

APPENDIX 2

SPECIFIC RESERVES: (Strategies Underlined)

Name of Reserve: CAR PARKS AND ASSOCIATED FACILITIES

The purpose of the Reserve is to provide top-up funding for large maintenance or emergency projects that cannot be funded entirely from the annual budget.

The car parks and associated facilities reserve remains crucial. This next year it will help fund the partial resurfacing and drainage improvements at Tideswell Dale Car Park and will also help fund the rolling programme of pay and display machine upgrades. The reserve needs to include a reasonable sum to cover potential emergencies too and may also be utilised for environmental improvements to the car parks and the services provided. With the recent increase in parking charges and focus on our brand image, it is even more important that the car parks remain well maintained. The appropriation into the reserve in the outturn will help to support refurbishment of a toilet block to justify and support a future charging proposal.

Name of Reserve: TRAILS (High Peak, Tissington, Monsal and Thornhill)

The purpose of the Reserve is to provide for emergency projects and to build up the reserve for future planned maintenance and repair work where there are significant financial liabilities. It is essential that the Trails reserve is available to help with emergency projects on the trails, in order to ensure the safety of users. Emergency funding for trails structures is periodically required due to the large number of high retaining walls. Adverse weather conditions can, and have, revealed hidden weaknesses that must be repaired promptly for public safety reasons.

There is a huge maintenance liability associated with the trails, given the number of bridges and viaducts, as well as the tunnels. The reserve is required to help fund certain essential maintenance works associated with these assets, ie ongoing tunnel repointing. The 6-yearly general inspection of structures is currently underway and is likely to result in a substantial work programme that cannot be funded from the annual budget.

Future funding requirements for Millers Dale & Monsal viaducts are likely to be beyond the scope of this reserve and will have to be planned for corporately.

Name of Reserve: ALDERN HOUSE

The purpose of this reserve is to help with unexpected or exceptional remedial works and to fund work undertaken to achieve our accommodation outcomes. The maintenance element of the revenue budget for Aldern House allows for a minimal amount of essential maintenance to be undertaken. Any expenditure outside of this is unfunded and requires additional allocations. This specific reserve is needed as a contingency to support this work and to help fund repair works or environmental improvements which cannot be met from the revenue budget. An extensive programme of external repairs and redecoration was begun early in 2012 which emptied the reserve and the appropriation of £7,000 attempts to restore a minimum level of capability in the reserve.

Name of Reserve: INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) FUND

The specific reserve supports the implementation of the Authority's Information Management Strategy and Capital Programme 2014-2019. The reserve will be used to supplement the Capital Strategy funding as needed, and is capped at £50,000; however in 2015/16 the core infrastructure reaches the end of its life and is proposed to move to a leased rather than an owned infrastructure base, with managed services. This will be easier to sustain, is more secure, and is a more flexible model should volumes change. The temporary increase in the reserve will allow the transition to be financed.

Name of Reserve: WARSLOW ESTATE RESERVE

The Reserve is used as support to the revenue budget for large capital or maintenance projects, being either new development, essential maintenance / refurbishment. Examples would be the refurbishment of farm houses and cottages, erection of new farm buildings (particularly manure storage facilities to meet modern regulations) and the restoration of other buildings to enhance their conservation and commercial opportunities. The cost of such work cannot usually be wholly met from the estate revenue budget. The Reserve has been much depleted in recent years but is gradually being built up again from small financial surpluses for other projects on the Estate. With over 150 buildings, the Warslow Moors Estate is always likely to require unplanned or significant expenditure for as long as it is under the management of the Authority.

Name of Reserve: NORTH LEES ESTATE RESERVE

The Reserve is used as support to the revenue budget for large capital or maintenance projects, being either new development, essential maintenance / refurbishment. Examples would be improvements to the campsite, and developments in managing the Estate under the new business plan. It is anticipated that in 2015/16 the reserve will be used to part fund repair and alterations to the existing modern farm building to ensure it meets animal welfare standards.

Name of Reserve: MINOR PROPERTIES RESERVE

The Reserve is used as support to the revenue budget for large capital or maintenance projects, being either new development, essential maintenance / refurbishment. The portfolio of minor properties is quite diverse and the maintenance revenue budget is very small.

Name of Reserve: DESIGN EQUIPMENT

There are two distinct areas that reserves are needed for:

The first area is following the decision to fund the design team posts through income generation model it is necessary for a reserve to be in place to;

- To enable the computer systems, software, and staff training to be upgraded and replaced when necessary as no central IT funding is available to do this.
- sick leave
- staff training (both the cost of the courses and to cover the lost income while they are attending) to meet the authority's commitment for all staff to receive 4 FTE training days a year
- to cover lost income while staff attend team meetings or other corporate events (eg staff roadshows).

- Toil leave and carried forward annual leave (there is significant time accumulated here which will impact this year on income generation potential).

The second area is to ensure that the design team's salaries is underpinned as part of their income targets. This will ensure that should income decline during a year for whatever reason the team's salary costs will be underwritten from their own reserves at no risk to the Authority.

Name of Reserve: VISITOR SERVICES DEVELOPMENT

The overall Strategy for use of this reserve is related to the raising of standards and quality of the Visitor Services. This arose from the Park Management Information Centres' Development Strategy and Programme approved in July 1998 (Min 46/98).

1. To raise the quality of our Services, to better promote understanding and enjoyment of the National Park, reduce our environmental impacts and increase sales potential.
2. To improve accessibility of information, services and facilities for visitors.
3. To enable match funds to be available to support external funding and partnership bids.

In the long term, the value in retaining a base level of £50,000 reserve is that it provides a resource to continue to upgrade and improve services through a rolling development programme. Currently, the reserve is above the base level at £111,000, and future budget pressures with raised income targets mean the reserve level is justified. Development proposals at Castleton Visitor Centre, improvements at Bakewell Visitor centre and essential repairs to the roof structure / water feature at the Moorland Centre are being considered, subject to a report to Members prior to any expenditure being incurred.

Name of Reserve: WOODLANDS RESERVE

This reserve allows the operation of a rolling programme of acquisition and disposal, so that the Authority can achieve important benefits for woodland biodiversity, landscape enhancement and public access. The NPA owns or leases over 100 small woodlands throughout the National Park.

They include some of the most conspicuous landscape features in the National Park on the tops of hills and alongside busy roads, as well as limestone dale woods that are important for biodiversity, and 29 woodlands that have been Dedicated for Open Access under the CROW Act. Park Management Committee approved a rolling programme of acquisitions and disposals in November 1994 (Minute 160/94) to ensure that only those woodlands in need of special protection were managed. A review of the woodlands is currently underway with a view to disposing of a significant number. It is planned to dispose of 6 woods in the summer of 2015 with a further 6 to 10 in the autumn.

Name of Reserve: CONSERVATION ACQUISITIONS FUND

This reserve was created for the purchase of land of conservation importance. The concept of this reserve is retained as part of the Asset Management Plan process to help support any rolling programme of acquisitions and disposals (sales with covenants or from leases) related to conservation matters. The appropriation of £19,000 from slippage in financial year 2013/14 allowed for the cashflow impact of temporarily holding and financing land acquisitions to be accommodated, pending subsequent disposals.

Name of Reserve: CYCLE HIRE TRADING RESERVE

The purpose of this reserve is to provide a fund to cover any operational shortfall and to help with developments to maintain and improve the Cycle Hire Centre buildings

The reserve is needed to continue with improvement work identified in the Cycle Hire Review and Business Plan, to act as a buffer against any unexpected repairs/maintenance or poor operational performance which cannot be met from the revenue budget during the year as well as funding future investment programs in order to upgrade and improve the quality of the Service. The reserve may also be required to insulate the cycle hire building at Derwent. As identified in the cycle hire ARP report, a programme of marketing, advertising and branding of the cycle hire service is to be carried out during the 2015-16 season which the reserve will help to fund.

Furthermore, although the Cycle Hire Review and Business Plan recommends the reserve should remain at a level between 3% and 5% of the income target (£15,000), the continually increasing cost of supplies which are essential to the successful operation of the service means this should be set as a minimum level.

Name of Reserve: VEHICLE RESERVE

The purpose of this reserve is to help to support the maintenance requirements of vehicles owned and operated by the Authority.

The Authority's fleet is no longer predominantly leased and is now owned by the Authority, using borrowing powers to purchase vehicles. The Business Case approved by Resource Management Team and Services Committee includes estimates for average maintenance per vehicle per year. In any given year the maintenance demands should even out between vehicles, but in the earlier years it is likely that maintenance requirements will be lower than when vehicles reach the end of their operating life. Therefore, it is important that the maintenance budgets are ring-fenced and carried forward to ensure that there is cover for heavier maintenance costs as the fleet gets older. The availability of the reserve and its use will also support the business case assumptions by ensuring that resources for running the fleet are found from within the budgets and parameters set out in the original business case. Where possible, the Authority will use the flexibility of ownership and this reserve to make judgements on when vehicles should finally be replaced, and enabling vehicles potentially to be used beyond their planned 8 year life, subject to considering the environmental cost of manufacture against reliability / residual values & technological improvements in emissions and pollution. The amount in the reserve will be reviewed each year to ensure coverage of future liabilities; it is considered that the reserve is at a reasonable level and no requests have been made to increase it.

Name of Reserve: PLANNED MAINTENANCE RESERVE

The purpose of this reserve is to help to support the maintenance requirements of Authority properties not specifically addressed above

Budget holders have been asked to ensure that they budget each year for planned maintenance, in conjunction with the Property Support Manager, and ring-fence appropriate sums from budgets at the start of each year. The Property Support Manager will then help manage a programme of maintenance accordingly. It is accepted that the scope for ring-fencing sums for maintenance varies according to individual budgets, and constraints on achieving financial objectives can restrict the sums capable of being planned in advance. Where income appears likely to exceed budgets Heads of Service have been encouraged to ensure that this additional income is earmarked to enable essential maintenance expenditure to be carried out; and where funds

remain at the year end appropriations to specific reserves are intended to allow longer term planning for maintenance using these funds. Where there is not an existing reserve, but there is a maintenance requirement for underlying assets (e.g. Ranger briefing centres within the Field Service) this reserve is intended to be operated for allowing a small amount of maintenance to be carried out for higher priority items. It is intended that budgets set at the beginning of the year for planned maintenance will be ring-fenced and if underspends occur against the maintenance programme, the funds remaining will be allocated to this reserve.

Name of Reserve: MINERALS AND LEGAL RESERVE

The purpose of this reserve is to help support the Authority's planning policies for minerals throughout the legal process.

Resource Management Team monitor the call on the Authority's resources in the Minerals Finance Plan, which aims to forecast estimated expenditure on cases likely to be required on a 3 year rolling horizon. When resources are required they are approved by committee and allocated to this reserve; expenditure from the reserve follows specific Authority resolutions. RMT in January 2015 considered the overall minerals and legal issues facing the Authority and concluded that the reserve at its current level was justified. The funds within the reserve are currently approximately 50% of possible costs; however these costs are measured based on a worst case basis and in practice the provision at this percentage of funding has been sufficient based on results to date. RMT will receive reports in future from the Director of Planning.

Name of Reserve: RESTRUCTURING RESERVE

The purpose of this reserve is to cover transitional expenditure arising from the probable need to make significant savings in the Spending Review period up to 2018/19.

The creation and use of the reserve was approved by the Authority in June 2010 (paragraph 14 g of that report), to fund changes in the staff establishment, to finance possible invest to save business cases and possible exit strategy / transition costs. Any use of the reserve is subject to a business case to Resources Management Team (if the matter is delegated) and use of the value for money criteria for deciding on whether changes in staffing create long term revenue savings. The reserve will be required to finance further transitional costs, although it is considered that the reserve at its current level will need to be restricted to redundancy and superannuation shortfall costs only. Random samples of the termination costs of approximately 30 FTE staff across the current 200 FTE staff vary between £350,000 - £600,000, based purely on statutory redundancy entitlements and superannuation shortfall payments.