023. The second case (2017) encountered delays due to the need for retrospective planning applications and a lack of response from the property owner. The officer investigating the case left in June 2021, and the post remains vacant. Although the part-time officer briefly managed the case until March 2023, there has been insufficient capacity to advance the case since they left.

Agreed Action 2.1

Vacancies will continue to be filled and training for new staff will be provided. High priority cases will be reviewed and it will be ensured that sufficient resources are devoted to seeking a timely resolution.	**Priority**	2
	Responsible Officer	Principal Enforcement Planner
	Timescale	31 July 2024

3. Outdated Local Enforcement Plan

Issue/Control Weakness	Risk
The Local Enforcement Plan has not been updated since 2018.	Current processes and priorities are not reflected in the Local Enforcement Plan.

Findings

The Local Enforcement Plan is intended to provide information on planning enforcement to both officers and the public, addressing key aspects such as reporting breaches and outlining process timescales.

The Local Enforcement Plan has not been updated since 2018. Notably, Section 3 (Monitoring), does not align with the current practices of the Planning Service, particularly in the area of site visits for approved developments. Both this section and an internal procedure note outline that Monitoring and Enforcement bear the primary responsibility for conducting checks during the construction phase of dwellings, conversion of existing buildings to dwellings, and major developments. These checks aim to ensure that the development aligns with the approved plans and conditions.

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In practice, since March 2020, monitoring against approved plans and conditions, during the construction period has been limited to major developments. Annual checks on new dwellings and conversions focus on determining their status to comply with central government requirements. This shift from documented practice is attributed to the persistent long-term resourcing issues and resulting enquiry backlogs. Despite the absence of site visits for monitoring the construction of 239 dwellings since March 2020, its impact on related enquiries appears to be minimal. In 2019/20, the authority received 23 enquiries regarding new build dwellings or conversions to dwellings, whereas in 2022/23, only seven such enquiries were received.

While acknowledging the necessity to review the Local Enforcement Plan, the team has prioritised addressing the backlog of outstanding cases and enquiries, among other work priorities. The recent appointment of a Development and Enforcement Manger signals an intention to enhance the monitoring of approved developments, pending the fulfilment of other key roles and the establishment of the new organisational structure.

Agreed Action 3.1

The Local Enforcement Plan will be reviewed and a draft updated version will be prepared. Member/Committee approval will be obtained and a revised Plan will be published. The new Development and Enforcement Manager will assume responsibility.	**Priority**	3
	Responsible Officer	Principal Enforcement Planner
	Timescale	31 July 2024

Audit Opinions and Priorities for Actions

Audit Opinions

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Priorities for Actions

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Veritau

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.

11. REVENUE BUDGET 2024/25 AND MEDIUM TERM FINANCIAL PLAN 2024/25 TO 2027/28 (JW)

1. Purpose of the report

This report presents the Authority's 2024/25 revenue budget for Member approval.

2. Recommendations

1. **The Authority's annual budget for the 2024/25 financial year as shown in Appendix 1 be approved.**
2. **Members approve the increase of the Vacancy Factor from 4% to 5%.**
3. **Members note the Medium Term Financial Plan (MTFP) for the Authority in the period 2024/25 to 2027/28.**

How does this contribute to our policies and legal obligations?

3. The Authority is required to set a balanced revenue budget for the 2024/25 financial year. For 2024/25 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 2024/25 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 2027/28.

Proposals – 2024/25 Budget

5. The 2024/25 budget has been set on the basis that there is a balanced budget for the financial year. In 2023/24 the Authority underwent a significant restructure and the 2024/25 budget is based on the outcome of that restructure.

6. The 2024/25 pay award is not yet known but this will continue to be a budget pressure for the Authority. The pay budget continues to be affected by the increasing National Living Wage (NLW) and it is likely that there will still be pay inflation, therefore the 2024/25 pay budget includes the forecast of a 5% increase. For the 2024/25 budget a 5% pay increase will cost the Authority £440k and this has been included in contingency costs in Appendix 1. The Medium Term Financial Plan (MTFP) assumes that pay for 2025/26 will also increase at 5% and then assumes a 3% increase for 2026/27 and 2027/28.

7. Members approved the introduction of a 4% vacancy factor in December 2022 (minute number 100/22) to be included in the revised budget for 2022/23 and this

principle continues in the 2024/25 budget and the MTFP. The MTFP presented to Members as part of the 2023/24 revised budget includes an assumption that the vacancy factor will rise to 5% from 2024/25. 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). The outturn for 2022/23 showed a pay variance of £463k or 7.21% and at quarter 2 for 2023/24 the pay variance is 6.02%, therefore setting the level at 5% remains below the outturn.

8. As reported to Members in December 2023, interest rates have continued to increase throughout 2023/24 which has meant the Authority has received higher interest on investments. The Bank of England base rate increased throughout the year up to its current value of 5.25% at which it has remained August 2023. It is forecast that interest rates could drop to 4% but this is dependent on inflation stabilising. The budget for interest income for 2023/24 was revised to £360k, however actual cumulative receipts at quarter 3 (April to December) are £335k with receipts for quarter 3 (October to December) totalling £135k therefore it is forecast that expected that actual interest received for 2024/25 could be as high as £470k. Therefore the budget for 2024/25 has been held at £360k, this is to allow for an reductions in the Authorities balances held and or a small reduction in interest rates.

9. The budget headings for 2024/25 contained within Appendix 1 have been reviewed so they are aligned to the current Management structure and according to their separate business units / activities, which remain recognisable to Members. A detailed explanation of the headings within Appendix 1 is shown at Appendix 2.

Medium Term Financial Plan 2024/25 to 2027/28

10. 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).

11. The MTFP is as follows:

	2023/24 £000's	**2024/25 £000's**	**2025/26 £000's**	**2026/27 £000's**	**2027/28 £000's**
Net Expenditure	**7,240**	**7,968**	**8,072**	**8,525**	**9,040**
Financed by:					
National Park Grant	(6,699)	(6,699)	(6,699)	(6,699)	(6,699)
Reserves, Vacancy Factor and Interest	(858)	(1,554)	(1,013)	(1,096)	(1,111)
Funding	**(7,557)**	**(8,253)**	**(7,712)**	**(7,795)**	**(7,810)**
(Surplus) or Deficit after financing	**(317)**	**(285)**	**360**	**730**	**1,230**
Cumulative Position	(317)	(602)	(242)	488	1,718

12. The key assumptions included in the MTFP are:
- The NPG will not increase for the whole period;
- Pay will rise by 5% for 2024/25, 2025/26 and then 3% for 2026/27 and 2027/28;
- The vacancy factor increases to 5% to support the annual budget;
- There will be no other significant taxation changes;
- The donation for the Visitor Centres starts in January 2024 for 3 calendar years and is replaced by income by January 2027;

- There is a £60k increase in planning fees (from government increases) from 2024/25;
- £81k additional car park income realised in 2024/25;
- Assumes that FiPL ends as planned on 31 March 2025 but any extension or new scheme would be fully funded;
- £20k per year included for non-pay inflation;

13. The budget for 2024/25 is balanced and is actually giving rise to a surplus. As planned, the MTFP assumes that the forecast surpluses for 2023/24 and 2024/25 will support the MTFP for 2025/26 onwards.

Reserves

14. *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 £160k), with a trading contingency of £100k, giving a base level of £260k. However this should be considered as an absolute minimum. The general reserve balance at the end of the Statement of Accounts for 2022/23 was £616k 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.

15. *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.

16. *Specific Reserves*
These are used to support individual service areas and each reserve's objective and planned usage is reported to the Authority in the Outturn report in July. 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.

17. 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?

18. **Financial**:
The financial implications are contained in the main body of the report.

19. **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 2024/25 budget has been set based on the restructure and pay strategy implemented in 2023/24. The Authority remains vulnerable to increases in pay, inflation, 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.

20. **Sustainability:**
The 2024/25 revenue budget and MTFP are key documents to ensure the financial sustainability of the Authority.

21. **Equality:**
Any issues of equality are included within the budget setting process.

22. **Climate Change:**
Any issues relating to climate change are included within the budget setting process.

23. **Background papers** (not previously published)
None

Appendices –
Appendix 1 – Revenue Budget 2024/25
Appendix 2 – Explanation of Appendix 1a

Report Author, Job Title and Publication Date

Justine Wells, Finance Manager and Chief Finance Officer, 25 January 2023

2024/25 REVENUE BUDGET

NB there may be small rounding errors in totals

APPENDIX 1

£000's	A	B	C	D	E	F	G	H	I	J	K	L		M	N
Service	*Permanent Staff*	*Fixed Term Staff*	*Total Pay*	*Indirect Staff/ Premises/ Travel / other costs*	*Supplies & Services/ Programme Expenditure*	*Total Non Pay*	*Sales, Rents, Fees & 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*
Chief Executive Officer															
Corporate Management	171	0	**171**	68	66	**134**	0	(250)	**(250)**	**55**	**71**	**(16)**	Pay strategy & pay award increases. Corporate overhead increased based on actual income received.	(55)	**0**
National Comms Unit	0	131	**131**	15	46	**61**	0	(192)	**(192)**	**0**	**0**	**0**	New UK Comms Unit hosted by PDNPA	0	**0**
	171	**131**	**302**	**83**	**112**	**195**	**0**	**(442)**	**(442)**	**55**	**71**	**(16)**		**(55)**	**0**
Landscape & Engagement															
Head of Landscape & Engagement	82	0	**82**	0	0	**0**	0	0	**0**	**82**	**0**	**82**	New department - organisational change	(82)	**0**
Natural Environment	215	20	**235**	5	4	**9**	0	(24)	**(24)**	**221**	**203**	**18**	Pay strategy & pay award increases	130	**351**
Farm & Countryside	150	0	**150**	5	43	**48**	(8)	(19)	**(27)**	**172**	**212**	**(41)**	Re-allocation of pay budget following restructure	167	**339**
Engagement Team	299	0	**299**	11	17	**28**	(44)	(22)	**(66)**	**260**	**303**	**(43)**	Management Team Restructure, removal of Head of Engagement Post	192	**453**
Volunteers (PPCV)	124	0	**124**	33	13	**46**	(19)	(43)	**(63)**	**107**	**103**	**4**	Pay strategy & pay award increases	98	**206**
Rangers Team	514	0	**514**	145	19	**164**	(3)	(185)	**(188)**	**490**	**443**	**47**	Pay strategy & pay award increases	362	**852**
Access & Rights of Way	92	0	**92**	18	27	**45**	(5)	(26)	**(30)**	**106**	**132**	**(26)**	Re-allocation of pay budget following restructure	91	**197**
Pennine Way	35	0	**35**	9	2	**11**	0	(46)	**(46)**	**0**	**(4)**	**4**	Pay strategy & pay award increases	17	**17**
Projects															
Landscape Enhancement Project	0	0	**0**	0	298	**298**	0	0	0	298	**0**	**298**	Funded from contributions in revenue grant reserve	0	**298**
Woodland Creation Project	0	45	**45**	1	15	**15**	0	(60)	**(60)**	**0**	**0**	**0**		0	**0**
STW FiPL Project	0	0	**0**	1	9	**10**	0	(10)	**(10)**	**0**	**0**	**0**		0	**0**
Defra ELMs Test	0	0	**0**	1	44	**44**	0	(44)	**(44)**	**0**	**0**	**0**		0	**0**
Farming in Protected Landscapes	0	197	**197**	46	2,362	**2,407**	0	(2,605)	**(2,605)**	**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	0	10	**10**	0	0	**0**	0	(10)	**(10)**	**0**	**0**	**0**		0	**0**
DEFRA Access Removing Barriers Project															**0**
The Access Fund	0	0	**0**	5	0	**5**	0	0	**0**	**5**	**23**	**(18)**	Reduction in projects planned to use Access Fund reserve	0	**5**
	1,510	**272**	**1,782**	**278**	**2,879**	**3,157**	**(79)**	**(3,144)**	**(3,223)**	**1,717**	**1,393**	**324**		**976**	**2,693**
Planning															
Head of Planning	86	0	**86**	0	0	**0**	0	0	**0**	**86**	**0**	**86**	New department - organisational change	(86)	**0**
Cultural Heritage	287	27	**314**	6	17	**23**	(1)	(30)	**(31)**	**307**	**292**	**15**	Extension to temporary contract plus pay strategy & pay award increases	143	**450**
Planning Team	1,004	94	**1,097**	13	32	**44**	(421)	0	**(421)**	**721**	**391**	**329**	Increase from Authority Restructure plus Pay strategy & pay award increases. £60k additional planning fee income	978	**1,699**
Strategic Planning (Minerals)	246	0	**246**	2	1	**4**	(20)	0	**(20)**	**230**	**191**	**38**	Increase from Authority Restructure plus Pay strategy & pay award increases	380	**609**
Community Policy Planner	36	0	**36**	0	0	**0**	0	0	**0**	**37**	**35**	**1**		11	**48**
Planning Policy	107	0	**107**	7	22	**29**	0	0	**0**	**136**	**180**	**(44)**	Restructure of Planning Technican Post	113	**249**
Transport Policy	51	46	**97**	3	22	**26**	0	0	**0**	**123**	**60**	**63**	£62.8k for Sustainable Travel Officer funded from reserves	48	**170**
	1,816	**167**	**1,983**	**32**	**94**	**126**	**(441)**	**(30)**	**(471)**	**1,638**	**1,150**	**488**		**1,587**	**3,224**
Assets & Enterprise															
Head of Assets & Enterprise	86	0	**86**	0	0	**0**	0	0	**0**	**86**	**0**	**86**	New post as a result of organisational change	(86)	**0**
Visitor Centres	336	0	**336**	132	273	**405**	(549)	(252)	**(801)**	**(59)**	**277**	**(336)**	Income from donation	284	**225**
Cycle Hire	269	0	**269**	16	34	**51**	(314)	(1)	**(315)**	**4**	**(37)**	**41**	Pay strategy & pay award increases	92	**96**
Grant Development	46	0	**46**	0	138	**138**	0	0	**0**	**184**	**138**	**46**	Planned £6.5k increase in support to Foundation & new Grant Development Officer Post	83	**267**
Woodlands	0	0	**0**	259	41	**300**	(196)	(36)	**(232)**	**69**	**21**	**48**	£68.51k Ash Die-back works funded by reserves	30	**99**
Warslow Estate	20	0	**20**	200	25	**225**	(227)	(113)	**(340)**	**(95)**	**(96)**	**2**	Pay strategy & pay award increases	130	**36**
Eastern Moors Estate	0	0	**0**	0	50	**50**	(23)	0	**(23)**	**27**	**27**	**0**		5	**31**
North Lees Estate	61	18	**79**	100	24	**123**	(261)	(1)	**(262)**	**(59)**	**(102)**	**42**	Surprise View car park moved into new car parks/ toilets department. Also pay award and pay strategy pay increases	184	**125**
Minor Properties	0	0	**0**	16	0	**16**	(15)	(9)	**(23)**	**(7)**	**(7)**	**0**		8	**1**
Trails	80	8	**88**	220	45	**265**	(317)	(11)	**(328)**	**25**	**90**	**(65)**	Additional car park income	184	**210**
Asset Management Team	189	0	**189**	6	0	**7**	0	0	**0**	**195**	**290**	**(95)**	Realignment of staff costs between Asset Management & Property Support Teams	(195)	**0**
Non-Estate Concessions	0	0	**0**	0	2	**2**	(15)	0	**(15)**	**(13)**	**(156)**	**143**	Toilets & Car Parks departments merged for 2024/25. Also increase in car park income of £81k	1	**(11)**
Non-Estate Car Parks & Toilets	17	0	**17**	162	33	**195**	(384)	0	**(384)**	**(172)**	**107**	**(279)**		108	**(63)**
Recreation Minor Properties	0	0	**0**	11	0	**11**	(2)	(3)	**(5)**	**6**	**6**	**(1)**	Increased energy costs	33	**39**
Maintenance & Projects Team	214	0	**214**	42	32	**74**	(10)	(104)	**(114)**	**174**	**165**	**9**	Pay strategy & pay award increases	65	**239**
Property Support Team	308	0	**308**	4	14	**18**	0	0	**0**	**326**	**183**	**143**	Realignment of staff costs between Asset Management & Property Support Teams	(326)	**0**
Property: Aldern House HQ	0	0	**0**	213	16	**229**	(71)	(24)	**(95)**	**134**	**135**	**(1)**		(134)	**0**
Projects															
Moors for the Future Centre	0	0	**0**	65	1	**66**	(24)	(2)	**(25)**	**41**	**41**	**(0)**		11	**52**
Moors for the Future Core Team	264	894	**1,159**	234	1	**235**	0	(1,364)	**(1,364)**	**29**	**54**	**(25)**	Planned reduction to MFFP	630	**660**
Moors for the Future Projects	4	1,111	**1,115**	234	2,528	**2,762**	0	(3,877)	**(3,877)**	**0**	**0**	**0**		0	**0**
	1,895	**2,031**	**3,926**	**1,915**	**3,257**	**5,172**	**(2,407)**	**(5,796)**	**(8,203)**	**895**	**1,135**	**(241)**		**1,109**	**2,004**
Resources															
Head of Resources	86	0	**86**	0	0	**0**	0	0	**0**	**86**	**0**	**86**	New post as a result of organisational change	(86)	**0**
Strategy & Performance	208	0	**208**	3	22	**24**	0	0	**0**	**233**	**211**	**21**	Pay strategy & pay award increases	(233)	**0**
Marketing Communications	205	0	**205**	10	16	**25**	0	0	**0**	**231**	**206**	**25**	Pay strategy & pay award increases	(231)	**0**
Customer & Democratic Support Team	482	0	**482**	6	39	**45**	(15)	(8)	**(23)**	**504**	**597**	**(94)**	Authority Restructure	(504)	**0**
Members	0	0	**0**	3	128	**131**	0	0	**0**	**131**	**122**	**9**	Approved increase in members allowances	(131)	**0**
Information Management	391	51	**442**	2	382	**383**	0	0	**0**	**825**	**684**	**142**	£40k Pay award increases. £100,995 digital records project funded from reserves	(825)	**0**
Legal	239	56	**296**	7	49	**56**	(7)	0	**(7)**	**345**	**306**	**38**	£56,320 additional staff funded from reserve. Reduction in other staff costs from restructure	(345)	**0**
Finance	246	25	**270**	0	129	**130**	0	0	**0**	**400**	**349**	**51**	£24.7k funded by reserve for SFO. £30k increase in audit fees	(400)	**0**
Contingency/ inflation costs	440	0	**440**	20	0	**20**	(50)	0	**(50)**	**410**	**541**	**(131)**	Energy costs reduced, audit fees moved to finance, forecast addition income	(410)	**0**
People Management	233	62	**295**	103	55	**158**	0	0	**0**	**453**	**354**	**99**	Impact of Authority Restructure & Pay strategy & pay awards	(453)	**0**
	2,531	**194**	**2,725**	**154**	**818**	**972**	**(72)**	**(8)**	**(80)**	**3,617**	**3,371**	**246**		**(3,617)**	**0**
Total	**7,922**	**2,795**	**10,717**	**2,463**	**7,160**	**9,623**	**(2,999)**	**(9,420)**	**(12,419)**	**7,921**	**7,119**	**802**		**0**	**7,921**

Financing

Net Cost of Services	**7,921**
Central Debt Charges	47
Net Revenue Expenditure	**7,968**
Funded by:-	
NPG @ 0% increase	**6,699**
Other Reserves	**1,194**
Interest on balances	**360**
Total	**8,253**
Surplus to /(deficit from) general reserve	**285**

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Explanation of Appendix 1 Budget 2024/25 spreadsheet **APPENDIX 2**

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, vacancy and any reserve contributions. Central debt charges not allocated to services are shown here too. 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 enabling services to front line services as per CIPFA guidance.

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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12. APPOINTMENT OF INTERIM CHIEF FINANCIAL OFFICER (S151 OFFICER)

1. Purpose of the report

To ensure the Authority operates within legislative requirements and has good governance by appointing an interim Chief Financial Officer (S151 Officer) following the resignation of the current Chief Financial Officer and pending the appointment of a new, permanent Finance Manager who will also be the Chief Financial Officer, as agreed as part of the recent organisational changes.

Key Issues

- **The Authority's existing Chief Financial Officer (CFO) is also the Finance Manager who is leaving the Authority on 2nd February 2024.**
- **The CFO is a statutory role which the Authority must appoint to as the person responsible for the Authority's financial affairs.**
- **Part 4 of Standing Orders reserves the appointment of the CFO to a meeting of the Authority.**

2. Recommendations

1. **To appoint the interim Finance Manager as interim Chief Financial Officer (Section 151 Officer) from 2nd February 2024 until the first day of service of a permanent Finance Manager.**
2. **To delegate the appointment of the Chief Finance Officer (Section 151 Officer) to the Chief Executive, in conjunction with the Chair of the Authority, as part of the appointment process for the permanent Finance Manager.**

How does this contribute to our policies and legal obligations?

3. The Authority is required by the Local Government Act 1972 Section 151 to have an Officer responsible for the proper administration of the Authority's financial affairs and by the Local Government Finance Act 1988 to have a Chief Finance Officer

Background Information

4. As part of the recent organisational changes, agreed by the Authority in July 2023 (Minute No 74/23), a new post of Finance Manager was created and delegation was given to the Chief Executive to appoint the CFO as part of the recruitment for the Finance Manager in consultation with the Chair of the Authority. The Finance Manager was appointed from existing staff and duly appointed as CFO, however the Finance Manager has now resigned her post and is leaving the Authority. Whilst recruitment to fill the resulting vacancy takes place an interim Finance Manager has been appointed and appointment of an interim CFO is also required.

5. The role and responsibilities of the CFO are described in Appendix 1 and are set out in the Authority's Standing Orders. The CFO role attracts a special responsibility payment of £467.46 per month.

Proposals

6. To appoint the interim Finance Manager as the interim CFO (S151 Officer) until the first day of service of a permanent Finance Manager and to delegate appointment of the CFO

to the Chief Executive, in consultation with the Chair of the Authority, as part of the appointment process for the permanent Finance Manager.

Are there any corporate implications members should be concerned about?

Financial:

7. The special responsibility allowance paid to the CFO is covered within existing budgets.

Risk Management:

8. The Authority needs to have robust CFO arrangements in place as part of its corporate governance framework. The CFO is a key statutory role which plays a significant part in managing corporate risk. The proposals identified within this report aim to minimise the risks associated with the transition to a new CFO appointment

Sustainability:

9. No issues.

Equality, Diversity and Inclusion:

10. No issues.

11. Climate Change

No issues.

12. Background papers (not previously published)

None.

13. Appendices

Appendix 1 - Role and Responsibilities of the Chief Financial Officer.

Report Author, Job Title and Publication Date

Phil Mulligan, Chief Executive, 24 January 2024

Role description

Post:	Chief Finance Officer (Section 151 Officer)	Scale:	Allowance
Service:	n/a	Date:	Jul 2023

Purpose:
To carry out duties under Section 151 of the Local Government Act 1972 and Section 114 of the Local Government Finance Act 1988 overseeing financial management standards and strategic financial planning.

Key relationships:	
Responsible to:	Chief Executive
Responsible for:	n/a
Liaison with:	Members, Senior Management Team, managers and staff

Key objectives:

(a) Ensure that the financial affairs of the Authority are properly administered and that financial regulations and instructions are observed and kept up to date. Including but not limited to:
- compliance with the statutory requirements for accounting and internal audit.
- ensuring the authority's (and ultimately its members') responsibility for securing proper administration of its financial affairs.
- proper exercise of a wide range of delegated powers both formal and informal.
- responsibility for managing the financial affairs of the authority in all its dealings.
- recognition of the fiduciary responsibility owed to the public.

(b) Help the Senior Management Team to develop and implement strategy and to resource and deliver the Authority's strategic objectives sustainably and in the public interest.

(c) Inform and influence all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the Authority's overall financial strategy.

(d) Promote and deliver good financial management by the whole Authority so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively.

(e) Lead and direct a finance function that is resourced to be fit for purpose.

Requirements of the role holder
CFOs must be professionally qualified and suitably experienced. The Local Government Finance Act 1988 requires that the CFO must be a member of one of the following bodies in order to qualify as a responsible officer: • the Institute of Chartered Accountants in England and Wales, • the Institute of Chartered Accountants of Scotland, • the Chartered Association of Certified Accountants, • the Chartered Institute of Public Finance and Accountancy, • the Institute of Chartered Accountants in Ireland, • the Chartered Institute of Management Accountants, and • any other body of accountants established in the United Kingdom and for the time being approved by the Secretary of State for the purposes of this Section.

13. AUTHORITY PLAN 2023-28 UPDATE AND YEAR 2 LOOK FORWARD (2024/25 DECILE 3 & 4)

1. Purpose of the report

This report provides Members with the updated Authority Plan 2023-28 and Year 2 look forward actions for 2024-25.

Key Issues

- National Park Authorities are required to produce and update a National Park Management Plan every 5 years.
- National Park Management Plans are the over-arching strategic document for the place and set the vision and objectives that guides the future of the National Park.
- Our Authority Plan sets out how we will deliver to the statutory purposes and duty of the National Park and is structured around our enabling delivery aim to be an inspiring and pioneering organisation.
- The Authority Plan has been updated following the organisational change process and the first six monthly Progress Report (Decile 1). This update focused on ensuring the actions were fit for purpose and that performance could be clearly monitored via the critical success factors. The 8 strategic objectives of the plan remain unchanged.

2. Recommendations(s)

1. **Members approve the updated Authority Plan 23-28 provided at Appendix 1 of the report.**

2. **Members approve the Year 2 look forward actions provided at Appendix 2 of the report.**

3. **That any necessary changes to the proposed wording of the updated Authority Plan 23-28 are delegated to the Chief Executive in consultation with the Chair.**

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

Requirement to produce and update the National Park Management Plan

1. Section 66 of 1995 Environment Act requires National Park Authorities to produce a National Park Management Plan which ‘formulates policy for the management of the relevant Park and for the carrying out of its functions in relation to that Park’. This should be updated at least every 5 years.
2. The Authority Plan sets the high-level direction of the Authority and identifies the outcomes that we wish to achieve over the longer-term. It sets out how the Authority will deliver its commitment to the National Park Management Plan and work to the purposes and duty of the National Park.

4. Background Information

The Peak District National Park Management Plan 2023-28 and the Authority Plan 23-28 were adopted by the Authority at its meeting on the 2nd December 2022.

The new digital Authority Progress Report was presented to Members on 10th November 2023 and provided an overview of the Authority’s performance over the first six months of the five year plan - decile 1.

Following the organisational change process which commenced in Year 1 of the Authority Plan and the monitoring of performance for the Authority Progress Report - Mid Year (Decile 1), a number of potential changes to the Authority Plan 23-28 were identified.

5. Proposals

The Authority Plan update process

An update was deemed appropriate to ensure the plan actions were relevant and that performance can be measured appropriately as the organisation moves forward into Year 2 of the plan period. Specifically, changes have been made to:

- All actions have been reviewed, most have been refined, some new actions have been identified in order to respond to our evolving needs as an organisation, and a small number of completed actions have been removed.
- All Critical Success Factors have been reviewed and amended to ensure they are measurable and time limited (or specify the establishment of such measures).
- All actions have been removed from this Authority Plan which detail the Authority's independent contribution to the delivery of the NPMP. These actions are essentially duplicated from the National Park Management Plan (NPMP). NPMP delivery is co-dependant on factors affecting partnership performance. Many of these factors are outside of our, or our partner's, direct control making the NPMP actions and critical success factors inappropriate performance measures for the Authority.
- For transparency, allocation of resources will be reported by service to highlight activity delivered under the Enabling Delivery aim and activity which directly delivers to the four NPMP aims with partners. NPMP delivery progress, the investment and added value generated through partnership working will be reported in future National Park Management Plan Annual Monitoring Reports.

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

1. **Financial:**
   There have been no changes to the financial budget for the Authority.

2. **Risk Management:**
   Nothing to note.

3. **Sustainability:**
   Nothing to note.

4. **Equality**
   Nothing to note.

7. Climate Change

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?

1. How does this decision contribute to the Authority meeting its carbon net zero target?
   NA

2. How does this decision contribute to the National Park meeting carbon net zero by 2050?
   NA

3. Are there any other Climate Change related issues that are relevant to this decision that should be brought to the attention of Members?
   NA.

8. Background papers (not previously published)

None

9. Appendices

Appendix 1 - Authority Plan 2023-28 (2024 Update)

Appendix 2 - Authority Plan Programme Year 2 - 24/25

Report Author, Job Title and Publication Date

Emily Fox, Interim Head of Resources, 25 January 2024

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Authority Plan

2023-28

Our Vision

We have big ambitions for the Peak District National Park. Our aspirational 20 year vision outlines where we collectively want the Peak District to be in 20 years' time.

By 2043 the Peak District National Park is exemplary in its response to climate change and nature recovery. Its special qualities and resilience as a living landscape have been significantly enhanced. It is a welcoming place where all are inspired to care and communities thrive.

Introduction

Our Authority Plan sets out how we will deliver to the statutory purposes and duty of the National Park which are to:

- Conserve and enhance the natural beauty, wildlife and cultural heritage of the National Parks; and
- Promote opportunities for understanding and enjoyment of the special qualities of the National Park by the public.

If there is a conflict between these purposes, the first purpose is given greater weight. In carrying out the purposes, National Park Authorities have a duty to seek to foster the economic and social wellbeing of local national park communities.

Our Authority Plan is structured around our enabling delivery aim which outlines the Authority's mission and captures key elements of the National Park Authority's own essential business focused across eight objectives:

Enabling delivery Aim: The Authority is inspiring, pioneering and enabling in delivering the National Park vision.

- Objective A (Planning): To achieve national performance standards for planning applications by type dealt with in a timely manner.
- Objective B (Access): To achieve timescales and follow processes for the statutory functions under Countryside and Rights of Way Act and Town and Country Planning Act.
- Objective C (People): To have highly engaged, healthy and inclusive staff and volunteers.
- Objective D (Financial Resilience): To be financially resilient and provide value for money.
- Objective E (Assets): To have best practice arrangements in place for the Authority's assets.
- Objective F (Governance): To have best practice governance arrangements in place.
- Objective G (Information and Performance): To have best practice IT access controls, security arrangements, performance and risk arrangements in place.
- Objective H (Climate Change): To reduce the Authority's greenhouse gas emissions.

PEAK DISTRICT NATIONAL PARK

Our Purpose

To speak up for and care for the Peak District National Park for all to enjoy forever.

This role is as important today as it was in 1951 when the Peak District was designated a National Park. This work is carried out in collaboration with partners and local communities to conserve and enhance the National Park's special qualities. The Authority is instrumental in both the development and delivery of the National Park Management Plan (NPMP), which is the partnership plan for the place. The NPMP will help us to achieve the vision and details four integrated aims which take account of ongoing pressures between communities, visitors and nature, and key external factors such as climate change and the need for continuing nature recovery. The Authority works in partnership on the delivery of this plan. Please refer to the National Park Management Plan for the actions where the Authority is the responsible partner or one of a number of delivery partners working in collaboration on an action.

Our Values

Our values were developed by Authority staff from every part of our organisation. They define who we are, communicate what is important, shape organisational culture, drive organisational performance and bring us together as one team.

Care We care for the PDNP, the people we work with and all those we serve	Give our best. Show respect for others. Are open and welcoming. Never compromise on safety and wellbeing.
Enjoy We take pride in what we do and feel good about our contribution	Are proud of the work we do. Find solutions to problems. Keep things simple. Work as one team.
Pioneer We were born of pioneers. We will continue to explore opportunities to inspire future generations	Lead by example. Never stop learning. Always look to improve. Embrace change

PEAK DISTRICT NATIONAL PARK

Enabling Delivery Aim

Enabling delivery Aim: The Authority is inspiring, pioneering and enabling in delivering the National Park vision.		
Objective A (Planning): To achieve national performance standards for planning applications by type dealt with in a timely manner.		
Target: Percentage of applications determined in timescales: a) major applications 13 weeks, b) minor applications 8 weeks and c) other applications 8 weeks. **Responsible officer:** Head of Planning		
Actions	**Critical Success Decile 2**	**Critical Success 2024/25**
Review, update and implement Local Enforcement Plan	Backlog plan: Review and remove ‘time expired’ and ‘non expedient’ cases and use to set 2024/25 targets.	Targets set from plan from decile 2 data
Review and adopt updated Local Plan	Revise local plan and supplementary policies timetable by March 2024	New timetable established
Review, reinstate and provide pre-application advice service	Review and reinstate service and set income targets by March 2024	Meet fee income targets
Objective B (Access): To achieve timescales and follow processes for the statutory functions under Countryside and Rights of Way Act and Town and Country Planning Act.		
Target: Meet 100% of timescales and processes. **Responsible officer:** Head of Landscape & Engagement		
Actions	**Critical Success Decile 2**	**Critical Success 2024/25**
Maintain PDNP managed footpaths to national standards	% Rights of way easy to use matches or exceeds national average	% Rights of way easy to use matches or exceeds national average

Objective C (People): To have highly engaged, healthy and inclusive staff and volunteers.		
Target: Maximum of 9 days per year sickness level per staff member, targets for inclusiveness and staff engagement score to be set once baseline is established in 2023/24. **Responsible officer:** Head of People Management / Head of Resources		
Actions	**Critical Success Decile 2**	**Critical Success 2024/25**
Promote Equality and Diversity to make our working environment more inclusive	New action added where activity will not commence until 2024/25	Meet the requirements of the public sector equality duty. Published in Performance & Business Plan
Promote and implement Health, Safety and Wellbeing	Performance reviewed and annual report (Jan Programmes and Resources committee 2024)	Performance reported Decile 3 and reviewed Decile 4
Update, promote and implement our offer on how we invest in people	Implement recruitment & retention incentives	Investors in People 24 month assessment April 2024 and re – assessment April 2025 Review allowances
Enhance our volunteering offer	Volunteer development plan completed by March 2024	TBA from Volunteer Development Plan E.g. Nº sessions, Nº hours, Added value
Objective D (Financial Resilience): To be financially resilient and provide value for money.		
Target: To have a deliverable Medium Term Financial Plan and achieve value for money in all internal and external audit reports. **Responsible officer:** Finance Manager (Section 151 Officer) / Head of Resources		
Actions	**Critical Success Decile 2**	**Critical Success 2024/25**
Review and update the medium term financial plan (MTFP)	New action added where activity will not commence until 2024/25	MTFP projections used to set balanced budgets annually (Expenditure profile monitored quarterly)
Ensure financial processes meet public sector value for money standards/thresholds	Unqualified VFM opinion by the External Auditor	Unqualified VFM opinion by the External Auditor
Set and deliver net income targets	New action added where activity will not commence until 2024/25	Targets or monitoring set for: – Planning fees – Visitor Centres – Cycle hire – External funding

Develop and submit external funding bids	New action added where activity will not commence until 2024/25	Set targets for: 1. Secured funding 2. Live bids 3. Developing bids 4. MFFP funding secured/bid for etc. Monitor % success rate
Objective E (Assets): To have best practice arrangements in place for the Authority's assets.		
Target: To implement and maintain the Authority's Asset Management Plan. **Responsible officer:** Head of Assets & Enterprise		
Actions	**Critical Success Decile 2**	**Critical Success 2024/25**
Visitor Centre and Cycle Hire Review	Review undertaken	Review completed and plan put in place by July 2024
Asset enhancement projects in this year/decile	Pump Farm: Farm house restoration completed.	– Cruck Barn repair and development (North Lees) – Cressbrook footbridge replaced – Agricultural building developments on Warslow Moors All Completed by March 2025
Review National Park Authority headquarters needs and aspirations	New action added where activity will not commence until 2024/25	– Project Plan – Funding Profile – Business case All Completed by March 2025
Manage disposals and acquisitions to respond to estate plans and new opportunities	New action added where activity will not commence until 2024/25	Meet targets in Asset Management Plan. Reported to Programmes & Resources by March 2025
Warslow Moors Whole Estate Plan development	New action added where activity will not commence until 2024/25	Anticipated to start in Decile 3 2024/25 (subject to recruitment)

Progress opportunities for new car parking provision	New action added where activity will not commence until 2024/25	Enforcement brought in house by October 2024 to increase income. Plan developed (presented to Programmes and Resources Committee before October 2024). Expansion of 2 car parks by March 2025 subject to planning approval.
Objective F (Governance): To have best practice governance arrangements in place.		
Target: All internal and external audits relating to governance are rated as providing substantial assurance or equivalent. **Responsible officer:** Authority Solicitor (Monitoring Officer) / Head of Resources		
Actions	**Critical Success Decile 2**	**Critical Success 2024/25**
Review our Code of Corporate Governance and produce Annual Governance Statement	New action added where activity will not commence until 2024/25	Annual report – 31st May
Training and support Members to fulfil their role and make informed decisions (report annually)	– Member training attendance (100%)	– Member training attendance (100%) – Induction participation (100%) – Members survey completed
Provide efficient and high-quality legal and governance support and guidance across the Authority including in its statutory functions	– No judicial review – No Maladministration charges – No Ombudsmen complaints upheld	– No judicial review – No Maladministration charges – No Ombudsmen complaints upheld
Support the governance working group to review the governance and decision making arrangements and implement changes	New action added where activity will not commence until 2024/25	Change projects delivered: - Standing orders reviewed - Public participation, report template & quality of reports reviewed - Review Members sight of on going work - Review role of Member Champions and learning

Objective G (Information and Performance): To have best practice IT access controls, security arrangements, performance and risk arrangements in place.		
Target: IT access controls, security arrangements, performance and risk to be rated at least reasonable assurance in all Audit reports. **Responsible officer:** Information Manager / Head of Resources		
Actions	**Critical Success Decile 2**	**Critical Success 2024/25**
Provide high quality customer and business support for the public and across the Authority	New action added where activity will not commence until 2024/25	Establish Annual customer survey programme: – Planning customer survey, including agents – CDST internal and external customer survey – Cycle Hire customer survey Performance targets to be set
Ensure security services and controls are fit for purpose and that all users are compliant with the measures	100% compliance (training/records/breaches)	100% compliance (training/records/breaches)
Coordinate performance and risk management of the National Park Management Plan and Authority Plan 2023-28 and develop future plans	– Audit report results	– NPMP report and format adopted (May 24) – Risk Management approach refresh (Sept 24) – Produce NPMP reporting platform – Year 1 report/Business plan
Whole Organisation Communications Plan (internal to external)	New action added where activity will not commence until 2024/25	Plan completed and programme targets established (March 25)
Appropriately source, store, process and make information accessible	– Projects underway (time/budget/outcome) – File digitisation progressing to time and budget	Projects delivered (time/budget/outcome) – File digitisation progressing to time and budget

Objective H (Climate Change): To reduce the Authority's greenhouse gas emissions.		
Target: Achieve a further 30% reduction in greenhouse gas emissions from the 2017/18 baseline. **Responsible officer:** Head of Assets & Enterprise		
Actions	**Critical Success Decile 2**	**Critical Success 2024/25**
Implement and keep up to date the Authority's Carbon Management Plan (CMP2)	Annual report on carbon pollution reduction – identify carbon reduction projects for 2024/25 by March 2024	Projects identified by March 2024

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Authority Plan Programme Year 2: 2024-25

Authority ambitions for 2024/25

Enabling delivery Aim: The Authority is inspiring, pioneering and enabling in delivering the National Park vision.	
Objective A (Planning): To achieve national performance standards for planning applications by type dealt with in a timely manner. **Target:** Percentage of applications determined in timescales: a) major applications 13 weeks, b) minor applications 8 weeks, and c) other applications 8 weeks.	
Action	**Responsible Officer**
Review, update and implement Local Enforcement Plan	Head of Planning
Review and adopt updated Local Plan	Head of Planning
Review, reinstate and provide pre-application advice service	Head of Planning
Objective B (Access): To achieve timescales and follow processes for the statutory functions under Countryside and Rights of Way Act and Town and Country Planning Act. **Target:** Meet 100% of timescales and processes.	
Action	**Responsible Officer**
Maintain PDNP managed footpaths to national standards	Head of Landscape & Engagement
Objective C (People): To have highly engaged, healthy and inclusive staff and volunteers. **Target:** Maximum of 9 days per year sickness level per staff member, targets for inclusiveness and staff engagement score to be set once baseline is established in 2023/24.	
Action	**Responsible Officer**
Promote Equality, Diversity to make our working environment more inclusive	Head of People Management
Promote and implement the work of the Health, Safety and Wellbeing Committee	Head of People Management
Update, promote and implement our offer on how we invest in people	Head of People Management
Enhance and grow our volunteering offer	Head of People Management

Objective D (Financial Resilience): To be financially resilient and provide value for money. **Target:** To have a deliverable Medium Term Financial Plan and achieve value for money in all internal and external audit reports.	
Action	**Responsible Officer**
Review and update the medium term financial plan (MTFP)	Head of Resources
Ensure financial processes meet public sector value for money standards/thresholds	Head of Resources
Set and deliver net income targets	Head of Resources
Develop and submit external funding bids	Head of Assets & Enterprise
Objective E (Assets): To have best practice arrangements in place for the Authority's assets. **Target:** To implement and maintain the Authority's Asset Management Plan	
Action	**Responsible Officer**
Visitor Centre and Cycle Hire Review	Head of Assets & Enterprise
Asset enhancement projects in this year/decile	Head of Assets & Enterprise
Review National Park Authority headquarters needs and aspirations	Head of Assets & Enterprise
Manage disposals and acquisitions to respond to estate plans and new opportunities	Head of Assets & Enterprise
Warslow Moors Whole Estate Plan development	Head of Assets & Enterprise
Progress opportunities for new car parking provision	Head of Assets & Enterprise
Objective F (Governance): To have best practice governance arrangements in place. **Target:** All internal and external audits relating to governance are rated as providing substantial assurance or equivalent.	
Action	**Responsible Officer**
Review our Code of Corporate Governance and produce Annual Governance Statement	Head of Resources
Train and support Members to fulfil their role and make informed decisions (report annually)	Head of Resources
Provide efficient and high-quality legal and governance support and guidance across the Authority	Head of Resources
Support the governance working group and implement changes	Head of Resources

Objective G (Information and Performance): To have best practice IT access controls, security arrangements, performance and risk arrangements in place. **Target:** IT access controls, security arrangements, performance and risk to be rated at least reasonable assurance in all Audit reports.	
Action	**Responsible Officer**
Provide high quality customer and business support for the public and across the Authority.	Head of Resources
Ensure security services and controls are fit for purpose and that all users are compliant with the measures.	Head of Resources
Coordinate performance and risk management of the National Park Management Plan and Authority Plan 2023-28.	Head of Resources
Update the Digital Plan and implement as resources allow.	Head of Resources
Appropriately source, store, process and make information accessible so we become a data led organisation.	Head of Resources
Objective H (Climate Change): To reduce the Authority's greenhouse gas emissions. **Target:** Achieve a further 30% reduction in greenhouse gas emissions from the 2017/18 baseline.	
Action	**Responsible Officer**
Implement and keep up to date the Authority's Carbon Management Plan (CMP2).	Head of Assets & Enterprise

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14. FARMING IN PROTECTED LANDSCAPES PROGRAMME – ARRANGEMENTS FOR THE FOURTH YEAR

1. Purpose of the report

To seek Member approval to extend the current arrangements for the delivery of the Farming in Protected Landscapes (FiPL) programme originally approved at the National Park Authority meeting on the 2 July 2021 (Min No 57/21).

Key Issues

- The Farming in Protected Landscapes (FiPL) programme was created by Defra as part of the Government's Agricultural Transition Plan in 2021. It provides funds to allow farmers and land managers to work with Protected Landscape organisations (National Park Authorities and National Landscapes teams) to deliver projects which deliver outcomes under the themes of climate, nature, people and place and for Protected Landscape Management Plan priorities.

- FiPL has been extremely successful nationally and in the Peak District National Park resulting in additional funding and a fourth year of the programme for 2024/2025 being announced as part of the Environmental Improvement Plan 2023. Please also see the key findings from the interim evaluation - Farming in Protected Landscapes: interim evaluation findings - Farming (blog.gov.uk). The popularity of the programme, the importance of the local adviser, local flexibility and bespoke projects along with the value of the Local Assessment Panels are all highlighted.

- The FiPL programme National Framework (NF) guides the delivery of the programme for all forty-four Protected Landscapes. It has continued to be updated as the delivery of the programme has evolved. The NF requires grant funding allocations to be made, committed and spent in each financial year. The NF also requires any grant applications that are over £10,000 (originally £5,000 and recently updated to £10,000 to recognise the increase in project costs, the increase in Countryside Stewardship rates, the increase in the overall FiPL budget and the demands on the Local Assessment Panels) and under £250,000 to be approved by a FiPL Local Assessment Panel (LAP).

- Standing Orders require any grants over £30,000 paid by the Authority to be approved by Members (below that approval is by Head of Service). This would mean having two authorisation processes for grants over £10,000. Such duplication would significantly slow down the awarding process, hinder the smooth delivery of the programme and not be consistent with the NF requirements for the LAP. It is therefore proposed that relevant Standing Orders continue to be temporarily suspended for the FiPL programme only and the NF requirements be followed instead.

- In order to align the FiPL Programme with the annual grant funding agreements under which this programme is being delivered, this programme will continue to be delivered under the same powers. Section 72 of the Environment Act 1995 will be applied which enables the Secretary of State to make grants to a National Park Authority for such purposes, of such amounts and on such terms and conditions as he thinks fit. These powers will be applied in pursuit of the statutory purposes of National Parks. Onward agreements with grant recipients will be under the powers given to National Parks under Section 65 of the Environment Act 1995.

- The FiPL programme continues to be an important and timely opportunity for Protected Landscapes to demonstrate how a local flexible approach to support programmes for farmers and land managers can deliver practical outcomes to support National Park purposes and objectives including, but not limited to, nature recovery and climate action. It continues to highlight the potential role of the Protected Landscapes organisations and their Management Plans in the delivery of future support schemes.

2. **Recommendations**

1. **To approve the extension of the Farming in Protected Landscapes programme for 2024-25, and to accept the additional funding allocated to the Authority for 2024-25 and**

2. **To continue to temporarily suspend the operation of Standing Order 7.C-3 for the delivery of the Farming in Protected Landscapes programme only, and to continue to adopt the requirements set out in the National Framework document for the authorisation of grants under that programme and**

3. **To continue to delegate authority to the Chief Executive Officer or their nominee to complete grant agreements authorised in accordance with the National Framework, in the standard form provided within the National Framework documents.**

How does this contribute to our policies and legal obligations?

3. The continued delivery of FiPL will contribute to a number of our policies and legal obligations:

- The 30 by 30 target through which the Government has agreed to conserve (protect) 30% of land by 2030.

- All seven of the special qualities, Aim One Climate Change, Aim Two Landscape and Nature Recovery, Aim Three Welcoming Place, Aim Four Thriving Communities including many of the objectives with their targets and headline delivery of the National Park Management Plan particularly for Aims One and Two; and the Authority Plan Aims One, Two, Three and Four actions.

- The Landscape Strategy 2023 was approved by Members at the Authority meeting in December 2022. It describes what is special about the Peak District landscapes, sets out the issues affecting the landscape and provides management guidelines to address the issues, conserve and enhance the landscape (minute reference 99/22).

- The Peak District Nature Recovery Plan which has been developed with constituent Local Authorities and key partners and will complement the six future county-based Local Nature Recovery Strategies. Once completed the Nature Recovery Plan will sit as part of the NPMP and the revised Local Plan. The final draft will be considered by Members in March 2024.

Background Information

4. At the Authority meeting on the 19 February 2021 (Min No 8/21) Members approved the 2021/22 budget, which included acceptance of FiPL funding. The programme was originally to run from mid-2021 to 31 March 2024.

5. At the Authority meeting of the 2 July 2021 (Min No 57/21) Members agreed to temporarily suspend the operation of Standing Order 7.C-3 for the delivery of the FiPL only, and to adopt the requirements set out in the FiPL National Framework document

for the authorisation of grants under that programme only. Members also delegated authority to the Chief Executive Officer or their nominee to complete grant agreements authorised in accordance with the National Framework, in the standard form provided within the National Framework documents. The full report can be found at National Park Authority 2 July 2021 Farming in Protected Landscapes report .

6. The project fund budget for 2024/2025 for the Peak District National Park is £2.3 million the largest allocation of the four years of the programme. The table below sets out the allocation of project funding over the life of the programme:

Financial Year	**Project Fund Budget**
2021/2022	£475,000
2022/2023	£1,213,103
2023/2024	£1,619,626
2024/2025	£2,303,589
Overall Total	**£5,611,318**

7. Programmes and Resources Committee considered a report on Landscape and Nature Recovery Aim Overview on the 26 January 2024. This report provides a summary of FiPL delivery to date. Please see the report and appendices at item 6 Programmes and Resources Committee Friday 26th January 2024 Landscape and Nature Recovery Aim Overview.

Proposal

8. The proposal is to seek Member approval for the 1-year extension of the programme and acceptance of further funding; the continuation of the temporary suspension of Standing Orders 7.C-3 for the delivery of FiPL only; and for the continuation of delegation of authority to the Chief Executive Officer or their nominee to complete FiPL grant agreements authorised in accordance with the National Framework, in the standard form provided within the National Framework.

Are there any corporate implications members should be concerned about?

Financial:

9. The FiPL Project fund is provided by Defra and whilst the largest annual amount of the four-year programme for year four (2024/2025) is welcomed it is likely to prove difficult to spend to the actual full amount by the 31 March 2025. The target date for project completion in year four will be 31 December 2024 so that there is time for receipted invoices etc to be provided and the grants paid and evidenced to Defra together with the final year evidence. There is an additional allowance for the cost of the administration, advice and guidance which includes overheads of staff employed by the Authority.

Risk Management:

10. The main risk for the Authority is being unable to support farmers and land managers to develop and deliver projects and fully utilise the £2.3 million in year four. In order to mitigate this risk, it has been agreed with the Chief Executive and Finance Officer that the 2023/2024 budget will be over committed by up to £1 million in order to give grant

recipients the maximum amount of time to complete their projects during 2024/2025. It is considered important that the funds are spent well on projects that score well.

11. In addition, there is a risk that as the programme nears 31 March 2025 that programme staff will have to seek other employment opportunities and that there may be a lack of capacity to complete delivery of the programme. Options for the future of FiPL are actively being considered by Defra but the outcome of these discussions is not yet known.

Sustainability:

12. FiPL is a short-term programme originally from 2021 to 31 March 2024 and now extended to 31 March 2025. However, if the approach of more flexible local delivery and the value of trusted local advice and support continue to be demonstrated to work then this could further influence the future design of the new Environmental Land Management schemes and the role of Protected Landscapes in such schemes.

13. In addition, sustainability and legacy is one of the factors in the scoring system for applications so will be considered when applications are assessed.

Equality, Diversity and Inclusion:

14. There are no direct implications for equalities in the activities contained within this report. Indirectly, responding to landscape and nature recovery could have a positive impact on the nine protected characteristics by providing a more resilient environment.

15. Climate Change

FiPL funding will provide a number of opportunities for farmers and land managers to help address climate change issues under both the carbon and nature themes.

16. Background papers (not previously published)

None.

17. Appendices

None.

Report Author, Job Title and Publication Date

Suzanne Fletcher, Head of Landscape & Engagement, 25 January 2024

15. PROPOSED CHANGES TO THE MEMBERSHIP OF THE PLANNING COMMITTEE AND THE PROGRAMMES AND RESOURCES COMMITTEE

1. Purpose of the report

To request a change to the current Local Authority Members appointed to the Planning Committee.

Key Issues

- The Environment Act 1995 requires the membership of Committees to reflect the makeup of the membership of the Authority which means there should be a majority of Local Authority appointed Members over the Members appointed by the Secretary of State.
- Standing Order 1.40 (3) (ii) states "Members shall be appointed to the Planning Committee by the allocation of a number of places to the constituent councils and to the Secretary of State appointed National and Parish Members in such proportions as are determined at each Annual meeting. The remaining Members will be appointed to the Programmes and Resources Committee".

2. Recommendations

1. **To agree to the request from Cllr O'Leary, the Cheshire East representative, to move from the Planning Committee to the Programmes and Resources Committee and to confirm his appointment to the Programmes and Resources Committee until the annual Authority meeting in July 2024.**
2. **If recommendation 1 is agreed then to appoint another Local Authority Member to the vacant Cheshire East place on the Planning Committee until the annual Authority meeting in July 2024.**

How does this contribute to our policies and legal obligations?

3. The Environment Act 1995 requires that membership of the Committees should as far as possible reflect the makeup of the membership of the Authority. This means that each Committee should, in most cases, have a majority of Local Authority appointed Members over the Members appointed by the Secretary of State, which includes Parish Members. The Authority's Standing Order 1.40 (3) (ii) refers to the allocation of places to the Planning Committee and the Programmes and Resources Committee. The changes proposed would be in accordance with this.

Background Information

4. The Authority has previously agreed to fix the 2 Standing Committees to 15 with half of the Authority Membership appointed to each Committee. According to the proportionality requirements in the Environment Act 1995 there should be 8 Local Authority Members on each Committee and 7 Members appointed by the Secretary of State (this includes Parish Members). The Local Authority Member places on the Planning Committee are currently allocated, at the annual Authority meeting each year, with regard to appointing Authorities as follows:

Derbyshire CC	1
Derbyshire Dales DC	1
High Peak BC	1
Cheshire East BC	1
Staffordshire CC/Staffordshire Moorlands DC	1
Metropolitan District Councils/NE Derbyshire DC	3

5. At the annual Authority meeting last year the new Member representative for Cheshire East, Cllr O'Leary, was appointed to the Planning Committee in accordance with the allocation of places for Local Authority Members detailed above. Unfortunately, Cllr O'Leary has found that his work commitments conflict with Planning Committee meetings and have prevented him from attending therefore he has requested to not be appointed to the Planning Committee and be appointed to the Programmes and Resources Committee instead.

6. If Cllr O'Leary's request is agreed it is suggested that the Cheshire East place on the Planning Committee be offered to another Local Authority Member until the next annual Authority meeting in July. The Chair of Planning Committee, Cllr Brady, is supportive of this suggestion as is Cllr O'Leary. There is precedent for this as the previous Cheshire East Council representative, Cllr Gregory, requested not to be on Planning Committee for 2 years in 2021 and 2022.

Proposals

7. To agree to the request from Cllr O'Leary, Cheshire East Council representative, to not be appointed to the Planning Committee and instead be appointed to the Programmes and Resources Committee. Then if the requested change is agreed to appoint another Local Authority Member to the vacant Cheshire East Council place on the Planning Committee.

Are there any corporate implications members should be concerned about?

Financial:

8. No issues.

Risk Management:

9. No issues.

Sustainability:

10. No issues.

Equality, Diversity and Inclusion:

11. No issues.

12. Climate Change

No isues.

13. Background papers (not previously published)

None.

14. Appendices

None.

Report Author, Job Title and Publication Date

Ruth Crowder, Customer and Democratic Support Manager, 25 January 2024

16. **PROPOSED DERBYSHIRE DALES DISTRICT COUNCIL AND PEAK DISTRICT NATIONAL PARK AUTHORITY JOINT WORKING GROUP ON HOUSING IN THE NATIONAL PARK AND APPOINTMENT OF MEMBERS**

1. Purpose of the report

To agree to a Joint Working Group with Derbyshire Dales District Council (DDDC) regarding housing in the National Park and to appoint 3 Members to the Joint Working Group.

Key Issues

- **Furthering the aims of the National Park Management Plan with respect to Thriving Communities.**
- **Agreeing member appointments to enable commencement of the group.**

2. Recommendations

1. **To agree to set up a Joint Working Group with DDDC regarding Housing in the National Park.**
2. **To appoint 3 Members to the DDDC and PDNPA Joint Working Group on Housing in the National Park.**
3. **To confirm that attendance at meetings of the Joint Working Group is an approved duty for the payment of travel and subsistence allowances as set out in Schedule 2 of the Members' Allowance Scheme.**

How does this contribute to our policies and legal obligations?

3. The National Park Management Plan (NPMP) sets the vision for the National Park and the context for the Local Plan. The Management Plan says that by 2028 we will have:

- a Local Plan that Enables people with local roots to live in or return to the National Park;
- Helps families to remain together in mutual support Addresses a range of second and holiday home issues;
- Addresses a range of local population issues;
- Increases the stock of affordable housing protected in perpetuity through housing associations, local housing trusts, and opportunities for individuals to own their own home.

4. This Joint Working Group will help to understand how to achieve better outcomes in delivery of the NPMP.

Background Information

5. This Joint Working Group is being proposed following discussions with DDDC and will enable mutual understanding of the issues involved with the planning and delivery of housing in the DDDC areas within and outside of the Peak District National Park and to share and discuss information. It will seek to deliver better local outcomes and more joined-up policy approaches to the provision of housing in the Peak District National Park and the Derbyshire Dales (outside the PDNPA).

6. The proposed terms of reference for the Joint Working Group are shown in Appendix 1

of this report.

7. It is proposed that there will be 6 Members on the Joint Working Group, 3 from DDDC and 3 from PDNPA, together with 2 Officers from each Authority. As the terms of reference for the Joint Working Group link to the Local Plan it may be prudent to appoint Members who are already appointed to the Authority's Local Plan Review Member Steering Group.

Proposals

8. To agree to set up a Joint Working Group with DDDC regarding housing in the National Park, to appoint 3 Members to the Joint Working Group and that attendance at meetings is an approved duty, for the purposes of travel and subsistence, in accordance with the Members Allowances scheme.

Are there any corporate implications members should be concerned about?

Financial:

9. Travel and subsistence costs for Members attending meetings are covered within existing budgets.

Risk Management:

10. Establishment of the working group improves partnership working and thereby reduces the reputational and political risks around thriving community aims and affordable housing delivery. A working group can help raise awareness and increase mutual respect of the different roles and issues impacting on partner authorities.

Sustainability:

11. The delivery of further schemes of affordable housing compatible with our statutory purposes will strengthen the sustainability of our communities and the National Park.

Equality, Diversity and Inclusion:

12. In itself a working group is a more inclusive and engaging mechanism to help deliver the National Park Management Plan. This particular group is aimed at addressing specific local needs impacting on families and individuals in need of affordable housing which then drives more inclusive communities. The Local Plan review will undertake a sustainability appraisal which will consider the impacts on people and mitigations that may be needed.

13. 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

   c. Protecting the National Park

   d. Leading the way in sustainable land management

   e. Exemplars in renewable energy

f. Working with communities

2. How does this decision contribute to the Authority meeting its carbon net zero target?

3. How does this decision contribute to the National Park meeting carbon net zero by 2050?

4. Are there any other Climate Change related issues that are relevant to this decision that should be brought to the attention of Members?

   The Local Plan review will consider the scope to mitigate all development from carbon emissions and will be produced in conjunction with a new design code to consider the scope for sustainable design and considerations of embodied carbon.

14. Background papers (not previously published)

None.

15. Appendices

Appendix 1 - Proposed Terms of Reference.

Report Author, Job Title and Publication Date

Phil Mulligan, Chief Executive, 25 January 2024.

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JOINT WORKING GROUP (DDDC AND PDNPA) ON HOUSING IN THE NATIONAL PARK
TERMS OF REFERENCE

Background

Strategic policy-making authorities are required to cooperate with each other, and other bodies, when preparing, or supporting the preparation of policies which address strategic matters. This includes those policies contained in local plans[1].

The National Planning Policy Framework[2] sets out that strategic policies should make sufficient provision for housing, including affordable housing.

The *English national parks and the broads: UK government vision and circular 2010*[3] sets out that 'the Government recognises that the Parks are not suitable locations for unrestricted housing and does not therefore provide general housing targets for them. The expectation is that new housing will be focused on meeting affordable housing requirements, supporting local employment opportunities and key services'.

The Peak District National Park Management Plan sets the vision for the National Park and the context for the Local Plan. The Management Plan says that by 2028 we will have a Local Plan that:

- Enables people with local roots to live in or return to the National Park;
- Helps families to remain together in mutual support;
- Addresses a range of second and holiday home issues;
- Addresses a range of local population issues; and
- Increases the stock of affordable housing protected in perpetuity through housing associations, local housing trusts, and opportunities for individuals to own their own home.

A statement of Derbyshire Dales Local Plan and housing policy position is required here.

The Derbyshire Dales Local Plan is currently subject to review, with the intention that a revised Local Plan is adopted during 2026. The District Council has set out that its objectives for the revised Local Plan include that it should enable and strengthen flourishing communities within Derbyshire Dales, as well provide social and affordable housing where it is needed.

Purpose to

- Enable mutual understanding of the issues involved with the planning and delivery of housing in the DDDC areas of the Peak District National Park;
- Enable mutual understanding of the issues involved with the planning and delivery of housing within the DDDC area outside the Peak District National Park
- Explore scope for joint evidence base;
- Share and discuss evidence;
- Utilise the evidence base to prepare mutually agreeable local housing policies
- Share and discuss policy options;

[1] Planning Practice Guidance Paragraph: 009 Reference ID: 61-009-20190315 Revision date: 15 03 2019
[2] National Planning Policy Framework - GOV.UK (www.gov.uk)
[3] English national parks and the broads: UK government vision and circular 2010 - GOV.UK (www.gov.uk)

- Facilitate the production of statutory Statements of Common Ground and Duty to Cooperate.
- Develop a framework for implementing the duty to cooperate that recognises the requirements and constraints on each party.
- Develop an agreed outcome for the duty to cooperate.
- Prepare a joint commitment and bidding framework for targeted funding from Homes England and any other relevant sources.
- Jointly lobby government for additional tools to tackle extreme issues of second and holiday homes.

Membership

- Derbyshire Dales district Council – three elected Members and two Officers.
- Peak District National Park Authority – three Members and two Officers.

Guiding Principles

- To show strong collective leadership and seek to deliver better local outcomes and more joined-up policy approaches to the provision of housing in the Peak District National Park and the Derbyshire Dales (outside the PDNPA).
- To work across organisational boundaries to deal with strategic and emerging challenges whilst maintaining local control.
- To focus on specific issues of concern (to be determined at first meeting).
- To prioritise the actions to be considered to address the issues of concern.
- To utilise the collective evidence base of the PDNPA and DDDC to secure closer alignment of our planning policy strategies.

Frequency of Meetings

- To be determined at the first meeting.

Chairing and Support of the Working Group

- To be determined at the first meeting.