YORKSHIRE DALES NATIONAL PARK AUTHORITY **ITEM 5**

Committee: **FINANCE AND RESOURCES**
Date: **11 February 2020**

Report: **DRAFT BUDGET 2020/21**

Purpose of report

1. To seek Members approval for the draft 2020/21 Budget for the National Park Authority, the following two years indicative budgets and the related Reserves and Treasury Management Strategies.

Recommendation

2. That Members approve the draft budget for 2020/21 and indicative budgets for 2021/22 and 2022/23 (**Appendix 1**), the Reserves Strategy (**Appendix 5**), and Treasury Management Strategy (**Appendix 7**) for 2020/21, for submission to the full Authority for final approval.

Strategic Planning Framework

3. The information and recommendations contained in this report are consistent with the Authority's strategic planning framework, and in particular with 2019/20 Corporate Plan action 34.8, to 'Prepare the Medium Term Financial Strategy (Three Year Budget) for 2020/21 to 2022/23'.

Introduction: setting the scene

4. The Draft budget presented here will provide the resources to deliver the Authority's objectives which were approved in December 2019, for which the actions will be set out in the Corporate Plan for 2020/21.

5. For the first time, this Draft budget paper incorporates the Authority's Treasury Management Strategy, previously a stand-alone paper. This Strategy incorporates a Capital Strategy, which is in turn dependant on the Reserves Strategy for its funding. These strategies have slightly different purposes:

    - The **Treasury Management Strategy** sets out our borrowing plans for next year (no borrowing required) and our investment plans (bank deposit interest). It lists the capital investment requirements, and - new for this year - is supported by a Capital Strategy, putting these investments into context.

    - The **Reserves Strategy** sets out the allocations for capital investment (Property and Premises; IT; and Plant and Equipment), as Reserves allocated for revenue spending.

6. The ‘headlines’ of the 2020/21 budget are that:

    - it balances: planned expenditure matches income and use of Reserves;

    - it will exceed the income generation target set for the year by the Authority’s Income Generation Strategy, to support expenditure of (at least) £8.08m: planned expenditure in this budget totals £8.5m;

    - the staffing ratio (staff costs : gross expenditure) is 53.2%, comfortably within the range previously agreed by Members as prudent;

    - the allocation to the Opportunities Fund for the year is £84k, available for spending on as yet unidentified activity; this will be used as a source of match funding for new, grant-funded projects;

    - it is based on the assumption that our Defra grant will include an allowance for inflation; at the time of writing, discussions concerning the 2020/21 grant were ongoing. By the date of this meeting, we may know more about this position;

    - capital investment plans for Premises, IT and Plant & Equipment, are in place, funded from Reserves;

    - the final version of the budget will include an allocation to support activity on ‘the future of farming’; the proposal is in the process of being worked up, but is likely to take the form of a full time post for 3 years (c£40k pa, including employer on-costs) and money to spend to support farm business improvements that also bring environmental benefits (£30k pa). This addition will be made alongside any adjustments that may be needed once the Defra settlement is known. The differences between this draft budget and the final version will be highlighted within the Authority report;

    - this budget makes no allowance for the forthcoming Climate Change Action Plan. This Plan will form part of the agenda for the Authority meeting in March 2020.

The Draft Budget

7. The budget set out in these papers has been drafted to support the delivery of the objectives and aspirations of the Authority, and in particular our four priority programmes:

    - Continue to deliver an efficient, high-quality **Development Management** service across the whole of the National Park.
    - Develop and deliver new and externally-funded approaches to support high-nature value farming and **Land Management and Biodiversity** projects.

- Deliver a high-quality **Rights of Way** network, including improving the condition of rights of way in the new area of the Park to ensure a consistent standard across the whole Park.
- Expanding our **Access for All** work, to make the National Park more accessible, including promoting understanding of its special qualities, to a wider range of visitors.

8. More detailed information on all programme and corporate activity budgets is contained within the appendices listed below.

- **Appendix 1**: Draft Budget (Medium Term Financial Strategy 2020-2023).

  This shows the detailed budget for 2020/21 and projections for the following two years. Programmes are grouped according to their priority for 2020/21. Each program includes the cost of employing the officers directly involved in its delivery. Overhead costs are shown under the heading 'Corporate Employment and Central Costs'. Detailed programme descriptions are included at **Appendix 4.**

- **Appendix 2**: Budget assumptions, including staff costs.

- **Appendix 3**: Significant budget changes.

- **Appendix 4**: A full set of budget proposals, one for each programme.

- **Appendix 5**: Reserves.

  The draft budget makes scheduled use of a significant proportion of our allocated Reserves in 2020/21, but it is also likely that some of the other allocated Reserves not currently scheduled for spending in 2020/21 will also be used in that year. At this stage the timing of such spending is too uncertain to add it into the budget. However, when the allocated reserves do come into play, adjustments will be included (and highlighted as such) within the quarterly management accounts presented to this Committee.

- **Appendix 6**: Risks.

- **Appendix 7**: Treasury Management Strategy

Income Generation

9. The Income Generation Strategy for three years 2019/20-2021/22, agreed by the Authority in December 2018, has the objective of maintaining the *real* value of the Authority's gross expenditure by area (£/km^2) as measured by the baseline of 2014/15. Based on current inflation projections, achieving that objective would require the Authority to generate sufficient income to fund expenditure of **£8.08m** in 2020/21 rising to £8.26m in 2021/22.

10. The Medium Term Financial Strategy presented here shows that we are on course to exceed the above objective. Total planned expenditure within the draft budget for

2020/21 is **£8.5m**, and the projections for 2022/23 and 2022/23 are at the same level. The likelihood is that all of these figures will be revised upwards, as a result of further successes on income generation, and as some additional allocated reserves are used

Equalities Impact Assessment

11. An Equalities Impact Assessment has been completed for this report and the proposals it describes, with specific reference to the protected characteristics prescribed by the Equalities Act 2010. This assessment concluded that the proposals have no adverse impact with respect to equalities.

Michelle Clyde
Head of Finance & Resources

Richard Burnett
Director of Corporate Services / **Treasurer**

28 January 2020

APPENDIX 1

Medium Term Financial Strategy 2019-2023

	2019/20 BUDGET NET £000's	2020/21 BUDGET NET £000's	2021/22 BUDGET NET £000's	2022/23 BUDGET NET £000's
PROGRAMME BIDS:				
PRIORITY PROGRAMMES				
Staff Cost	681.5	689.9	702.6	712.2
Programme Cost	56.5	59.2	59.5	59.7
Income	(269.0)	(269.0)	(269.0)	(269.0)
Development Management Total	**469.0**	**480.1**	**493.0**	**502.9**
Staff Cost	592.9	603.2	581.5	586.9
Staff income	(113.6)	(109.0)	(105.0)	(93.0)
Programme Cost	213.1	363.0	337.5	330.0
Income	(80.9)	(118.0)	(118.0)	(118.0)
Land Management & Biodiversity Total	**611.4**	**739.2**	**695.9**	**705.9**
Staff Cost	434.9	445.5	453.3	461.7
Staff Income	(69.5)	(72.1)	(73.2)	(74.2)
Programme Cost	665.5	717.2	665.9	576.7
Income	(326.6)	(322.6)	(322.6)	(322.6)
Rights of Way Total	**704.3**	**767.9**	**723.4**	**641.5**
Staff Cost	138.1	188.7	178.4	180.0
Staff Income	(26.6)	(41.0)	(40.0)	(40.0)
Programme Cost	48.4	72.9	61.0	71.0
Income	(4.2)	(6.6)	(3.4)	(3.4)
Access For All Total	**155.7**	**214.0**	**196.0**	**207.6**
Total Priority Gross Cost	**2,830.8**	**3,139.6**	**3,039.5**	**2,978.1**
Total Priority Income	**(890.4)**	**(938.4)**	**(931.2)**	**(920.2)**
Total Priority Net Cost	**1,940.5**	**2,201.2**	**2,108.4**	**2,057.9**

	2019/20 BUDGET NET £000's	2020/21 BUDGET NET £000's	2021/22 BUDGET NET £000's	2022/23 BUDGET NET £000's
ADEQUATE PROGRAMMES				
Staff Cost	84.4	85.5	86.7	87.8
Programme Cost	128.5	153.6	196.5	158.1
Income	(74.9)	(86.9)	(86.9)	(86.9)
Dales Countryside Museum Total	**138.0**	**152.2**	**196.3**	**159.0**
Staff Cost	131.6	134.2	139.4	142.2
Programme Cost	60.7	68.5	98.5	58.5
Income	(35.0)	(30.0)	(50.0)	(30.0)
Historical Environment Total	**157.3**	**172.7**	**187.9**	**170.7**
Staff Cost	89.5	124.6	127.7	106.2
Programme Cost	75.0	55.0	70.0	50.0
Income	(20.0)	0.0	(20.0)	0.0
Development Planning Total	**144.5**	**179.6**	**177.7**	**156.2**
Staff Cost	0.0	0.0	0.0	0.0
Programme Cost	688.8	751.0	797.0	802.2
Income	(593.4)	(742.4)	(668.1)	(691.2)
Landscape Features Total	**95.4**	**8.6**	**128.9**	**111.0**
Staff Cost	226.9	231.8	250.6	238.1
Staff Income	0.0	0.0	0.0	0.0
Programme Cost	134.2	78.6	78.6	78.6
Income	(44.4)	0.0	0.0	0.0
Volunteers and Apprentices Total	**316.8**	**310.4**	**329.2**	**316.7**
Staff Cost	112.5	103.8	106.6	109.3
Staff Income	(11.5)	0.0	0.0	0.0
Programme Cost	40.0	105.0	30.0	30.0
Income	0.0	0.0	0.0	0.0
Tourism Total	**141.0**	**208.8**	**136.6**	**139.3**
Total Adequate Gross Cost	**1,772.2**	**1,891.6**	**1,981.6**	**1,861.1**
Total Adequate Income	**(779.2)**	**(859.3)**	**(825.0)**	**(808.1)**
Total Adequate Net Cost	**993.0**	**1,032.4**	**1,156.6**	**1,052.9**

	2019/20 BUDGET NET £000's	2020/21 BUDGET NET £000's	2021/22 BUDGET NET £000's	2022/23 BUDGET NET £000's
LIMITED PROGRAMMES				
Staff Cost	338.8	304.4	310.1	316.0
Programme Cost	381.4	296.9	299.5	302.7
Income	(352.7)	(312.5)	(312.5)	(312.5)
National Park Centres Total	**367.6**	**288.8**	**297.1**	**306.2**
Staff Cost	37.1	36.8	37.1	37.3
Programme Cost	175.0	185.0	185.0	175.0
Income	0.0	0.0	0.0	0.0
Sustainable Development Total	**212.1**	**221.8**	**222.1**	**212.3**
Staff Cost	66.5	69.2	71.1	73.2
Programme Cost	277.7	303.2	312.0	318.6
Income	(588.8)	(684.8)	(684.8)	(684.8)
Car Parks & Toilets Total	**(244.5)**	**(312.3)**	**(301.7)**	**(293.0)**
Staff Cost	110.6	113.7	115.7	117.8
Programme Cost	47.0	60.5	47.0	47.0
Income	(30.0)	(31.0)	(30.0)	(30.0)
Visitor Management Total	**127.6**	**143.2**	**132.7**	**134.8**
Total Limited Gross Cost	**1,434.1**	**1,369.8**	**1,377.4**	**1,387.6**
Total Limited Income	**(971.4)**	**(1,028.3)**	**(1,027.3)**	**(1,027.3)**
Total Limited Net Cost	**462.7**	**341.5**	**350.2**	**360.3**
PROGRAMME SUMMARY				
TOTAL GROSS PROGRAMME COSTS	**6,037.2**	**6,401.0**	**6,398.5**	**6,226.7**
TOTAL PROGRAMME INCOME	**(2,641.0)**	**(2,825.9)**	**(2,783.4)**	**(2,755.6)**
TOTAL PROGRAMME SPEND	**3,396.2**	**3,575.1**	**3,615.1**	**3,471.2**

	2019/20 BUDGET NET £000's	2020/21 BUDGET NET £000's	2021/22 BUDGET NET £000's	2022/23 BUDGET NET £000's
CORPORATE EMPLOYMENT & CENTRAL COSTS				
Conservation of the Natural Environment	113.8	115.9	118.0	120.4
Promoting Understanding and Enjoyment	107.4	109.7	113.7	117.8
Communications and Interpretation	171.1	172.9	175.4	178.1
Communications & Corporate - Ranger Services	68.8	71.0	71.4	71.9
Development Planning	29.7	0.0	0.0	0.0
Corporate Services	888.5	899.3	913.6	926.8
1% Vacancy Factor	(38.7)	(58.7)	(58.4)	(59.0)
Other Employee Costs - Corporate Management	34.0	18.2	18.3	18.4
Other Employee Income - Corporate Management	(13.0)	0.0	0.0	0.0
TOTAL CENTRAL GROSS COSTS	**1,374.6**	**1,328.4**	**1,352.1**	**1,374.3**
TOTAL CENTRAL INCOME	**(13.0)**	**0.0**	**0.0**	**0.0**
Total Corporate Employment Costs	**1,361.6**	**1,328.4**	**1,352.1**	**1,374.3**
Support Services	208.9	186.5	192.8	200.6
Support Services Income	(106.1)	(48.0)	(50.1)	(52.3)
CEO Support	4.0	4.7	4.8	4.9
CEO Support Income	0.0	0.0	0.0	0.0
Legal Services	14.9	20.8	21.2	21.6
Legal Services Income	(17.0)	(27.0)	(27.0)	(27.0)
Office Accommodation	110.0	100.7	103.9	107.3
Office Accommodation Income	(9.7)	(12.5)	(12.5)	(12.5)
Office Buildings Maintenance	17.0	50.5	38.1	33.7
Health & Safety	7.8	7.9	8.0	8.1
Member Costs	116.8	119.9	122.8	123.8
IT Licences, Consumables and Support	118.7	159.0	154.6	256.2
Communications & Web Services	87.9	57.8	58.7	59.7
Communications Income	(19.0)	(0.4)	(0.4)	(0.4)
Training	40.1	60.1	60.1	60.1
Total Central Costs	**574.2**	**680.0**	**675.1**	**783.8**

	2019/20 BUDGET NET £000's	2020/21 BUDGET NET £000's	2021/22 BUDGET NET £000's	2022/23 BUDGET NET £000's
BUDGET SUMMARY				
DEFRA National Park Grant Income	(5,229.8)	(5,319.8)	(5,411.3)	(5,504.3)
Other Income	(2,805.7)	(2,913.8)	(2,873.4)	(2,847.8)
Total Income	(8,035.5)	(8,233.5)	(8,284.6)	(8,352.1)
Gross Expenditure	8,137.8	8,497.2	8,515.7	8,477.1
In-Year Deficit	102.3	263.7	231.0	125.0
Opportunities Fund	60.0	83.9	60.0	60.0
In-Year Deficit after Opportunities Fund	162.3	347.6	292.3	183.7
FUNDED BY:				
Matched Funding from Specific Reserves	(140.0)	(197.0)	(135.0)	(60.0)
Capital Expenditure Funded from Reserves	0.0	(150.6)	(126.0)	(180.1)
General Balancing Reserve Movement	(22.3)	0.0	0.0	0.0
(Surplus)/Deficit in year	(0.0)	(0.0)	31.2	(56.5)
Deficit if there is a Flat DEFRA Settlement in 20/21, then 1.7% p.a. increase from 21/22		89.9	121.5	37.9
% Ratio - Salary Costs to Gross Income	53.0%	53.2%	52.9%	52.5%
Non-DEFRA income % of Total Income	34.9%	35.4%	34.7%	34.1%

APPENDIX 2

Budget assumptions about costs and income

1. **Defra Grant**

The budget for 2020/21 and beyond assumes that our Defra grant will increase at the same underlying rate of inflation as was applied within the 2019/20 settlement (1.72%). At the time of writing, discussion between DEFRA and NPAs had included the possibility of a 'flat' settlement. The English NPAs have made it clear to DEFRA that a 'flat' settlement is effectively a cut, which in the case of this Authority would amount to £90k.

2. **Staff Costs**

Staff costs have been modelled in detail across the three years of this Medium Term Financial Strategy, plus a further two years to give advance warning of affordability problems. The projections include expected pay-band progression and employer Pension and National Insurance contributions. The staff 'vacancy factor' has been set at 1.5%, an increase on last year's projected 1%, reflecting the higher turnover experienced in 2019/20. This anticipates a saving against staff costs of £59k, to be generated by temporary vacancies and other minor adjustments which arise during the year.

The additional cost of a series of proposed changes to the staff cohort (listed below) has been largely offset by reductions in employer pension contributions for the next three years (after which contribution rates increase considerably). The current projections for the ratio of staff costs to gross income are:

	2020/21	**2021/22**	**2022/23**	**2023/24**	**2024/25**
% Salary Costs to Gross Income	53.2%	52.9%	52.5%	56.9%	56.7%

For 2020/21, the ratio is projected to be **53.2%**. The Authority has set an indicative measure for this ratio of 50% - 55%, so the above figures suggest a potential problem from 2023/24 onwards; in reality these values are likely to fall if (~ when) we achieve further success in income generation.

However, if the DEFRA grant settlement is zero in 2020/21 and then 1.7% per annum for the following years the potential problem in 2023/24 is 3.5% higher, which would be more challenging:

	2020/21	**2021/22**	**2022/23**	**2023/24**	**2024/25**
% Salary Costs to Gross Income	53.8%	53.7%	52.7%	59.4%	58.5%

These calculations take account of the following factors:

(i) The addition of new posts and other staff costs, as follows:

a. An additional day a week for an IT Officer post, linked to the expansion of the Authority's sites and workload and to the increase in IT equipment, Wi-Fi and Telephony support; the IT section is struggling to keep up with 'business as usual' tasks.

b. An additional day a week for the Maintenance Officer post, to ensure that Rights of Way infrastructure work is prioritised, without adversely affecting other property maintenance obligations.

c. Maternity cover and fixed contract costs added for a four year post finishing in 2020/21.

d. Two fixed term externally-funded posts added for the Tees Swale project, one in Land Management and one in Access for All.

e. A fixed term externally-funded post added for the 'Our Common Cause' project within the Land Management programme.

f. Two 0.5FTE Centre Manager posts were created in 2019 on a trial basis for a year, with the intention that they generated at least equivalent increases in Retail sales and DCM admissions income. Income has increased as hoped, so these posts have been kept in the budget.

g. Access for All. Two staff additions: 0.6Full Time Equivalent (FTE) Education Officer, and 0.6FTE Education Support Officer; this is for a one year trial, to support delivery of Access for All programme targets. This programme was elevated to a priority programme in 2019 but without extra resources.

h. The transition costs of the project officers working on the Tees Swale project of £31k (as approved at the December 2019 Authority meeting).

(ii) The National Pay Award for Local Government:
Unison has proposed a 10% increase in 2020/21, however this is unlikely to be agreed in the current financial climate and the National Pay Award is more likely to be the same as last year (2%), this is the approach most English NPAs have adopted for budgeting in 2020/21. The award excludes the CEO post which is subject to a separate process; however, as that process has mirrored the general pay increase in past years, we have budgeted for an increase of 2% each year. The same rate has been applied to Member Allowances, in line with current policy. Just to note the financial impact on the budget of a 10% pay rise (as apposed to 2%) would be an additional £343k.

(iii) North Yorkshire Pension Fund Contributions:
Following the triennial valuation of the Authority's share of the North Yorkshire Pension Fund's assets and liabilities, the employer contribution rates have been set at 16.9%, 15.2% and 13.5% for the years 2020/21 to 22/23. This is significantly lower than the percentage expected (19.5%) following the ruling on the McCloud case, due to the successful higher risk investment strategy taken in the past three years by the Pension Fund Manager. After this period of low contributions, the contribution rate is projected to increase to 20.9%, as a result of the Fund Manager adopting a lower risk investment strategy.

(iv) AVC Scheme:
In 2019 the Authority signed up to a new shared Additional Voluntary Contribution (AVC) scheme. The National Insurance savings generated by the scheme have now been included in the budget from 2020/21 onwards (£12k saving). The cost of running the scheme is £4k (4.5% of the total contributions) so a net saving of £8k. The cost is shown in Corporate Costs, with the savings as staff costs within the various programmes to which those staff are allocated.

3. **Overheads**

Inflation on corporate overheads has been applied at variable rates depending on the particular item, with the intention of projecting as accurate a figure as possible for each area of expenditure.

4. **Earned Income**

The current assumption is that bank interest base rates will remain at current levels for the next three years.

Other sources of 'earned' income (planning fees, net retail profits, car parking income, pre-application advice fees, renewables, DCM admissions) have been projected in line with the history of actual receipts.

5. **Capital Expenditure**

The Authority's Capital expenditure comprises investment in Property, IT and Plant & Equipment. At present, all such expenditure is funded from Reserves.

Reserves already exist for Property and IT, based on five-year strategies for which 2020/21 and 2021/22 are the final two years; the residual sums held as Reserves are £43k (IT) and £103k (Property). There is currently no Reserve for Plant & Equipment, so spending has had to be on an 'as and when' basis, dependent on the Rights of Way budget underspends and on bids to the Opportunities Fund.

Detailed schedules for these three areas of Capital Expenditure have now been prepared for the next five years, and are available at Members request. In order to fully fund these plans, additional allocations from Reserves are needed (and which are included within **Appendix 5**):

- Property: an additional **£168k**, bringing the total sum to £271k
- IT: an additional **£287k**, bringing the total sum to £330k
- Plant & Equipment: an allocation of **£67k**

The total additional amount to be earmarked for the three areas from reserves is **£522k**. Note that full strategies for our plans for Property and IT will be presented to Members once the current editions run out, later in 2021. Subject to funds being available, it is intended to continue to roll-forward capital spending plans to maintain a 5 year cover, and so avoid creating unhelpful pressure on programme budgets.

APPENDIX 3

Significant Budget Changes

The changes described here cover differences of £10k or more between the indicative budgets approved in March 2019 for 2020/21 and the 2020/21 budget proposed here (see **Appendix 1**).

Members should note that most programmes have benefited from the cost reductions as a result of lower Employer Pension contribution rates and NI contribution savings linked to AVCs, as described in Appendix 2. These are described below as Pension/NI.

1. Development Management

Staff Cost: Increase due to normal pay progression, in part offset by cost reductions as a result of lower Pension/NI.

2. Land Management & Biodiversity

Staff Cost and Income: Cost reductions from lower Pension/NI. Two fixed term, externally-funded posts have been added in for the 'Our Common Cause' (2020/21-2023/24), and Tees Swale (2020/21-2022/23) projects.

Programme Cost and Income: £38k of additional expenditure (and £56k of income) has been added for the Tees Swale project in 2020/21, along with a further £60k a year of matching income and expenditure for the following two years. £30k pa for the Swinden Quarry Environmental Fund (funded by Tarmac) has been included for Community Wildlife grants. £10k has been included to support the set-up costs for a programme of Farm Open Days in 2020/21, working with the Farmer Network.

3. Rights of Way

Staff Cost: Cost reductions from lower Pension/NI.

Programme Cost: £15k spending funded by Cumbria County Council has been brought forward to 2020/21 from 2021/22. Plant replacement reserves are budgeted to be spent in 2020/21 (£46k) and 2021/22 (£6k).

4. Access For All

Staff Cost and income: 2020/21 includes maternity leave cover costs for a fixed term contract post. An additional education post has been included, resourced at 0.6FTE for a one year trial to assist with meeting programme targets, along with a fixed-term post to work on the Tees Swale project, with corresponding income of £40k (2020/21-2022/23). Cost reductions from lower Pension/NI.

Programme Cost: £10k has been allocated in 2020/21 to the development phase of a potential externally-funded project to upgrade a bridge on the Cautley Spout Bridleway (total possible cost is in the order of £300k). If successful in finding additional external

funding, the Access for All reserve of £50k may be used as matched funding. £15k per annum has been allocated to the 'A Night under the Stars' project, under which we will provide four short residential stays for young people to spend the night enjoying the dark skies. This is a part of the engagement programme for International Dark Skies Reserve Status and forms part of developing Government ambitions in relation to young people experiencing nature.

5. Dales Countryside Museum

Programme Cost: Caretaker and cleaning costs of £31k have been allocated to the DCM budget; these had previously been coded to National Park Centres, because the old cleaning contract wasn't written in sufficient detail to extract that information (the new contract is). The National Park Centre budget has a corresponding decrease.

Income: Admissions income has been increased by £12k to match current income predictions for 2019/20.

6. Historical Environment

Programme Cost: An additional amount of £10k in 2020/21 has been allocated to an Authority Corporate History project.

7. Development Planning

Staff Cost: Cost reductions from lower Pension/NI. Now includes the re-allocated costs of the fixed-term Local Plan Officer post, appointed last year to support development of the new Local Plan.

Programme Cost and income: The projected £20k expenditure and matching income for a potential referendum on a Clapham Neighbourhood Plan has been moved from 2020/21 to 2021/22.

8. Landscape Features

Programme Costs and Income: The Westmorland Dales Landscape Partnership project will run for four years, of which three years-worth of expenditure and income is shown in this budget. Last year's projection showed a net commitment of £50k pa, but this has been re-profiled using the latest cash flow predictions, altering the profile of this expenditure (but not its total cost). Note, however, that the profile of this budget is still subject to change as it is reliant on many third party partners.

9. Sustainable Development Fund

Programme Cost: An additional £10k has been budgeted for the years 2020/21 and 2021/22 to provide local lighting improvements grants, intended to assist with achieving 'International Dark Skies Reserve' status, a corporate objective.

10. National Park Centres

Staff Cost: The budget allows for two part time National Park Centre managers (1 FTE in total), correcting for an error in the original forward projection, which was for two full time posts. Cost reductions from lower Employer Pension/NI.

Programme Cost: The caretaker and cleaning costs for DCM have been moved out of the National Park Centre budget into the DCM budget. Business Rates savings (temporary taper relief from increased charges) for 2020/21 have been included, but such costs will increase again from 2021/22.

Income: Retail income has been increased by £12k, based on 2019/20 projections, which equates to an additional £5k net profit.

Note that the budget projections assume the continuation of contributions to the partnership centre at Hudson House and for a National Park presence in three Cumbria partnership centres (Kirkby Lonsdale, Sedbergh and Kirkby Stephen). Current agreements end on 31 March 2020, and the intention is to roll them over for one year, pending the outcome of the 2020 CSR process.

11. Car Parks & Toilets

Income: This has been increased by £76k, in line with actual results the Authority has achieved so far in 2020/21; also factored in is an increase to car park charges, the first for five years.

12. Visitor Management

Programme Costs: £13k has been added for work on an access project on Buckden Pike in 2020/21.

13. Corporate Employment Costs

The Development Planning corporate post has been moved to Development Planning programme to cover the Local Plan Officer post; the Vacancy Factor has been increased from 1% to 1.5% to reflect the increased turnover of staff. Cost reductions from lower Employer Pension/NI.

14. Central Costs

Office Buildings Maintenance

Costs to maintain properties have been re-profiled in a rolling five-year property maintenance programme, and within which costs are now higher than originally projected (by £24k in 2020/21 and £16k in 2021/22); this expenditure is covered by the Property Reserve.

15. IT

Costs to update IT equipment have been re-profiled in a rolling five-year IT investment programme, and within which costs are now higher than originally projected (by £35k in 2020/21 and £25k in 2021/22); this expenditure is covered by the IT Reserve.

16. Training

£20k per annum has been added to meet the commitments arising from the Authority's enhanced Investors in People accreditation, to cover additional training and consultants costs.

17. Central Income

Legal Services
The income budget has been increased by £10k to reflect the current levels of S106 income.

DEVELOPMENT MANAGEMENT

Programme Activities:

- Provide a comprehensive pre-application planning advice service
- Process planning applications
- Monitor development and take enforcement action where necessary
- Deal with minerals applications and monitor minerals operations
- Carry out land charge searches

Corporate Plan objectives:

Provide an efficient development management service that supports appropriate opportunities for economic and community development whilst helping to conserve and enhance the special qualities of the National Park, including ensuring that 65% of minor and 80% of 'other' planning applications are being determined within eight weeks and at least 80% of applicants are satisfied with the service provided.

Budget Proposal:

The budget is based on continuing the current high level of service, including the comprehensive pre-application advice service, and regular free 'planning surgeries'. The only change is to reflect the small (£2,500) increase in the costs of contracting occasional reports from consultants.

A new planning software system has just been installed and – once bedded in - will be used to provide further improvements in the quality and efficiency.

Projected income is in line with experience from the last two financial years.

Development Management		**2019/20** £	**2020/21** £	**2021/22** £	**2022/23** £
Staff	**Expenditure**	**681,488**	**689,863**	**702,557**	**712,225**
IT Maintenance	Expenditure	15,000	15,225	15,453	15,685
Admin, Training & Consultancy	Expenditure	17,500	20,000	20,000	20,000
Applications	Expenditure	23,000	23,000	23,000	23,000
	Income	(217,000)	(217,000)	(217,000)	(217,000)
Pre-Application Advice Service	Income	(30,000)	(30,000)	(30,000)	(30,000)
Minerals Applications & Monitoring	Income	(10,000)	(10,000)	(10,000)	(10,000)
Search Fees	Income	(12,000)	(12,000)	(12,000)	(12,000)
Enforcement	Expenditure	1,000	1,000	1,000	1,000
Programme	**Expenditure**	**56,500**	**59,225**	**59,453**	**59,685**
	Income	**(269,000)**	**(269,000)**	**(269,000)**	**(269,000)**
Net Total (including staff)		**468,988**	**480,088**	**493,010**	**502,910**

LAND MANAGEMENT & BIODIVERSITY

Programme Activities:

- Support 'High Nature Value' farming in the National Park
- Deliver the 'Catchment Sensitive Farming' programme to help reduce agricultural pollution in the Swale and Ure catchments
- Deliver programmes of support to improve natural flood management and water quality
- Provide funding and advice for new native woodland and woodland management schemes
- Through the Yorkshire Dales Biodiversity Forum, prepare and implement plans for nature recovery, including surveys and monitoring
- Run the Northern Upland Chain Local Nature Partnership

Corporate Plan objectives:

During Brexit transition, support farmers and landowners to continue to deliver a range of public benefits through national agri-environment scheme agreements and other similar initiatives, and monitor take-up.

Support farmers and landowners to restore and manage landscape-scale mosaics of priority habitats so that:

a) 30% of the priority habitats outside nationally-designated wildlife sites are in good condition by 2024; and,

b) at least one landscape-scale 'nature recovery area' has been created by 2021.

Work with farmers and landowners to achieve and maintain stable or increasing populations for 90% of priority species by 2026, including the UK 'red-listed' upland birds — Black Grouse; Curlew; Hen Harrier; Lapwing; Merlin; Skylark; and Yellow Wagtail — for which the National Park is renowned, and those of international importance.

Work with farmers and landowners to improve the condition of the Aire, Eden, Lune, Ribble, Swale, Ure and Wharfe so that at least 90% of all rivers achieve 'good ecological status' by 2027.

Work with farmers in Wensleydale to demonstrate the benefit of 'high nature value', low-input farm systems through a 5-year trial of a 'payment by results' approach to agri-environment funding.

Work with moorland managers and other key stakeholders to devise and implement a local approach to end illegal persecution of raptors, including independent and scientifically robust monitoring, and co-ordinated Hen Harrier nest and winter roost site protection.

Work with farmers and landowners to deliver landscape-scale natural flood management projects in the Aire, Eden, Ribble; Lune; Swale, Ure, and Wharfe catchments.

Support landowners to create at least a further 450 hectares of native broadleaved and mixed woodland that enhances the National Park's landscape by 2024, with priority given to projects that strengthen habitat networks, increase carbon storage and help to reduce flooding.

Work with farmers and landowners to ensure that at least 70% of all woodland is in active management by 2023, including positive management of conifer plantations to increase suitable habitat for red squirrels and black grouse.

Budget Proposal:

The proposed budget will enable the Authority to continue to drive forward an ambitious and practical programme of funding and advice to farmers and landowners across the National Park to support both high nature value farming and wider nature recovery.

In addition, to supporting farmers to take-up national agri-environment schemes (NPMP objective A1), we will:

- continue the national pilot of a 'Results-Based Agri-Environment Payment Scheme' in Wensleydale (with Natural England) for the next 18 months (NPMP objective C4).
- deliver Natural England's 'Catchment Sensitive Farming' initiative in the National Park,

helping farmers tackle water quality issues and access grants for works to help reduce pollution (NPMP objective C3).

- on behalf of the Northern Upland Chain LNP, support the 'Northern Upland Farmers Panel', and promote the value of high nature value farming.
- Work with the Farmer Network and others to launch a farm and estates 'open day' programme.
- Carry out an audit of the public benefits of sustainable land management in the National Park

We will continue to work with partners on the Local Biodiversity Forum to support nature recovery. This includes implementing the final year of the existing habitat and species action plans, and developing a new plan for nature recovery across the National Park. We will also use the existing data to create a new online, interactive habitat network map to help farmers develop opportunities to restore and connect habitats (NPMP objective D6).

On behalf of the Northern Upland Chain LNP, we will submit a funding bid for a major programme of work to support breeding curlew and other wading birds across the northern Pennines.

We will continue to support the planting of new woodlands (NPMP objective D2), and the management of existing woodlands (NPMP objective D1) – working in partnership with the Forestry Commission and Yorkshire Dales Millennium Trust.

Finally, subject to approval by the National Lottery Heritage Fund, we will work with local partners to implement two major new projects:

- the multi-million pound Tees-Swale project, which is led by the North Pennines AONB, will support high nature value farming systems to deliver nature recovery on a grand scale across Swaledale and Upper Teesdale (NPMP objective C1); and,
- the Foundation for Common Land's national 'Our Common Cause' project, which will conserve and enhance the natural and cultural heritage of several Commons within the National Park.

Land Management & Biodiversity		**2019/20**	**2020/21**	**2021/22**	**2022/23**
		£	£	£	£
Staff	**Expenditure**	**592,851**	**603,204**	**581,459**	**586,885**
	Income	**(113,600)**	**(109,000)**	**(105,000)**	**(93,000)**
Biodiversity/Woodland Ranger Vehicles	Expenditure	11,175	10,473	10,473	10,473
Woodland Management	Expenditure	30,000	30,000	30,000	30,000
	Income	(8,000)	(5,500)	(5,500)	(5,500)
Woodland Creation	Expenditure	41,400	30,000	30,000	30,000
	Income	(11,400)	0	0	0
Agri-Environment Service	Expenditure	3,000	33,000	3,000	3,000
		(8,000)	(5,000)	(5,000)	(5,000)
Catchment Sensitive Farming	Expenditure	5,000	5,000	5,000	5,000
	Income	(5,000)	(5,000)	(5,000)	(5,000)
Natural Flood Management	Expenditure	36,000	0	0	0
	Income	(36,000)	0	0	0
Our Common Cause	Expenditure		10,000	10,000	10,000
	Income				
Northern Upland Chain LNP	Expenditure	15,000	15,000	15,000	15,000
	Income	(10,000)	(10,000)	(10,000)	(10,000)
Tees-Swale Project	Expenditure	0	123,000	137,500	130,000
	Income	0	(60,000)	(60,000)	(60,000)
Nature Recovery	Expenditure	61,500	66,500	56,500	56,500
	Income	(2,500)	(2,500)	(2,500)	(2,500)
Community Wildlife Grants	Expenditure	10,000	40,000	40,000	40,000
	Income	0	(30,000)	(30,000)	(30,000)
Programme	**Expenditure**	**213,075**	**362,973**	**337,473**	**329,973**
	Income	**(80,900)**	**(118,000)**	**(118,000)**	**(118,000)**
Net Total (including staff)		**611,427**	**739,177**	**695,932**	**705,859**

RIGHTS OF WAY

Description

- Routine Rights of Way maintenance
- Pennine Way and Bridleway maintenance
- Lead Authority for the management of the Pennine National Trails Partnership
- Replacement and maintenance of bridges and stepping stones
- Other large engineering capital projects
- Diversion of Rights of Way under Town and Country Planning Act (T&CP Act)
- Path Order applications (diversions not under T&CP Act) and creation agreements

Corporate Plan objectives:

Benefit a wide variety of users by raising the standard of all public rights of way so that 90% are 'easy to use' by 2023.

Maintain and promote the Pennine Trails and other recognised long-distance routes, and campaign for the Coast-to-Coast footpath to become a National Trail by 2024.

Budget Proposal:

The rights of way network is key to providing opportunities for a wide range of people to enjoy the special qualities of the National Park. The Authority currently has delegated responsibility from North Yorkshire and Cumbria County Councils for maintenance of Rights of Way. It has a 5 year Maintenance Plan with associated targets, agreed by Members, outlining how it will meet these responsibilities. The Authority also manages the National Trails (Pennine Way, Pennine Bridleway) partnership, involving 14 local authorities. External funding is also secured for maintenance work on bridges and promoted routes. The actual scale of income and corresponding expenditure, in any year, for these projects is difficult to predict as it depends on successful applications to several possible funding sources. NB the routine maintenance annual figure below, includes £30k from the Cumbria County Council one-off payment of £150k for the 5 year period from 2017 to 2022, and £60k a year from 2019 to 2022 from a one off payment of £180k from Natural England for works in the Ingleborough National Nature Reserve.

Rights of Way		**2019/20**	**2020/21**	**2021/22**	**2022/23**
		£	**£**	**£**	**£**
Staff	**Expenditure**	**434,933**	**445,480**	**453,271**	**461,695**
	Income	**(69,455)**	**(72,135)**	**(73,182)**	**(74,246)**
Ranger Vehicles, Workshops	Expenditure	104,859	102,581	103,305	104,058
National Trails Partnership	Expenditure Staff	37,600	38,972	40,221	41,518
	Expenditure Grants	264,025	262,653	261,404	260,107
	Income	(316,625)	(316,625)	(316,625)	(316,625)
Plant & Equipment	Expenditure		43,000	6,000	6,000
Legal Orders	Expenditure	4,000	4,000	4,000	4,000
	Income	(6,000)	(6,000)	(6,000)	(6,000)
RoW Routine Maintenance	Expenditure	255,000	266,000	251,000	161,000
	Income	(4,000)	0	0	0
Programme	**Expenditure**	**665,484**	**717,206**	**665,930**	**576,683**
	Income	**(326,625)**	**(322,625)**	**(322,625)**	**(322,625)**
Net Total (including staff)		**704,337**	**767,926**	**723,394**	**641,508**

ACCESS FOR ALL

Description

- Provide sessions to connect young people with nature
- Provide activities for family groups and under-represented groups
- Education and events e.g. Go Wild programme
- Promote and waymark 'easy' walks and 'access for all' publications; improve routes for people with limited ability
- Develop family friendly cycle routes and other recreational opportunities

Corporate Plan objectives:

Maintain the National Park as a place where a true sense of tranquillity, remoteness and solitude can be found, and by 2021 obtain Dark Skies Reserve status to enhance and promote enjoyment of its night sky.

Carry out works to improve access on appropriate public rights of way and establish permissive routes, so that 262km (10%) of public rights of way are suitable for users of all ages and abilities by 2024.

By 2024, provide 6,000 people from under-represented groups with activity days that enable them to access the special qualities of the National Park and so increase their understanding, enjoyment, health and well-being.

Through educational and skills-based activities, inspire 1,500 young people from in and around the National Park to explore and enhance their environment each year.

Run a cohesive programme of inspirational, participatory activities that attract at least 4,000 people each year to find out more about the National Park's special qualities.

Promote and encourage responsible cycling by supporting world class events that showcase the National Park, enabling the development of four 'cycle hubs', and creating at least one further family-friendly cycling route by 2023.

Budget Proposal:

This programme includes a range of measures to promote understanding of the National Park (especially from under-represented groups) and develop opportunities to help people access and enjoy what it has to offer. It includes improving the physical access (miles without stiles, new cycle routes and other recreational activities and a sum for developing a project at Cautley), and learning and engagement activities, including the Dales Experience programme which helps under-represented groups access the National Park. An increased sum has been included for learning and engagement, to reflect the recent change in priority of this programme and pilot new work with schools and develop National Park focussed resources. It includes the 'Green Futures' programme which has established Young Ranger groups in the Park. This programme also includes the Dark Skies work, an important aspect of which is engaging visitor and residents, to secure Dark Skies reserve status for the National Park; we will continue to extend our programme of activities connected with this, including trialling a programme night under the stars. There are also usually opportunities for additional projects identified 'in-year' which are externally funded, with corresponding expenditure and implementation.

Access for all		**2019/20**	**2020/21**	**2021/22**	**2022/23**
		£	**£**	**£**	**£**
Staff	**Expenditure**	**138,117**	**188,741**	**178,383**	**179,953**
	Income	**(26,571)**	**(41,010)**	**(40,000)**	**(40,000)**
Miles Without Stiles	Expenditure	2,000	12,000	2,000	2,000
Learning & Engagement	Expenditure	21,000	26,000	26,000	26,000
Guided Walks	Income		(3,350)	(3,350)	(3,350)
Dalesbus Support	Expenditure	5,000	5,000	5,000	5,000
Young Rangers	Expenditure	2,400	1,900	0	0
	Income	(4,200)	(3,250)	0	0
Recreational Activities	Expenditure	13,000	13,000	13,000	23,000
Dark Skies Reserve	Expenditure	5,000	15,000	15,000	15,000
Programme	**Expenditure**	**48,400**	**72,900**	**61,000**	**71,000**
	Income	**(4,200)**	**(6,600)**	**(3,350)**	**(3,350)**
Net Total (including staff)		**155,746**	**214,031**	**196,033**	**207,603**

DALES COUNTRYSIDE MUSEUM

Description

- Maintenance of permanent heritage exhibitions and displays interpreting the wildlife, landscape and cultural heritage of the National Park
- Provide temporary exhibitions, events and workshops
- Museum collection management, in accordance with museum accreditation including provision of access for research
- Schools and family activities
- Provide public access to archive collection and family history material
- Community-based projects and events
- Provision of a café franchise

Corporate Plan objectives:

Use the Dales Countryside Museum and the Historic Environment Record to help local heritage groups to research, record and promote the stories of the National Park area, including completing the enhancement of the Historic Environment Record for the new area of the National Park by 2024.

Budget Proposal:

This programme includes all fixed site costs for the DCM premises (e.g. utilities and rates) including the public toilets, the National Park Centre and Ranger base. Income is generated through admissions, café rent, events and from the biomass boiler through the Renewable Heat Incentive (RHI) scheme. Admission income has been increased from 2020/21 to better reflect that achieved in 2019/20.

Other costs to run the Museum (including a small sum to stage events and exhibitions and replace displays) are shown in the 'non-premises' costs. The Friends of DCM membership offers the option to Gift Aid, which generates income that is used to help with match funding for projects at DCM. A new Dialect and Heritage project with Leeds University starts in 2020.

Dales Countryside Museum		**2019/20**	**2020/21**	**2021/22**	**2022/23**
		£	**£**	**£**	**£**
Staff	**Expenditure**	**84,450**	**85,531**	**86,653**	**87,789**
Building Maintenance	Expenditure	12,400	17,000	56,200	13,904
Cleaning & Caretaker	Expenditure	0	30,408	31,042	31,639
Rates	Expenditure	45,671	50,925	53,471	56,145
Premises Fixed Costs	Expenditure	40,425	30,225	30,830	31,446
Renewable Heating Incentive	Income	(13,500)	(13,500)	(13,500)	(13,500)
Non-Premises Museum Costs	Expenditure	20,000	22,000	22,000	22,000
Admissions, Café Lease	Income	(59,400)	(71,400)	(71,400)	(71,400)
DCM Projects	Expenditure	10,000	3,000	3,000	3,000
DCM Projects Income	Income	(2,000)	(2,000)	(2,000)	(2,000)
Programme	**Expenditure**	**128,496**	**153,558**	**196,543**	**158,134**
	Income	**(74,900)**	**(86,900)**	**(86,900)**	**(86,900)**
Net Total (including staff)		**138,046**	**152,189**	**196,296**	**159,023**

HISTORICAL ENVIRONMENT

Programme Activities:

- Help people to conserve, maintain and re-use Listed Buildings
- Help people to conserve and maintain Scheduled Monuments, and other heritage sites, structures and features
- Carry out regular surveys of the condition of Listed Buildings and Scheduled Monuments
- Maintain the Historic Environment Record for the National Park

Corporate Plan objectives:

Help local people to restore, repair and - where possible - bring back into use nationally-important historical sites, buildings and structures so that less than 4% of scheduled monuments and listed buildings are considered 'at risk' by 2024

Use the Dales Countryside Museum and the Historic Environment Record to help local heritage groups to research, record and promote the stories of the National Park area, including completing the enhancement of the Historic Environment Record for the new area of the National Park by 2024

Budget Proposal:

The budget remains in line with recent years, and will give effect to the new Cultural Heritage Strategy approved by Members in December 2019. Activity will focus on preventing any worsening in the overall condition of listed buildings and scheduled monuments that are 'at risk' (or may soon become so). This includes a programme of externally-funded community heritage projects each year, as well as advice and assistance to householders.

From 2021/22 when new LIDAR data is available from the Environment Agency, the budget includes one-off funding to enhance the Historic Environment Record for the new area of the National Park.

For 2020/21 there is a £10k allocation for an Authority Corporate History Project.

Historical Environment		**2019/20 £**	**2020/21 £**	**2021/22 £**	**2022/23 £**
Staff	**Expenditure**	**131,648**	**134,227**	**139,358**	**142,246**
Historic Environment IT Maintenance	Expenditure	6,165	4,000	4,000	4,000
Listed Buildings at Risk	Expenditure	18,500	18,500	18,500	18,500
Scheduled Monuments	Expenditure	24,000	24,000	24,000	24,000
	Income	(10,000)	(10,000)	(10,000)	(10,000)
Historic Environment Record	Expenditure	12,000	22,000	52,000	12,000
	Income	(25,000)	(20,000)	(40,000)	(20,000)
Programme	**Expenditure**	**60,665**	**68,500**	**98,500**	**58,500**
	Income	**(35,000)**	**(30,000)**	**(50,000)**	**(30,000)**
Net Total (including staff)		**157,313**	**172,727**	**187,858**	**170,746**

DEVELOPMENT PLANNING

Programme Activities:

- Produce and monitor the National Park Management Plan
- Produce and monitor the Local Plan and associated Supplementary Planning Documents
- Implement planning policies and support partners to deliver affordable housing

Corporate Plan objectives:

Work with neighbouring authorities to produce a single, updated Local Plan for the whole of the National Park by 2023, which will help achieve the vision and objectives in the National Park Management Plan

Encourage and facilitate high quality proposals for new housing in a range of tenures, sizes, types and prices, such that around 85 new dwellings are approved each year.

Undertake a 5-year programme of measures to promote the National Park as a place to live for younger, working age households (18-44) to help halt the decline in their numbers.

Budget Proposal:

The budget will fund the development of the new Local Plan for the whole of the National Park. In addition to a fixed-term increase in staff resources, it includes funding for the range of statutory reports and studies needed to support the review of policy over the next 3 years.

As well as developing new policy, the budget includes funding to continue to implement the current policies, notably in relation to the work with district council partners and NYCC to try to attract younger people to move into the area (approved by Members in March 2019). This includes a final (£5k) contribution in 2020/21 to the Great Place: Lakes and Dales project, led by Craven and South Lakeland District Councils. It also includes funding (£20,000) for a referendum on a Clapham Neighbourhood Plan, although this has been moved back to 2021/22 as the Parish Council has yet to begin the process to develop the Plan.

The budget also includes the small annual costs of running the National Park Management Plan Steering Group, and monitoring and reporting progress via the new website.

Development Planning		**2019/20**	**2020/21**	**2021/22**	**2022/23**
		£	**£**	**£**	**£**
Staff	**Expenditure**	**89,506**	**124,599**	**127,694**	**106,162**
Local Plan policy	Expenditure	59,000	39,000	39,000	39,000
Local Plan implementation	Expenditure	15,000	15,000	30,000	10,000
	Income	(20,000)	0	(20,000)	0
National Park Management Plan	Expenditure	1,000	1,000	1,000	1,000
	Income				
Programme	**Expenditure**	**75,000**	**55,000**	**70,000**	**50,000**
	Income	**(20,000)**	**0**	**(20,000)**	**0**
Net Total (including salaries)		**144,506**	**179,599**	**177,694**	**156,162**

LANDSCAPE FEATURES

Programme Activities:

- Conserve and enhance distinctive local landscapes through Landscape Partnerships
- Repair and restore traditional farm buildings and dry stone walls
- Conserve and enhance Conservation Areas
- Protect important trees

Corporate Plan objectives:

Deliver co-ordinated programmes of activity that enhance the distinctive landscape, geology and cultural heritage of the 'Ingleborough Dales' (by 2020) and the 'Westmorland Dales' (by 2023).

By 2022 secure significant funding to repair, restore, and, where appropriate, find adaptive new uses for traditional field barns, particularly those in Swaledale, Arkengarthdale and Littondale.

Budget Proposal:

The budget is dominated by the £3.5 million Westmorland Dales Landscape Partnership, which is being led by Friends of the Lake District, but for which the Authority acts as the 'accountable body'. In 2020/21, the Partnership will deliver a programme of activity to record and enhance the cultural heritage of the area including Pendragon Castle, and smaller scale but other important features, alongside projects recording the unique geology and better connecting wildlife. Self-guided walking routes with interpretation are also being developed, to help businesses promote what the area offers.

The Ingleborough Dales Landscape Partnership has secured an extension to December 2020 to allow time to complete existing projects; the most significant is the restoration of the Swarth Moor SSSI.

Whilst there is no direct funding involved, the Authority will continue to assist in the local delivery of the pilot traditional farm building grant scheme for National Parks, funded by Defra. The pilot began in 2018-19 but has been extended following initial administrative delays, and then by the provision of additional funding.

Finally, the budget includes a small amount of funding for the ongoing work to enhance Conservation Areas, including producing up-to-date character appraisals.

Landscape Features		**2019/20**	**2020/21**	**2021/22**	**2022/23**
		£	**£**	**£**	**£**
Staff	**Expenditure**	**0**	**0**	**0**	**0**
Conservation Area Enhancements	Expenditure	3,700	3,700	3,700	3,700
Ingleborough Dales LP Core Costs	Expenditure	21,500	0	0	0
Westmorland Dales Landscape Partnership	Expenditure	663,585	747,255	793,285	798,463
	Income	(593,372)	(742,350)	(668,060)	(691,203)
Programme	**Expenditure**	**688,785**	**750,955**	**796,985**	**802,163**
	Income	**(593,372)**	**(742,350)**	**(668,060)**	**(691,203)**
Net Total (including staff)		**95,413**	**8,605**	**128,925**	**110,960**

VOLUNTEERS AND APPRENTICES

Description

- Volunteers support to Authority programmes
- Volunteer led programme of guided walks and events
- Other initiatives for communities to look after the National Park
- Apprenticeships
- Schools work experience and placement opportunities

Corporate Plan objectives

Give people from all backgrounds an opportunity to enjoy and contribute to the National Park by providing at least 7,000 volunteer days per year, with 15% coming from under-represented groups.

By 2023 provide at least 20 apprenticeships that focus on the skills that are essential to maintaining the National Park's special qualities.

Budget Proposal

The work of volunteers makes a valuable contribution across almost all Authority work areas, and we will continue to work to increase the diversity of opportunity, particularly for young people. The staff costs below include those apprenticeships provided directly by the Authority; apprenticeships that are externally funded within the Ranger Service, through the Green Futures project and Ingleborough Dales HLF partnership, are shown separately. External funding ceases for both these projects in 2020, and the ranger apprenticeships in the north and the south cease. The apprentices employed through the Westmorland Dales HLF partnership are shown within the Westmorland Dales budget under Landscape Features.

Volunteers and Apprentices		**2019/20**	**2020/21**	**2021/22**	**2022/23**
		£	**£**	**£**	**£**
Staff	**Expenditure**	**226,936**	**231,791**	**250,604**	**238,099**
Ranger Vehicles, apportioned	Expenditure	16,875	16,173	16,173	16,173
Volunteers	Expenditure	65,800	62,450	62,450	62,450
Guided Walks	Income	(3,350)	0	0	0
Green Futures Apprentices	Expenditure	32,500	0	0	0
YDMT	Income	(27,500)	0	0	0
Apprentice Training Costs	Expenditure	5,000	0	0	0
Ingleborough Dales	Expenditure	14,000	0	0	0
HLF Apprentices	Income	(13,500)	0	0	0
Programme	**Expenditure**	**134,175**	**78,623**	**78,623**	**78,623**
	Income	**(44,350)**	**0**	**0**	**0**
Net Total (including staff)		**316,761**	**310,415**	**329,227**	**316,722**

TOURISM

Description

- Development of activities with tourism businesses
- Work with tourism organisations to promote the Yorkshire Dales
- Provide lead and support for Destination Dales Group
- Share good practice through Brilliant Businesses case studies
- Produce National Park visitor economy monitoring and trend data

Corporate Plan objectives

Improve the quality, variety and marketing of the tourism 'offer' to encourage more overnight stays and more visitors in the quieter months, so that the value of tourism grows by at least 5% in real terms by 2024.

Develop and promote new events, festivals and attractions based on the National Park's special qualities and local distinctiveness so that at least 10% of visitors each year are coming for the first time.

Budget Proposal

The budget is used to help support tourism in the Dales. Its purpose is to ensure that, through collaboration, the benefits tourism can bring to the area are optimised at the same time as the special qualities of the Dales are safeguarded. It focuses on product development, business support, and facilitating the Yorkshire Dales National Park Tourism Partnership, supporting the Destination Management Organisations, continued work around the 'Distinctly Dales' local distinctiveness project, and 'Brilliant Businesses' case studies. In 2019/20 the externally funded Destination Dales (EAFRD) came to an end, but support for the Cheese Festival continues. It also includes support for cycle events such as Tour de Yorkshire. It includes Membership of Welcome to Yorkshire, and use of the STEAM Model and other research to evaluate the National Park's visitors.

Tourism		**2019/20**	**2020/21**	**2021/22**	**2021/22**
		£	**£**	**£**	**£**
Staff	**Expenditure**	**112,541**	**103,820**	**106,594**	**109,335**
	Income	**(11,541)**	**0**	**0**	**0**
Tourism Delivery Plan	Expenditure	15,100	20,100	15,100	15,100
Welcome to Yorkshire	Expenditure	10,000	10,000	10,000	10,000
Economic Evaluation	Expenditure	4,900	4,900	4,900	4,900
International Cycling Events	Expenditure	10,000	70,000	0	0
Programme	**Expenditure**	**40,000**	**105,000**	**30,000**	**30,000**
	Income	**0**	**0**	**0**	**0**
Net Total (including staff)		**141,000**	**208,820**	**136,594**	**139,335**

NATIONAL PARK CENTRES AND RETAIL

Description

- Face to face advice and networked National Park Visitor Centres
- A retail service from National Park Centres
- National Park-specific information and interpretative displays at Cumbria TICs
- Ranger and Volunteer bases

Corporate Plan objectives:

Promote the Yorkshire Dales National Park as a leading sustainable tourism destination, including enhancing the locations of 4 National Park Centres to create 'visitor hubs' that promote local distinctiveness and assist destination promotion for local activities, accommodation, food and itineraries.

Budget Proposal:

This programme includes premises fixed running costs for three of the four flagship National Park Centres, Grassington, Malham, Aysgarth only, (NB Hawes is in the DCM budget); a contribution to the partnership centre at Hudson House (both staffing and cash); and cash towards running costs for a National Park presence in three Cumbria partnership centres (Kirkby Lonsdale, Sedbergh and Kirkby Stephen). The projected retail sales, income and overheads are based on the actual sales achieved in 2019/20, and maintaining the two new part-time centre manager posts. External funding was acquired to develop Grassington National Park Visitor Centre into a visitor hub and this project will come to an end in 2020.

National Park Centres & Retail		**2019/20**	**2020/21**	**2021/22**	**2022/23**
		£	**£**	**£**	**£**
Staff (including HH staff)	**Expenditure**	**338,835**	**304,427**	**310,145**	**315,985**
NPC Fixed Running Costs	Expenditure	36,225	26,108	32,380	33,503
NPC Refurbishment & Visitor Hubs	Expenditure	68,169	15,000	15,000	15,000
	Income	(53,169)	0	0	0
NPC Planned Maintenance	Expenditure	11,400	17,736	13,581	15,427
NPC Cleaning & Sundries	Expenditure	50,779	16,195	16,486	16,779
NPC Hudson House Rent	Expenditure	9,937	10,136	10,339	10,339
NPC Partnership Centres	Expenditure	21,000	21,000	21,000	21,000
NPC Income	Income	(11,500)	(11,500)	(11,500)	(11,500)
Retail Overheads	Expenditure	11,080	10,080	10,080	10,080
Retail Trade	Expenditure	172,800	180,600	180,600	180,600
	Income	(288,000)	(301,000)	(301,000)	(301,000)
Programme	**Expenditure**	**381,390**	**296,854**	**299,466**	**302,728**
	Income	**(352,669)**	**(312,500)**	**(312,500)**	**(312,500)**
Net Total (including salaries)		**367,556**	**288,782**	**297,110**	**306,213**

SUSTAINABLE DEVELOPMENT

Programme Activities:

- Run the Sustainable Development Fund
- Work with Local Enterprise Partnerships to support appropriate economic development
- Support Dark Skies Reserve status by providing grants for improvements to external lighting

Corporate Plan objectives:

Use the Sustainable Development Fund and other funding sources, to support 20 new local projects each year that bring economic, social and environmental benefits to the National Park.

Maintain the National Park as a place where a true sense of tranquillity, remoteness and solitude can be found, and by 2021 obtain Dark Skies Reserve status to enhance and promote enjoyment of its night sky.

Budget Proposal:

The main expenditure remains the Sustainable Development Fund (SDF), which provides grants for local projects that bring economic, social and environmental benefits to the National Park. This includes a small increase over the next two years, to provide grants for households, businesses and farms to make small lighting improvements that can make big differences to the night sky.

While no direct funding is allocated at this stage, the Authority will also be working with the Local Enterprise Partnerships, District Councils and other protected landscapes to identify and support new opportunities for sustainable development through Local Industrial Strategies and the 'Shared Prosperity Fund', to business', farms, and households.

Sustainable Development		**2019/20**	**2020/21**	**2021/22**	**2022/23**
		£	**£**	**£**	**£**
Staff	**Expenditure**	**37,089**	**36,839**	**37,085**	**37,327**
SDF Grants	Expenditure	175,000	185,000	185,000	175,000
Programme	**Expenditure**	**175,000**	**185,000**	**185,000**	**175,000**
	Income	**0**	**0**	**0**	**0**
Net Total (including salaries)		**212,089**	**221,839**	**222,085**	**212,327**

CAR PARKS AND TOILETS

Description

- Manage 10 sites with car parks and toilets
- Maintain and clean public conveniences at these sites
- Manage Authority Property (amenity land, woodlands and agricultural holdings)
- Manage toilet facility charging/donations

Corporate Plan objectives:

No specific objective.

Budget Proposal:

The car parking income has been increased to reflect the income achieved in 2019/20 and a small price rise. Income is difficult to predict as it varies depending on the weather. Toilet income includes donations from Aysgarth and Malham toilets as well as revenue from turnstiles at Grassington. Expenditure includes: cleaning and maintenance of toilets and individual properties with cash collection charges from all car parks and Grassington toilets. There is a small increase to cover cost of car park surface repairs.

The car park ticket machines allow card payments, including contactless and phone pay. This has some additional costs, but the machines have less cash collection and theft is less likely.

The income from the lease of Dent Car Park is not shown in this programme (but as 'contracts' income, under 'Central Costs').

Car Parks & Toilets		**2019/20**	**2020/21**	**2021/22**	**2022/23**
		£	**£**	**£**	**£**
Staff	**Expenditure**	**66,540**	**69,187**	**71,055**	**73,203**
Ranger Vehicle, apportioned	Expenditure	5,588	5,237	5,237	5,237
Car Parks	Expenditure	161,350	172,189	178,478	182,869
Wayleaves	Income	(5,818)	(5,818)	(5,818)	(5,818)
Rents	Income	(5,450)	(5,450)	(5,450)	(5,450)
Parking Fees	Income	(560,000)	(656,000)	(656,000)	(656,000)
	Income	(571,268)	(667,268)	(667,268)	(667,268)
Toilets	Expenditure	110,759	125,805	128,277	130,467
Entrance Fees	Income	(12,600)	(12,600)	(12,600)	(12,600)
Donations	Income	(4,900)	(4,900)	(4,900)	(4,900)
	Income	(17,500)	(17,500)	(17,500)	(17,500)
Programme	**Expenditure**	**277,697**	**303,231**	**311,992**	**318,573**
	Income	**(588,768)**	**(684,768)**	**(684,768)**	**(684,768)**
Net Total (including salaries)		**(244,531)**	**(312,350)**	**(301,721)**	**(292,991)**

VISITOR MANAGEMENT

Description

- Meet the Authority's statutory duties under the CRoW Act: Open Access – manage restrictions and provide secretariat for the Yorkshire Dales Access Forum
- Pre-existing access management agreements
- Manage the use of recreational motor vehicles on sensitive green lanes
- Develop visitor payback schemes
- Work with user groups and organisers of large-scale events re: the Sandford Principle

Corporate Plan objectives:

Maintain 'green lanes' and, where appropriate, manage use by recreational motor vehicles, including enforcing any restrictions imposed by Traffic Regulation Orders.

Work with organisers of large-scale events to ensure they are well run, benefit local businesses, and contribute to the maintenance of the Park's natural capital, for example funding the cost of maintaining the 'Three Peaks' route.

Budget Proposal:

This programme incudes monitoring recreational motor vehicle compliance with TROs and management and use on green lanes; meeting our statutory obligations under the CRoW Act both as a 'relevant authority' for open access, and as 'access authority', including providing the secretariat for the Yorkshire Dales Access Forum (LAF). It also includes staff time for liaising with user groups and individuals e.g. voluntary climbing restrictions and breeding birds, and the new Three Peaks notification scheme. (Note: the Three Peaks Project and Visitor Payback income are included in the Rights of Way budget). In 2020/21 a sum is included for a partnership project to flag part of the access path to Buckden Pike which is badly eroded.

Visitor Management		**2019/20**	**2020/21**	**2021/22**	**2022/23**
		£	**£**	**£**	**£**
Staff	**Expenditure**	**110,588**	**113,720**	**115,688**	**117,782**
Open Access	Expenditure	5,000	18,500	5,000	5,000
	Income	0	(1,000)	0	0
Green Lanes	Expenditure	40,000	40,000	40,000	40,000
	Income	(30,000)	(30,000)	(30,000)	(30,000)
LAF	Expenditure	2,000	2,000	2,000	2,000
	Income	0	0	0	0
Programme	**Expenditure**	**47,000**	**60,500**	**47,000**	**47,000**
	Income	**(30,000)**	**(31,000)**	**(30,000)**	**(30,000)**
Net Total (including salaries)		**127,588**	**143,220**	**132,688**	**134,782**

APPENDIX 5

Reserves Strategy

1. The Authority holds Reserves for two key purposes:

- **To help to manage budget risk, by providing:**
  - financial 'insurance': having enough in the bank to cover contingencies such as a major legal cost or the interim funding needed to cope with a reduction in revenue support grant;
  - a buffer in case we get budget estimates wrong.

- **To support delivery by:**
  - funding investment requirements;
  - enabling us to take advantage of unexpected opportunities.

This Strategy covers the Authority's **Usable** Reserves. These are Reserves which are backed by cash and are therefore available to spend on the purposes for which they have been established. At the date of this report, the value of the Authority's Usable Reserves is **£3260k.** This figure will change, dependent as it is on the year-end financial position.

The Strategy

2. It is proposed that the Authority's Reserves be maintained in line with **Table 1**, below.

TABLE 1. USABLE RESERVES STATEMENT	**£'000**
Earmarked Reserves	
1. Contingency (10% of Gross Expenditure 2020/21)	850
2. Carry Forward Budgets	TBN
3. Opportunities Fund	0
4. Property (Refurbishment)	271
5. IT (Replacement & Upgrade)	330
6. Plant & Equipment Rangers (Replacements)	67
7. Broadband Loans	147
8. Access for All	50
9. Cumbria Rights of Way	75
10. Path Erosion	120
11. Tees Swale Project	232
12. Lune Rivers Loan Commitments (Max £160k)	160
13. Tour de Yorkshire 2020/21	50
14. Dales Countryside Museum Maintenance	60
15. Ingleborough Access Project	120
16. Swaledale Barns	76
17. Attracting Younger People	64
18. Northern Upland Chain	43
19. Earmarked Legacies	80
20. Ribblesdale Premises	200
21. General Reserve	265
Total Current Useable Reserves	**3,260**

3. The position at year-end (31 March 2020) will inevitably be different from that shown above, after taking into account the following events:

   - Some of these allocated Reserves will be reduced, in line with planned spending during the remainder of 2019/20; this relates in particular to the Property, IT and DCM Maintenance Reserves.

   - The value of the Broadband Loan Reserve will increase, once interest accrued during 2019/20 is added.

   - A temporary reserve will be created to contain any carry-forward budgets that are required to complete activity started but not finished in 2019/20. The value of this Reserve will then be added to the 2020/21 Budget once that year has started.

   - The General Fund will be modified by whatever the net 2019/20 year-end financial balance is (after taking account of carry-forward budgets). This is likely to be an increase, as we are currently projecting a net surplus on earned income.

4. Further details concerning the individual Earmarked Reserves follow.

1. **Contingency Reserve**: As for 2019/20, this is calculated at 10% of gross budgeted expenditure. This is in line with practice at other NPAs, and is a response both to the increased reliance the Authority places on sourcing additional external funding (and the increase risk associated with that) and the potential impact of any downturn in core income, specifically in terms of our Defra grant, and in 'earned' income.

2. **Carry Forward Budgets**: As at January 2020, the value of this Reserve is nil. At year-end, it will contain the residual budgets allocated in 2019/20 for work that has started but not completed by 31 March.

3. **Opportunities Fund**: Future allocations to this Fund are budgeted at £84k in 2020/21, and £60k a year for the next four years, to be funded by revenue (not Reserves); this allocation accounts for a significant proportion of the 'Current Predicted Deficits' line at the bottom line of the table in **Appendix 1**.

4. **Property**: Established in 2016, this Reserve covers capital expenditure identified by the five-year Property Strategy which runs until March 2022. The balance on this Reserve is expected to be £103k at March 2020. As this Strategy finishes in March 2022 any future works beyond that are currently unfunded. A five-year rolling budget has been prepared, covering all capital works required to the Authority's properties to March 2025, and it is proposed that part of the current General Reserve is used to match this expenditure requirement. A detailed analysis of expenditure plans is available on request.

5. **IT Replacement & Upgrade**: This reserve was agreed in December 2016, to cover additional expenditure identified by the five year IT Strategy, which runs until March 2022. The balance on this Reserve is expected to be £43k at March

2020. As this strategy finishes in March 2022 any future upgrades beyond that are currently unfunded. A five-year rolling budget has been produced including all upgrades and equipment required to maintain our IT infrastructure in its current format to March 2025; should the Authority's direction change in the next IT Strategy (such as cloud based, externally hosted solutions) this estimated budget could change. These works require additional budget, and it is proposed that an allocation from our current General Reserve is used to fund this activity; an additional IT reserve allocation of **£287k** is required. A detailed analysis of expenditure plans is available on request.

6. **Plant & Equipment**: It is proposed to fund this reserve from an allocation from General Reserves, to pay for replacement plant and equipment used by the Ranger team. A five year rolling budget has been produced including all replacements needed, the timing of replacement being set to maximise trade-in values before equipment becomes obsolete or unserviceable and so to provide best use of resources. These replacements require a budget of **£64k**. Plant is currently replaced using Opportunity Fund bids, so this approach will formalise a replacement programme and ensure funds are available when needed. A detailed analysis of expenditure plans is available on request.

   Using Reserves (items 4, 5 and 6, above) for our three Capital Expenditure programmes means that the Authority doesn't need to pay for these from the annual DEFRA funding, so expenditure on programme costs can be maximised. It is also the case that the amounts required for capital expenditure each year are very variable, and would otherwise create irregular and significant peaks and troughs in the revenue spending pattern which would in turn need to be matched by sharp year on year decreases and increases in programme spending. The existence of these reserves allows the Authority to operate to a relatively stable programmes budget each year, which makes longer term planning easier.

7. **Broadband Loans**: The Sustainable Development Fund has supported a number of broadband schemes across the National Park, via a series of interest-bearing loans, the staged repayment of which is due to start in September 2021.The total value of this Reserve includes income accrued to date, which will become payable at the end of the term of each loan; as the loans are repaid the Reserve will be reduced by a matching amount; the funds falling back into the General Reserve.

8. **Access for All**: This reserve contains a private donation made towards the Authority's work on making Public Rights of Way more accessible. The donation was received in December 2017, and has been ring-fenced pending the development of suitable projects. A potential large project to upgrade the bridge at Cautley Spout Bridleway has been identified where the funds could be used as matched funding if we are successful in securing landowner agreement and attracting other funding.

9. **Cumbria Rights of Way**: This reserve contains the residual value of a contribution of £150k, which Cumbria County Council made to the Authority on our taking over responsibility for Rights of Way maintenance in the extended

Cumbrian part of the National Park. The reserve will be spent over the next two financial years; £45k in 2020/21 and the remaining £30k in 2021/22.

10. **Path Erosion**: This Reserve was established in 2018, to cover potential erosion-related repair works to landholdings leased by the Authority for access purposes but where it is intended that such leases will end. £55k per annum will be spent over the next two financial years on repair work, the remainder on interpretation.

11. **Tees Swale Project**: This Reserve, originally at £250k, is the Authority's contribution to a planned five year programme being submitted as a project bid to the Heritage Lottery Fund. The project is being lead by the North Pennines AONB. £18k has been brought forward for spending in 2019/20 and the remaining £232k will be spent over the next five years.

12. **Lune Rivers Loan Commitments**: Loans to a maximum of £160k are available to the Lune Rivers Trust to assist in the cash flow of a larger project which the Authority is involved with. When all loans are repaid at the end of the project the reserve will be returned to the General Reserve.

13. **Tour de Yorkshire 2020/21**: Agreed in 2018, this will support a Tour de Yorkshire event, and may be moved from Reserves into that year's budget in due course.

14. **Dales Countryside Museum Maintenance**: This Reserve was established in 2018, to address a variety of short and long-term structural maintenance and refurbishment issues over and above the budget available for routine maintenance. The sum shown is the current balance after works undertaken in 2018/19 and 2019/20.

15. **Ingleborough Access Project**: The £120k in this reserve is the remainder of £180k granted to the Authority by Natural England, to be spent on accessibility work on the Ingleborough National Nature Reserve over the next two years.

16. **Swaledale Barns**: This sum is the residue of a private legacy donation which has been earmarked for use restoring barns in Swaledale. This Reserve will be spent when suitable barn restoration projects are completed.

17. **Attracting Younger People**: This reserve was created to provide funds to implement the 'Attracting Younger People' action plan; £10k per annum has been allocated to each of the next three years' budgets.

18. **Northern Upland Chain**: This reserve was created from funds aggregated from contributing partners, including the Authority, to support the Northern Upland Chain Partnership project; as costs are spent on this project, the Reserve will decrease.

19. **Earmarked Legacies**. This reserve contains legacies given to the Authority but not yet allocated to specific projects. At the time of writing, one such legacy had

been received in late 2019, for £80k, gifted towards conservation work in Wharfedale.

20. **Ribblesdale Premises.** This is a new reserve, created to earmark funds for a possible permanent solution to Ranger accommodation issues in Ribblesdale. Once a potential solution has been identified, the matter will be put to Members for a decision, prior to any financial commitment being made.

21. **General Reserve**: This contains the balance of our useable reserves, as yet unallocated to spending plans, current total **£265k** (this compares to £1,096k as at 31 March 2019). There are likely to be a number of calls on this balance, including:

    - At the Authority meeting in September 2019, Members agreed that a Climate Change action plan be prepared, to further reduce carbon emissions. This Plan hadn't been completed at the time of preparing this budget, so no money had been allocated towards delivering any of its potential actions. This action plan will be included on the Agenda of the Authority meeting in March 2020.

    - Future grant-funded projects. There are a number of projects in the Authority's 'income generation pipeline' which may require significant match funding but for which no allowance has yet been made in the budget. This requirement for match funding is likely to be a continuing feature, assuming the Authority maintains its success rate in accessing grants.

    - The three year budget projection at **Appendix 1** shows a deficit for 2021/22 of £31k, which has yet to be resolved (potentially, by programme cuts, additional income, or a call on Reserves).

5. Future Reserve Movements

Looking forward, and extending the proposed 3 year Medium Term Financial Strategy to our longer term 5 year 'financial planning' time frame (which mirrors the five year Management Plan cycle), it is anticipated that these various Reserves will be used as shown in **Table 2**. This projection shows that our current plans would see the Authority spending over 65% of its Usable Reserves over the next 5 years, but leaving the Contingency Reserve intact.

The sub-section at the foot of the table identifies other potential reserve movements; these are not part of the budgeting process, but are modelled here to give a perspective on financial stability. They comprise the return of loaned money (assuming that is added to General Reserves) and then using General Reserves to cover future projected budget deficits. As at January 2020, the conclusion is that we are holding sufficient Reserves to deliver current budget projections for the next 5 years. Obviously, this is a highly conjectural statement, and isn't really anything more than a litmus test of how things are looking at this moment in time, but it does provide some assurance that our approach to resourcing services and programmes is reasonable.

TABLE 2. PROJECTED USE OF RESERVES								
No	**Description**	**Balance**	**20/21**	**21/22**	**22/23**	**23/24**	**24/25**	**Balance March 2025**
		£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
1	Contingency	850	0	0	(2)	(40)	(13)	**795**
2	Carry Forward Budgets	0						**0**
3	Opportunities Fund	0						**0**
4	Property (Refurbishment)	271	(63)	(85)	(39)	(39)	(45)	**0**
5	IT (Replacement & Upgrade)	330	(45)	(35)	(135)	(107)	(8)	**0**
6	Plant & Equipment Rangers (Replacements)	67	(43)	(6)	(6)	(6)	(6)	**0**
7	Broadband Loans	147		(102)	(37)	(8)		**0**
8	Access for All	50						**50**
9	Cumbria Rights of Way	75	(45)	(30)				**0**
10	Path Erosion	120	(55)	(55)	(10)			**0**
11	Tees Swale Project	232	(32)	(50)	(50)	(50)	(50)	**0**
12	Lune Rivers Loan Commitments (Max £160k)	160					(160)	**0**
13	Tour de Yorkshire 2020/21	50	(50)					**0**
14	Dales Countryside Museum Maintenance	60	(60)					**0**
15	Ingleborough Access Project	120	(60)	(60)				**0**
16	Swaledale Barns	76	(76)					**0**
17	Attracting Younger People	64	(10)	(10)	(10)			**34**
18	Northern Upland Chain	43						**43**
19	Earmarked Legacies	80	(20)	(20)	(20)	(20)		**0**
20	Ribblesdale Premises	200		(200)				**0**
21	**General Reserve**	**265**		72	92	(217)	11	**223**
	Total Current Useable Reserves	**3,260**	**(559)**	**(581)**	**(217)**	**(487)**	**(271)**	**1,145**

Potential Additional General Reserve Movements								
22	**Repaid Loans (#7&#12) to General Reserve**	**0**	**0**	**102**	**37**	**8**	**160**	**307**
23	**Budget Balance Required (from)/to General Reserve**	**0**	**0**	**(30)**	**55**	**(225)**	**(149)**	**(349)**
	General Reserve Movement			**72**	**92**	**(217)**	**11**	**(42)**

APPENDIX 6

Risks associated with the Draft Budget

Risk	Impact	Likelihood	Control / Mitigation
1. Brexit	Unknown	High	At the date of this report, there remain a number of uncertainties associated with Brexit and which may have a positive or negative outcome for the Authority. Positive outcomes may include additional funding for ELMS Future of Farming, for nature recovery, visitor promotion, and for research into Performance Indicators linked to the implementation of Environment Act. Uncertainties which might be either positive or negative include the wider economic performance, and its impact on government funding or on investment markets (and therefore on Pension funding); and changes in tourism patterns.
2. Staff costs in excess of budget	Moderate	Low	Staff turnover may not generate the saving from vacancies built into the budget, at £59k. However, the current experience of staff turnover rates supports the continuation of this approach. Beyond 2020/21, annual inflation-related pay awards are assumed to continue at the rate of 2%. This assumption appears reasonable at this time. Longer term, with higher rates of annual pay inflation, there may be a knock-on effect on employer pension contributions.
3. Inflation greater than projected	Low	Low	Specific rates of inflation, appropriate to each overhead, have been used to prepare the budget. The situation will be monitored, with the potential for more substantial increases in inflation (particularly relating to energy costs) a possibility. The Authority's main 'people-based' service contract for cash collection is continuing to operate under agreements reached last year. From 2020/21 onwards, the effects of the progressive introduction of the National Living wage and other salary-related inflation may push up the costs of those contracts.
4. Unidentified costs missing from budget.	Low	Low	Thorough budget process. Any significant problems could be managed through a call on General Reserves.
5. Failure to achieve earned income projections.	Moderate	Low	Achievement of targets is under continuous SMT review. Projections have been based on income levels achieved in 2019/20. Some anticipated grant income may not be achieved, in which case the related expenditure will not take place (so no net impact).
6. Failure to deliver objectives within Corporate Plan	High	Low	Closely managed process, with regular in-year review. Resources can be made available from the General Reserve where additional spending is required to achieve delivery.

APPENDIX 7

Treasury Management Strategy

Introduction

1. The Authority has a statutory obligation, linked to its independent financial status, to prepare an annual Treasury Management Strategy. The Strategy covers three substantive matters:

    - the obligation to set prudential indicators which would in turn create the opportunity to borrow to fund capital spending
    - the requirement to set a (cash) investment strategy.
    - The requirement to set a capital strategy.

2. As at February 2020, the Authority has no loans (as debts) in place. Nonetheless, the possibility of borrowing is an option available to the Authority when making decisions on the optimum way to finance capital spending. The indicators contained within this Strategy meet the ground rules that would allow a decision to be taken to borrow funds if that proves to be the optimum solution. Nothing in this report commits the Authority to a decision to borrow funds.

3. Cash investment is delivered under a contract with North Yorkshire County Council and is limited to the interest-earning investment of cash reserves and working capital balances. Our money is pooled with that of other bodies for which NYCC also undertakes this service (including two other National Park Authorities), with investment activity aimed at underwriting the security of capital and liquidity of investments, whilst seeking the highest return on its investments. Investments are primarily in the form of interest-bearing loans and deposits with banks and related institutions.

4. The requirement for a capital strategy is set out in the latest revision to CIPFA's Code of Practice on Treasury Management. The Strategy is intended to provide a high level overview of how capital expenditure, capital financing and treasury management contribute to the provision of services objectives and takes account of stewardship, value for money, prudence, financial sustainability and affordability.

The Treasury Management Strategy for 2020/21

5. The detailed Strategy is set out in **Annex 1**. CIPFA regulations and guidance require that this Strategy covers a number of related areas:

    - **Prudential Indicators**, setting the context for any future borrowing the Authority might wish to undertake; these include the affordable borrowing limit, set at £401k for 2020/21.

    - The **Minimum Revenue Provision Policy.** This sets out the Authority's approach to repaying any capital borrowing over time.

- **Treasury Management Practices** (TMPs) describe the manner in which the Authority will seek to control Treasury Management. As all the investment activities of the Authority are carried out by NYCC, it is necessary to adopt the TMPs used by NYCC to govern its own Treasury Management activities in so far as these relate to investment. A copy of the NYCC TMPs is available on request.

- The adoption of NYCC's **Annual Investment Strategy** and **Approved Lending list**

6. In addition to the Strategy, the Authority is also required to have a **Treasury Management Policy Statement**. This is set out below.

The Authority defines the policies and objectives of its treasury management activities as follows:

- Treasury management is the management of the Authority's investments and cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with these activities, and the pursuit of optimum performance consistent with these risks.
- The successful identification, monitoring and control of risk will be the prime criteria by which the effectiveness of the treasury management activities will be measured. Accordingly the analysis and reporting of treasury management activities will focus on their risk implications for the Authority.
- Effective treasury management will support the achievement of the business and service objectives of the Authority. The Authority is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

7. CIPFA's Code of Practice on Treasury Management emphasises that the responsibility for risk management and control of Treasury Management activities lies wholly with the Authority and its officers.

Local Authority Investments and Annual Investment Strategy

8. Under Section 15 (1) (a) of the Local Government Act 2003, the Authority is required to have regard to Investment Guidance issued by the Secretary of State in respect of the investment of cash funds. This Guidance on Local Government Investments requires an **Annual Investment Strategy (AIS)** to be approved by Members.

9. Because investment activity is undertaken on behalf of the Authority by NYCC, the practical result of this is that we are required to adopt NYCC's AIS. A copy is available on request.

Treasury Management Reporting and Scrutiny Arrangements

10. The CIPFA Code of Practice on Treasury Management requires that each authority must receive reports on its Treasury Management policies, practices and activities, including as a minimum an annual strategy and plan in advance of the year, a mid year review and an annual outturn report after the end of the year. These requirements are included in the Authority's Financial Regulations (13.3) and are fulfilled by the current report, and by subsequent reports to the Audit & Review Committee.

11. Treasury Management performance and policy setting should also be subject to ongoing scrutiny: each Authority must delegate the role of scrutiny of treasury management strategy and policy to a specific named body. For YDNPA, this is the Audit & Review Committee.

Capital Strategy

12. The Capital Strategy for 2020/21 (**Annex 2**) describes the planned investment of reserves in refurbishing, developing and replacing capital assets, including property and premises, plant and equipment, and IT; inevitably, there is a strong link between this Strategy and the Authority's Reserves Strategy.

ANNEX 1

TREASURY MANAGEMENT STRATEGY & STATEMENT 2020/21

INTRODUCTION

1. The production and submission to Members of this Treasury Management Strategy is a requirement of the Local Government Act 2003, as codified in the CIPFA Treasury Management Code of Practice in the Public Sector & Prudential Code. The Strategy covers:

    - the Treasury Limits in force which will limit the treasury risk and activities of the Authority (paragraphs 2-3)
    - Prudential Indicators (paragraph 4)
    - the current treasury position (paragraph 5)
    - the Borrowing Requirement and Borrowing Limits (paragraphs 6-8)
    - Borrowing Policy (paragraph 9-13)
    - prospects for interest rates (paragraph 14)
    - the Borrowing Strategy (paragraphs 15-17)
    - Minimum Revenue Provision Policy (paragraphs 18 -20)
    - Annual Investment Strategy (paragraphs 21-23)

TREASURY LIMITS FOR 2020/21 TO 2022/23

2. It is a statutory duty under Section 3 of the Local Government Act 2003 for the Authority to determine and keep under review how much it can afford to borrow. The amount so determined is termed the **Affordable Borrowing Limit** (ABL); this covers loans and other forms of liability, such as credit arrangements. The ABL has to be set on a rolling basis for the forthcoming financial year and two successive financial years.

3. The Authority must have regard to the Prudential Code when setting the Affordable Borrowing Limit, which requires it to ensure that total capital investment remains within sustainable limits. In practice, it is equivalent to the Authorised Limit as defined for the Prudential Indicators (see paragraph 4 iv).

PRUDENTIAL INDICATORS FOR 2019/20 TO 2021/22

4. The Prudential Indicators are as follows.

(i) **Estimated Ratio of Capital Financing Costs to the Net Revenue Budget (Affordability)**

This indicator identifies the percentage cost of borrowing to the Authority (i.e. interest payments), net of interest earned on cash balances.

The estimated ratios for the current and future years, the actual figure for 2018/19 and the probable figure for 2019/20 are set out in the table below. Where the expected earned interest on working capital is predicted to exceed that of the interest payable on possible borrowing as set out in the later indicators, the effective percentage is NIL. This is now the case for the years to and including 2022/23, as we are projecting working capital levels that would be likely to generate more interest income than the interest payments that would result from borrowing were we to fund capital spending from loans.

Year	Basis	%
2018/19	actual	0.00%
2019/20	probable	0.00%
2020/21	estimate	0.00%
2021/22	estimate	0.00%
2022/23	estimate	0.00%

(ii) **Capital Expenditure Plans (Actual and Estimated)**

This table shows total capital spending plans for the Authority. All the prudential indicators that follow are based upon the **possible** borrowing requirement were the Authority to fund all of this spending through loans.

Year	Basis	£k
2018/19	actual	18
2019/20	probable	55
2020/21	estimate	151
2021/22	estimate	126
2022/23	estimate	180

(iii) **Capital Financing Requirement and Forecast**

The Capital Financing Requirement defines the underlying need to borrow to pay for capital spending.

Date	Basis	£k
31 March 2019	actual	18
31 March 2020	probable	55
31 March 2021	estimate	151
31 March 2022	estimate	126
31 March 2023	estimate	180

The previous figures provide the option for the Authority to consider funding capital purchases (including vehicle leases) by borrowing. However the level of debt outstanding needs to be adjusted for the Minimum Revenue Provision (MRP). Details of the make-up of this provision are included in paragraphs 18-20. This MRP applies to debt outstanding at the end of each financial year and therefore the MRP charge would be applicable from 2020/21 onwards and the capital financing requirement will be reduced accordingly. Note that there is no current outstanding debt, and so no current value to our MRP.

(iv) **Authorised Limit for External Debt**

This sets the limit beyond which borrowing by the Authority is prohibited, and is based upon the best estimate of increases in debt arising from the capital financing requirement plus a margin (£250k; unchanged from previous years) to allow some flexibility for unforeseen cash movements.

The limit is analysed between borrowing and other long term liabilities (such as finance leases) to show the actual debt owed by the Authority. The Treasurer has delegated authority to make changes between the separately agreed limits for borrowing and other long term liabilities, in accordance with option appraisal, value for money and other relevant factors.

The recommended Authorised limits for external debt are as follows:

Year	Borrowing Limit, £k	Other Long Term Liabilities, £k	Total £k
2020/21	401	0.0	401
2021/22	376	0.0	376
2022/23	430	0.0	430

The Authorised Limit is consistent with the Authority's current commitments and budget process.

Under **Section 3(1) of the Local Government Act 2003** the Authority must set an **affordable borrowing limit** for the coming year. The Authorised limit of £401k will act as this limit for 2020/21.

(v) **Operational Boundary for External Debt**

This is based on the probable external debt position during the year. It is not a limit and actual borrowing could vary around this boundary during the year. The difference between this indicator and the Authorised Limit is the £250k which provides headroom for unusual cash movements.

The operational boundary is analysed between borrowing and other long term liabilities separately. The Treasurer has delegated authority to make in-year changes to the operational boundary and its sub-categories.

Year	Borrowing Limit £k	Other Long Term Liabilities, £k	Total £k
2020/21	151	0	151
2021/22	126	0	126
2022/23	180	0	180

(vi) **Actual External Debt**

This Authority had no external debt at 11 February 2020, and this position is unlikely to change by 31 March 2020.

(vii) **CIPFA Code Compliance**

The CIPFA Code of Practice on Treasury Management in the Public Services was updated in November 2011 and adopted by the Authority on 27 March 2012.

(viii) **Interest Rate Exposures**

If the Authority were to borrow during 2020/21, it would follow the Borrowing Strategy as set out in paragraphs 15 – 17 of this document. Loans could be obtained from the Public Works Loan Board (PWLB), from the money market, or by borrowing against internal surplus cash balances. Any borrowing could be either at a fixed or variable interest rate, depending on the circumstances prevailing when any loan was taken out.

To allow flexibility this indicator sets an upper limit on fixed interest rate exposures for 2020/21, 2021/22 and 2022/23 of up to **100%** of the Authority's net outstanding principal sums. The upper limit for variable interest rate exposure is set at **40%** of net outstanding principal sums; this reflects the riskier nature of these types of loan. A maximum of 20% of cash balances can be invested for periods of longer than 364 days.

If the Authority does decide to borrow the Treasurer will manage fixed and variable interest rate exposures within the ranges in the next table.

Borrowing	% of outstanding principal sums
Limits on fixed interest rate exposures	60 to 100
Limits on variable interest rate exposures	0 to 40
Investing	
Limits on fixed interest rate exposures	0 to 30
Limits on variable interest rate exposures	70 to 100

(ix) **Gross Debt and the Capital Financing Requirement**

Over the medium term, debt should only be used for a capital purposes. Therefore the Authority must ensure that debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year, plus the estimate of any additional capital financing requirement for the current and next two financial years. The Authority has met this requirement up to the present date; with no borrowing planned, no difficulties are anticipated for the period covered by this report up to and including 2022/23.

(x) **Maturity Structure of Borrowing**

Upper and lower limits for the maturity structure of borrowings are set to allow maximum flexibility:

Period	Lower Limit	Upper Limit
Under 12 months	0%	100%
12 months and within 24 months	0%	100%
24 months and within 5 years	0%	100%
5 years and within 10 years	0%	100%
10 years and above	0%	100%

(xi) **Total Principal Sums Invested for Periods longer than 364 days**

A maximum of 20% of funds available for investment will be held in aggregate in "Non-Specified investments" over 364 days.

THE CURRENT TREASURY POSITION

5. As at 31 December 2019, the Authority's Treasury position was as below

Item	Principal as at 31 Dec 2019 £k	Average return in 19/20 to 31 Dec 2019 %
Debt Outstanding		
None	0	
Investments		
Managed by NYCC	3,699*	0.92

*This figure reflects the principal held as at 31 December 2019. The average daily balance from 1 April 2019 to 31 December 2019 was £4.478m.

THE BORROWING REQUIREMENT AND BORROWING LIMITS

6. The **Operational Boundary** is an estimate of the most likely, prudent scenario for external debt during 2020/21. The **Authorised Limit** is based on the same estimate as the **Operational Boundary** but includes sufficient headroom over this figure to allow for unusual cash movements.

7. The **Authorised Limit** is therefore the maximum amount of external debt which the Authority agrees can be incurred at any time during the financial year and includes both capital and revenue requirements. It is not, however, expected that the Authority will have to borrow up to the limit agreed.

8. The agreed **Operational Boundaries** and **Authorised Limits** for external debt up to 2022/23 are as follows:

	Item	2020/21 estimate £k	2021/22 estimate £k	2022/23 estimate £k
	Debt Outstanding at the start of the Year	0	151	126
+	Internal or External borrowing requirements	151	126	180
-	MRP + charged to revenue	-0	-151	-126
=	**Operational Boundary for year**	151	126	180
+	**Provision to cover unusual cash movements**	250	250	250
=	**Authorised Limit for year**	**401**	**376**	**430**

BORROWING POLICY

9. The policy of the Authority is that if external borrowing is required to finance capital expenditure, then loans will be sought from the PWLB or the money markets, over periods of up to 70 years which reflect the best possible value to the Authority and/or the life of the Authority's assets. Individual loans will be chosen depending on the perceived value of interest rates at the time of borrowing.

10. If borrowing were to be undertaken from the money markets then such loans should be limited to 30% of the total debt portfolio.

11. The Authority will look to borrow from the PWLB and money markets at the most advantageous rate.

12. The Prudential Code allows external 'borrowing for capital proposes' in advance of need within the constraints of relevant approved Prudential Indicators. There are risks, however, in such borrowing and the Authority has not taken any such borrowing to date and has no current plans to do so. The Authority will not borrow more than or in advance of need purely in order to profit from the investment of the extra sums

borrowed. Any such borrowing in advance of need will only be considered where there is a clear business case for doing so.

13. The merits of internal capital borrowing from the Authority's surplus cash balances will be considered very carefully, should borrowing ever be anticipated.

PROSPECTS FOR INTEREST RATES

14. The current expectation is that bank interest base rates could go either way following Brexit. The assumption which has been built into future budgets (in terms of investment receipts) is that bank interest earnings will continue to increase year on year with a larger average bank balance and possibly higher interest rates; an increase of 5% in interest receipts has been factored in (not a 5% increase in interest rates), but interest rate prospects would be reviewed in much more detail if a decision to borrow externally were to be made.

THE BORROWING STRATEGY

15. New borrowing activity will take advantage of the lowest borrowing rates available from the PWLB. The choice of the loan period will depend not just on the required duration of any loan but also on the Authority's attitude to risk. Longer term loans with fixed interest rates provide certainty over repayments, but have higher interest rates attached to them because of that insurance. A series of shorter term loans could be cheaper, but would lose that certainty.

External versus internal borrowing

16. The Authority has its own cash balances. In 2019/20 to December 2019 the value for the average daily cash balance was £4.48m. This sum is made up of 'cash' items (including creditors), reserves, balances and provisions.

17. This borrowing policy provides for shorter term borrowing from the Authority's revenue cash balances, if that option is preferable to other alternatives. Because investment rates are normally below long term borrowing rates, using internal cash balances to finance new capital expenditure could be cost efficient.

MINIMUM REVENUE PROVISION POLICY

18. The Authority is required to set a prudent Minimum Revenue Provision (MRP) for the coming year, to enable it to redeem any debt liability over a period equivalent to the useful life of the capital asset being financed. An annual review of MRP policy is required, and forms part of this report (see below).

19. The policy for 2020/21 takes into account the fact that the Authority has no outstanding debt. The proposed policy is unaltered from last year, as follows.

20. For locally agreed Prudential Borrowing on capital expenditure incurred, MRP will be calculated based on equal annual instalments over the estimated useful life of the asset for which the borrowing is undertaken. For finance leases, MRP will be equivalent to the annual rental payable under the lease agreement.

21. The estimated life of relevant assets will be assessed each year based on types of capital expenditure incurred but in general will be 50 years for buildings (excluding DCM, for which 30 years is the estimated life), perpetuity for land, 5 to 20 years for vehicles, plant and equipment, and 5 years for IT equipment. This policy has been used, in respect of the requirement for capital expenditure, to calculate the provisions within the Prudential Indicators set out in paragraph 4 of this statement.

ANNUAL INVESTMENT STRATEGY (AIS)

22. The Authority's investment management arrangement with NYCC covers its investment requirements. The net return achieved will be monitored by the Treasurer, allowing the position relative to budget assumptions to be reviewed. NYCC continues to make all investments in accordance with the Local Government Act 2003, which requires an Annual Investment Strategy to be approved. The Authority has, therefore, adopted the Annual Investment Strategy approved by NYCC. A copy of the document is available for members on request. The information below outlines the strategy for investments.

23. The Authority's investment priorities are:

    (i) To have regard to the Government Guidance on Local Government Investments and the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes.

    (ii) To ensure the security of capital (protecting the capital sum from loss); and to maintain liquidity (keeping the money readily available for expenditure when needed).

    (iii) To seek the highest return (yield) on its investments provided that proper levels of security and liquidity are achieved.

24. The Authority's surplus funds are invested with NYCC's funds and therefore the investment interest earned by the Authority will be from a combination of different investments over differing periods. The current edition of NYCC's Approved Lending (= investing) List is available on request.

ANNEX 2

CAPITAL STRATEGY 2020/21

Background

1. The purpose of the Capital Strategy is to demonstrate that the Authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. It sets out the long term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward, and impact on the achievement of priority outcomes.

   The Strategy is required to cover three distinct but inter-related elements, as follows:

   (a) **Capital Expenditure**: an overview of the Authority's governance process for approval and monitoring of capital expenditure, including the Authority's policy on capitalisation, and an overview of its capital expenditure and financing plans.

   (b) **Capital financing and borrowing**. A projection of the Authority's capital financing requirement, how this will be impacted by capital expenditure decisions and how it will be funded and repaid. It therefore sets out the Authority's borrowing strategy and explains how it will discharge its duty to make prudent revenue provision for the repayment of debt.

   (c) **Treasurer's statement**, meeting the requirement to report on the affordability and risk associated with the capital strategy.

Capital Expenditure

Capitalisation policy

2. Expenditure is classified as capital expenditure when it results in the acquisition or construction of an asset (e.g. land, buildings, vehicles, plant and equipment, including IT infrastructure) that:

   (a) Will be held for use in the delivery of services, for rental to others, investment or for administrative purposes;

   (b) is of continuing benefit to the Authority for a period extending beyond one financial year.

   Subsequent expenditure on existing assets is also classified as capital expenditure if these two criteria are met.

Governance

3. Capital investment in new and improved assets is necessary to support delivery of the Authority's services. Capital expenditure is managed through the annual budget as part of the budget setting process and reviewed quarterly as part of the monitoring arrangements for financial performance.

Capital Expenditure and Funding Plans

4. Capital expenditure can be financed from any of the following sources:

    - Capital grants
    - Capital receipts – amounts generated from the sale of assets and the repayment of any capital loans or grants
    - Revenue contributions – amounts set aside from the revenue budget, funded by income (e.g. Defra core grant)
    - Reserves
    - Borrowing – amounts that the Authority does not need to fund immediately from cash resources, but instead charges to the revenue budget over a number of years into the future.

5. The Authority's capital expenditure plans are supported by a series of asset strategies and projections which are designed to ensure that our work is supported by capital assets that are fit for purpose.

6. Full strategies are prepared for **Property Management** and for **IT Development**, each covering a five year period and including a fully costed investment requirement. These Strategies undergo a full revision and reappraisal every five years, but the investment requirement is updated annually, in order to give a rolling five year projection, which is in turn met from Reserves. New for the 2020 budget, a projection of required investment in **Plant** used by the Ranger team has also been prepared, also covering a five year period, which it is also proposed be funded from Reserves.

7. The funding requirement for is summarised below. Named capital reserves have been created to allocate funding in line with the total values of these three commitments, as follows:

	2020/21	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**Total**
	£'000	£'000	£'000	£'000	£'000	£'000
Property	63	85	39	39	45	**271**
IT	45	35	135	107	8	**330**
Plant & Equipment	43	6	6	6	3	**64**
Total	**151**	**126**	**180**	**152**	**56**	**665**

Capital Financing Requirement and borrowing

8. In order to assess affordability, prudence, and financial sustainability of capital investment plans, the Authority is required to prepare and maintain a set of prudential indicators. They are intended to collectively build a picture that demonstrates the impact over time of the Authority's capital expenditure plans on the revenue budget and upon borrowing and investment levels. They also explain the controls that will ensure that the activity remains affordable, prudent and sustainable.

9. Key components of this approach are:

    - The Capital Financing Requirement for future borrowing plans;
    - External Borrowing Limits to match these requirements;
    - The Borrowing Strategy;
    - The Minimum Revenue Provision, being the amount needed to be set aside each year from revenue sources to cover any loan repayments.

The above are covered within the Treasury Management Strategy for 2020/21 at Annex 1, so are not repeated here.

Treasurer's Statement

10. National Park Authorities determine their own programmes for investment that are central to their delivery of quality public services. The Capital strategy set out here gives the long term context in which capital expenditure and investment decisions are made.

11. There is a requirement that the Treasurer / Chief Finance Officer reports on the affordability and risk associated with this strategy.

12. In summary, the Capital strategy presented here provides an overview of the governance process for approval and monitoring of capital expenditure. These processes are well established and are effective in ensuring delivery of the Authority's capital investment plans. In addition, the Capital Strategy and prudential indicators also demonstrate that the capital expenditure, investment and financing plans of the authority are robust, affordable and sustainable over the projected period.

Richard Burnett
Treasurer

28 January 2020