YORKSHIRE DALES NATIONAL PARK AUTHORITY	**ITEM 6**
Committee Date:	**AUDIT AND REVIEW** **8 November 2022**
Report:	**MAJOR PROJECT REVIEW: INCOME GENERATION STRATEGY**

Purpose of report

1. To provide an assessment of the impact of the Authority's current Income Generation Strategy (IGS) on the resourcing and operation of the Authority's services, and to incorporate lessons learnt within a revised strategy.

RECOMMENDATIONS

2. That Members note the lessons learnt from the delivery of the Authority's current IGS and comment on the recommendations to be taken into account in the development of the next edition of this strategy.

Strategic Planning Framework

3. The information and recommendations contained in this report are consistent with the Authority's statutory purposes and its approved strategic planning framework:

   Corporate Plan, action 34.3: Review the effectiveness of the Authority's IGS and produce an updated strategy.

Background

4. Reports on lessons learned from 'major projects' provide Members with an opportunity to hear from officers about what has been achieved, what worked and what didn't, and to consider recommendations for future project development and management across the Authority.

5. This Committee agreed in April that one of the reviews this year should focus on our performance in relation to, and lessons learnt from, the operation of Authority's current IGS, particularly given that a new version needs to be developed later this year.

Findings from the review

6. The full findings from the review are set out in the **Appendix**. Income Generation performance is a heavily-reviewed area; the history of these reviews and of the various iterations of the IGS is summarised in the Introduction to this Appendix.

7. The key finding from the review is that the Authority has more than achieved the target set by the current IGS, of generating sufficient income to maintain the real-terms value of expenditure at pre 2018/19 levels.

Conclusion

8. The current IGS has been instrumental in achieving our aim of maintaining (actually, growing) the value of the Authority's work in the National Park. The approach we've adopted has meant that looking for grant and other income opportunities across almost the full range of our activities has become second nature to many officers.

9. This success isn't without its challenges, which include increased workload and associated pressures, the difficulty of maintaining the current level of success, and of finding income that will also make a contribution to the Authority's core running costs. This last point is important, because most income – and especially grants – requires a major time contribution from existing staff, either in generating it (e.g. grant applications) or delivering it (grant outcomes). These issues will need to be addressed in the next version of the strategy.

Richard Burnett
Director of Corporate Services

21 October 2022

APPENDIX - LESSONS LEARNED FROM THE OPERATION OF THE CURRENT INCOME GENERATION STRATEGY

Introduction

In 2010, Defra announced a series of cuts that resulted in a progressive reduction in the Authority's core grant across the years 2010/11 to 2014/15[1]. The Authority's response was to increase its focus on fundraising (non-Defra grant income, fees & charges etc.) so as to:

- avoid making deeper structural cuts than would otherwise be necessary;
- ensure that there were sufficient resources – including from non-Defra grant income - to pay for activities to be undertaken by officers. Cuts to programme 'activity' budgets in 2011 were deeper than to the related staff resource, increasing the risk that, whilst we would be able to afford to pay staff, the activities they could do would be restricted through insufficient money.

Considerable work was put into exploring all aspects of income, aimed at maximising existing sources and identifying new ones. This included multiple consultations and working groups with staff and Members, which in turn yielded extensive lists of possible lines to investigate, of which the more practicable ideas were pursued.

Following a performance review of income generation in 2015[2], our approach was formalised in the Authority's first Fundraising Strategy 2015-18[3]. This set the objective 'that by 2017/18 our overall spending will be maintained at the 2014/15 level of **£5.4m'**, the intention being to maintain the level of work and impact of the Authority; as the rate of inflation was at that point very low, its impact wasn't considered as a factor when setting this objective. That Strategy also included an ambition to achieve a (Defra) grant / 'other income' ratio of 60/40% by 2020 and a recommendation to re-invigorate the partnership with the Yorkshire Dales Millennium Trust.

This first strategy identified that the main opportunities lay in accessing grants (including the Heritage Lottery Fund) and charging for services and sponsorship, and placed increased emphasis on using such funding to deliver our objectives.

During the life of the first IGS, the income objective was increased to **£6.62m** for 2017/18[4], reflecting the 23% expansion of the National Park in 2016 and the aspiration to maintain the same ratio of **NPA spending per hectare**. Although this expansion was accompanied by an increase in the core Defra grant, that increase was less than 23%, so this new target placed even greater reliance on fundraising.

The next review of the IGS took place in 2017[5], concluding that 'the current approach is broadly right, and that the next IGS should focus on steady growth that builds on income streams already identified.' The review also noted that the capacity of the Authority to continue growing income was limited, and that some possible sources to income were not

[1] Proposed Budget 2011/12; Finance & Resources Committee 3 February 2011
[2] Income Generation: findings from the performance review; Audit & Review Committee 14 April 2015
[3] Fundraising Strategy 2015-18; Authority 29 September 2015 (background documents)
[4] Revising the Authority's Income Generation Objective; Finance & Resources Committee, September 2016
[5] Performance Review of the implementation of the Authority's Income Generation Strategy; Audit & Review Committee, 14 November 2017

productive (e.g. sponsorship, at individual NPA level). The current IGS was agreed in 2018[6] and covers the period from 2019 to 2022 (extended here to include 2022/23).

THE INTENTION

Why was the current strategy introduced?

The real value of the Authority's core grant from Defra has been falling steadily since 2010, through a mix of direct cuts and 'stand-still' settlements that have taken no account of inflation. Without raising additional income, the ability of the Authority to look after the National Park would diminish significantly; the strategy was introduced to address this challenge.

What was the strategy intended to achieve?

1. To:
    - maintain the real value (i.e. taking account of inflation) of the Authority's 2014/15 expenditure in £/ha, across the period of the Strategy;
    - achieve success in securing 'unrestricted' income (e.g. from fees and charges);
    - focus on income (e.g. from grants) for projects that deliver our objectives and priorities and contribute to supporting existing staff costs and running costs.

Original timescales

2. A target was set for each of the years covered by the Strategy, agreed as part of the annual budget. The target varied from year to year depending on the prevailing rate of inflation. The target is based on total **expenditure** rather than income, because not all income is spent in the year in which it is raised, and it is the value of our spending – year on year - which the Strategy was designed to maintain.

	Expenditure: Target (£m)[7]	Expenditure: Result (£m)	Income: Result (£m)
2019/20	7.9	8.3	8.3
2020/21	8.1	8.1	8.0
2021/22	8.1	9.1	9.5
2022/23	8.5	11.1 (budgeted)	10.6 (budgeted)
Total	**32.6**	**36.6**	**36.4**

Proposed means of implementing the strategy

3. Continuing the approach first adopted in 2011, the Strategy was explicit in making income generation a general responsibility of the existing officers, recognising that they

[6] Income Generation Strategy 2019-22; Authority, 18 December 2018
[7] Target figures taken from annual 'start' budgets, Results figures from year-end outturn reports

were best placed to identify opportunities across the very wide range of our work; an alternative approach would have been to create a dedicated fund-raising post.

Original resourcing

4. A number of officers were given targets (as actions arising from their annual appraisals) to undertake specific income generation actions, mostly around grant funding bids for projects. The more significant of these actions were included in the Authority's annual Action Plan.

5. Although no additional resource was added to help to deliver the above activity, the time needed was allocated within the work plan of the officers and the action(s) were agreed as practicable at the start of each year. It was anticipated that time spent on raising funding would be at the expense of some aspects of 'business as usual' and this was left to managers to discuss at appraisals

6. Because of the risk that projected income might not be forthcoming or that we failed to meet grant conditions, and the likely unevenness of grant funding (varying year on year in line with projects and their funding starting and ending), the Strategy was 'backed' by our approach to maintaining Reserves. The Authority's Contingency Reserve was increased from 5% of gross expenditure to 10% of gross expenditure, and has been maintained at that level throughout the period of the Strategy.

THE REALITY

Actual achievements of the Strategy

7. The Income Generation 'total expenditure' targets were achieved (well above the objective, in 3 out of the 4 past years) for each of the years within the Strategy; see paragraph 2.

8. Results for income achieved (or projected) are included in the table at paragraph 2: over this period, total actual income is very close to total actual expenditure. Detail behind these results is contained in the following Annexes. Key points to highlight from this data include:

   - **Annex 1**: Performance Information
     - The cash value of our total income has increased, despite the falling value of the Defra core grant[8].
     - The actual (real terms) value has been maintained.
     - Income by type: the largest components are Other Grants (main sources are the National Lottery Heritage Fund and Defra), and Fees & Charges. These are very likely to remain the main areas of opportunity in the future, alongside

[8] During the life of the current IGS, the cash value of the Defra core grant increased from £5.1m in 2018/19 to £5.2m in 2019/20, and has then continued at that level through to 2022/23. After taking account of inflation, its real-terms value will have fallen by ~17% by the end of the current financial year, so £5.2m is now only worth £4.3m in terms of 2018/19 values (i.e. at the start of the IGS period).

– potentially – private finance and commercial sponsorship (both of the latter organised at a national scale by National Parks Partnerships).

    - Grant Income by Programme. For 2022/23, this is concentrated largely in four programmes, of which two (Rights of Way; Farm Conservation) are Authority priorities.
    - Compared to other NPAs, YDNPA is performing at a level typical for the size of the NPA (as indicated by the relative size of Defra core grants). However, trying to make such comparisons is difficult, because of various component factors, the most obvious of which is the link between asset ownership and gross income. Two NPAs in particular have much larger asset (land and buildings) portfolios, and earn significant income from leases and gross income generated by activities from those sites. However, that ‘gross income’ overstates the net value of that activity, because there will be significant costs associated with generating that income, meaning that gross income is not wholly a reflection of true ‘spending value’ of that income.

- **Annex 2**: Fees & Charges
    - Results for the most recent compete year, 2020/21, give a total of £1.5m from this source; well over half of this was car parking income.
    - Performance trends have been included, with the intention of assisting with future budget projections.
    - After accounting for inflation over the period of the IGS, the total income from Fees and Charges has increased by 21% in real terms since 2018/19.

9. The Authority also benefits from some income from donations, in relation to the three Peaks Project and to YDMT; see **Annex 3**. It also derives some income (in the form of sponsor-derived conservation grants and free outdoor clothing, the latter supplied under a deal with Columbia) from its participation in National Parks Partnerships Limited. Hitherto, these arrangements have been on a relatively small scale, but are likely to increase - potentially significantly - as a result of participating in the NPP/Palladium-led Revere project and if at least one imminent sponsorship deal is confirmed in the near future.

Actual timescale

10. The targets were achieved to the required timescale (by the end of each financial year).

Actual means of delivery

11. Delivery was achieved, as planned, by officers working in the Programmes for which they were responsible. For Fees & Charges income, this has meant careful monitoring of performance data, and the appropriate adjustment of charge rates, to strike the balance between a fair price and the optimisation of income achieved (these aspects are, of course, closely related).

12. With more of our grant income now coming from sources other than the Defra core grant, the picture is – unsurprisingly - more complicated than previously. Such grants can be classified as:

- Non-governmental project grants (principally National Lottery Heritage Fund-related), which we apply for to achieve specific outcomes to deliver our objectives. The largest item on this list is the Westmorland Dales Landscape Partnership project

- 'Directed' government grants (principally deriving directly or indirectly from Defra) which we're given - as are other NPAs - to deliver specific outcomes. Examples include Farming in Protected Landscapes (FiPL) and the recent Access money.

- Grants which could also be described as contracts to deliver services for other bodies; this includes National Trails and Catchment Sensitive Farming for Natural England, and the Woodland Trust's Grow Back Greener scheme.

13. The increasing scale of non-core Defra-originated grants is significant in terms of what has been - arguably - the signal failure of NPAs collectively to successfully argue either for an increase in Defra core grant (to recover at least some of the ground already lost since 2010) or even for an inflationary increase so that the real terms value of what grant we do get could be maintained. The reality – at least, as it's likely to be seen by Defra - is that Defra funding to NPAs <u>has</u> increased significantly, albeit that it is increasingly directed towards achieving certain Defra priorities. This 'direction of travel' may well define our future funding relationship with Defra, in which the core grant is left to continue to stagnate, but extra money is made available with which Defra will buy outcomes from NPAs.

14. If this conjecture about Defra funding (above) is correct, it's likely to have an impact on where the Authority can direct its activities and – if the experience of the past two years is typical – to require a greater degree of operational flexibility by the Authority. *Ad hoc* (non-Core grant) funding from Defra is often announced (or available) at short notice, and at a late point in the calendar year in which it must be spent. This can create huge pressure on officers to deliver the work so funded, particularly given their pre-existing work commitments.

15. An additional challenge of delivering 'extra' Defra grant-related activity is that Defra assumes that it can be delivered within the grant allocated, and without taking into account the full administrative cost: Defra aren't funding us at a level that allows us to deliver the 'extra' and carry on doing all the other things that we were doing as well. However, this issue needs to be seen 'in the round': if we weren't delivering these programmes, we would still incur costs as the statutory consultee if someone else delivered it (we just wouldn't get paid anything).

Actual costs

16. As was concluded in the review of the last IGS, it would be extremely difficult and disproportionately expensive to attempt an accurate measure of the costs of implementing the Authority's chosen approach. This is because:

a. The vast majority of the cost is in staff time, and the work to generate income is part of the day-to-day role of many staff, spread right across the Authority.

b. No additional staff were recruited specifically to generate income, so the costs are essentially opportunity costs (i.e. that the staff could have been doing something else).

17. In terms of the 'opportunity costs' of the staff time that has gone into securing new income, the impact can only be inferred by reference to the Authority's performance in achieving its other objectives. For example, taking the number of corporate actions 'not achieved or postponed' in any one business year as an indicator (see table, below) would suggest that overall performance is stable.

	Number of (Corporate) Action Plan[9] actions 'Not achieved' or 'Postponed'
2018/19	33
2019/20	27
2020/21	29
2021/22	29

LESSONS LEARNED

What went well, and why?

18. The conclusion from this review, and the experience from income generation activity since 2015, is that – overwhelmingly – our most productive sources of income are grants and fees & charges. We've developed a culture that is alert to grant opportunities, and that manages the fees and charges process to optimise income. Other sources (Legacies; Trusts & Foundations; Donations, Sponsorship) have yielded some useful income, but this is sporadic and on a smaller scale. The latter result is not through lack of trying, but indicates that opportunities from such sources are much harder – and need much more work - to identify and access, and for lower gains than can be achieved elsewhere.

What went less well, and why?

19. A number of issues are apparent from the approach we have taken, and which need to be taken into account when preparing the next version of the IGS:

(i) Successful grant funding had become concentrated in a limited number of Programmes. Setting aside the (very) positive fact that this means those programmes now have much more impact than they would otherwise have, it suggests some programmes are not maximising their opportunities (accepting, however, that this situation also reflects what opportunities are actually available).

[9] Data taken from Annual Review of Authority Performance, reported to A&R Committee in July each year

(ii) The concentration of grant funding in certain programmes is creating work pressure difficulties. Because they are often unconfirmed when annual budgets and work plans are set, new projects for which grants are awarded in-year can simply become add-ons to existing workload and targets.

Although the larger new grants usually allow for extra staff costs to deliver the project concerned, other workloads can become unsustainable, particularly amongst managers and in relation to support services outside the immediate envelope of a project (including work to recruit temporary staff and managing increased staff turnover, handling the administering of grants, extra reporting requirements, contract documents etc.). Complying with all elements of a successful bid is invariably very time consuming.

The original expectation that the time spent on raising funding would be at the expense of some aspects of 'business as usual', to be left to managers to determine, was problematic: some managers simply added the extra activity to their workload and we ended up trying to do too much.

(iii) Project planning for grant-funded programmes is uneven. With project managers sometimes developing their proposals in relative isolation and under time and capacity pressures, there can be a degree silo thinking, and an assumption on the part of the project manager that, once they've successfully completed their bid, others are ready and able to fulfil the role anticipated for them. This can have wider implications, in limiting the opportunities for other managers to contribute to maximise the benefits of a grant bid for the whole Authority.

(iv) Whilst we are getting better at making sure that bids contain the full value of direct overhead costs, we don't yet have a sufficiently rigorous culture where planned actions are consistently cancelled, to be replaced by the new grant funded ones. As a consequence, new staff have been taken on to deliver new grant-funded projects, rather than changing work plans and reallocating existing staff to new work.

20. Whilst the following issues are not problems arising from the Authority's approach to income generation, they will need to be considered in preparing the next IGS:
    - The prospect of more government cuts, further reducing our capacity to raise additional income
    - Reorganisation, and any resulting loss of momentum
    - Diminishing opportunities for grant funding (and more competitors for that money)
    - Inflation.

RECOMMENDATIONS FOR THE FUTURE

21. The following recommendations are items which it is proposed should be <u>considered</u> in preparing the next IGS. Many of these items (notably (ii), (iii), (iv), (v) and (ix)) are also relevant to developing the Authority's budget for 2023/24 and beyond.

(i) Review the financial target of the IGS. Given that the future Defra core grant is unlikely to include an inflationary allowance (further cuts are more likely), the amount of money we would need to find from other sources to maintain existing real-terms spending levels would increase substantially. Based on current inflation rates, the level of non-Defra income needed to continue the existing IGS target beyond 2022/23 would increase by over 50%, from £3.3m to £5.0m. This may be achievable, assuming that certain large grants continue or are confirmed. However, those grants make little contribution to the Authority's running costs (and can add to those costs), so there is a risk that the target is seen solely in terms of achieving a certain value for gross income, rather than – as was intended when the first IGS was written – as a means of supporting the Authority's planned activity. This needs to be addressed in the new IGS.

(ii) Embed a more flexible approach to delivering grant-funded activity. This includes replacing agreed (corporate) Action Plan actions with new ones relating to the new grant, and more proactive 're-purposing' of staff resources from now-cancelled, lower priority activities to the new ones.

(iii) Consider whether to budget for 'planned' grant (but otherwise unknown / unconfirmed) income in years 2 and 3 of the Authority's Medium Term Financial Strategy (MTFS; = three-year budget). Caution is needed with this approach, to avoid the risk of having to make rolling annual cuts if such targets aren't achieved.

(iv) Consider whether programme managers should be set more explicit targets to increase external funding, particularly for those programmes which remain heavily reliant on core grant or where the level of other grant funding achieved so far has been limited.

(v) Continue to identify new opportunities (a development pipeline), and schedule their likely impact (financial, workload); may include:

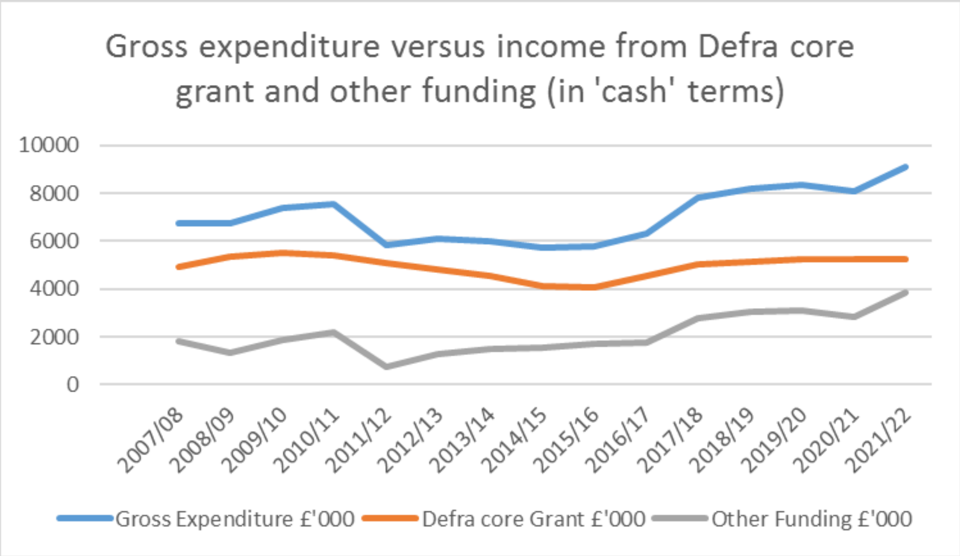
- Involvement at some level in 'brokering' payments to farmers and landowners for environmental services (e.g. Biodiversity Net Gain);
- Acting more as a government agent (e.g. FiPL, CSF) for Defra's objectives;
- Opportunities from environmental markets, e.g. work funded by offsetting from development management activity elsewhere.
- Specific opportunities e.g. Coast to Coast national trail

(vi) Maintain active membership of NPP as our primary mechanism for securing commercial sponsorship and to give us continuing access to the 'Revere' private finance programme.

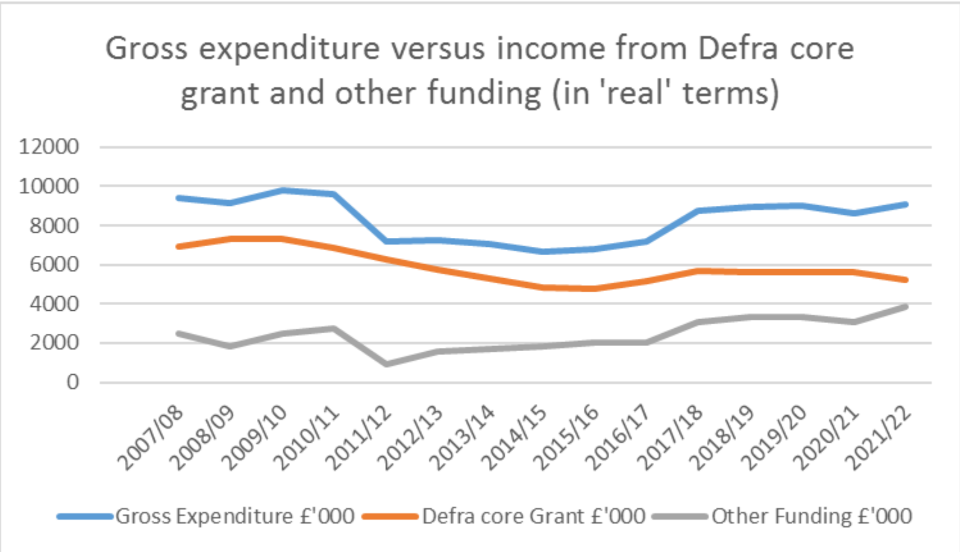
(vii) Review the Contingency Reserve. Calls on this ear-marked reserve resulting from income generation (e.g. budget shortfalls within projects, or problems with grant claims), have been negligible. A reduction in the value of the Reserve could fund the creation of a match funding reserve to give us access to new grant funding opportunities.

Performance Information

(i) Total YDNPA income (Defra core grant + other income) trend, since 2007/08; cash terms



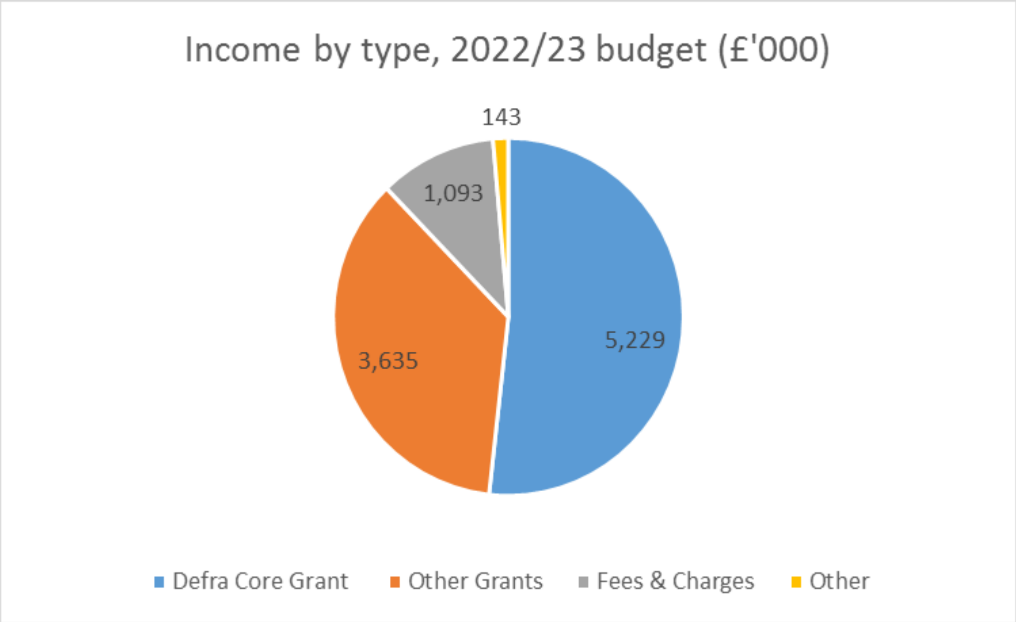
(ii) Total income, real terms



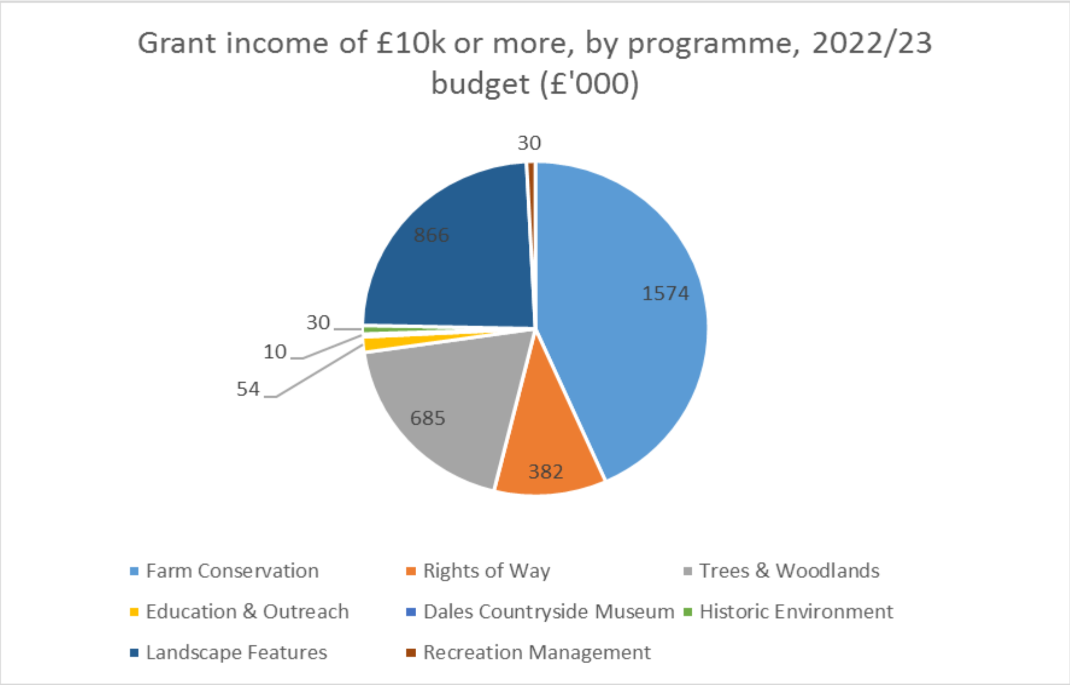
The above figures are based on 2021/22 spending as 100%, and then 'adding back' CPI inflation to progressively earlier years, to give a value for what the amount of income in those earlier years would mean in today's money.

The increase in Defra core grant from 2016/17 is related to the increase in the area of the Park following the boundary extension.

(iii) Income by type, 2022/23 Budget



(iv) Income by programme, 2022/23 Budget



'Performance by programme' is heavily influenced by four items: FiPL £1,464k (Farm Conservation), National Trails £364k (Rights of Way), Grow Back Greener £685k (Woodlands) and the Westmorland Dales Landscape Partnership project £866k (Landscape Features).

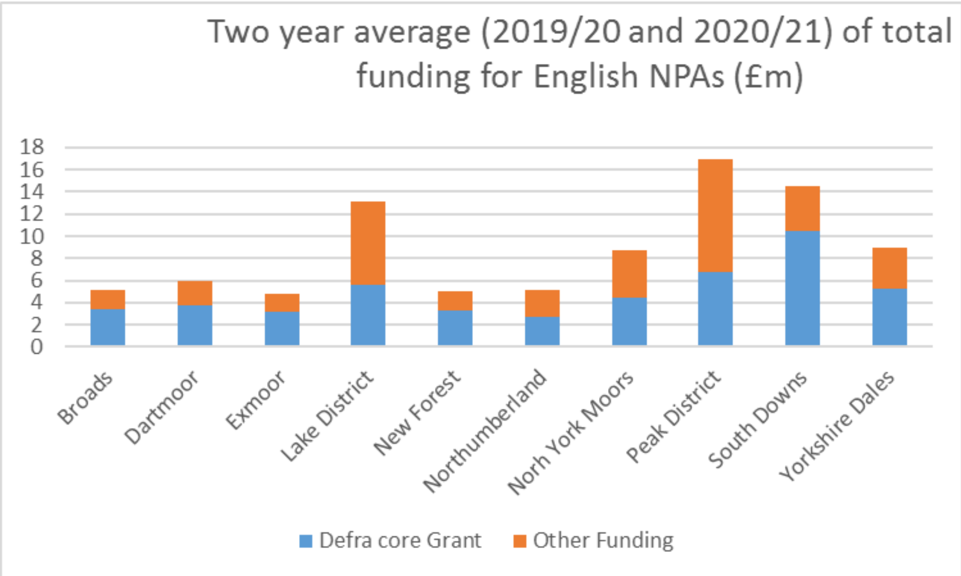
The Authority has 17 programmes; apart from the 8 shown on the above chart, only one other has budgeted for grant income this year (Volunteers & Apprentices; £4k), leaving 8 without grant income; However, of these, four (DCM; National Park Centres; Car Parks, Development Management) are key earners of income from fees and charges.

Comparison with other NPAs

(v) Expenditure by NPA in terms of significance of Defra funding (core grant + FiPL)

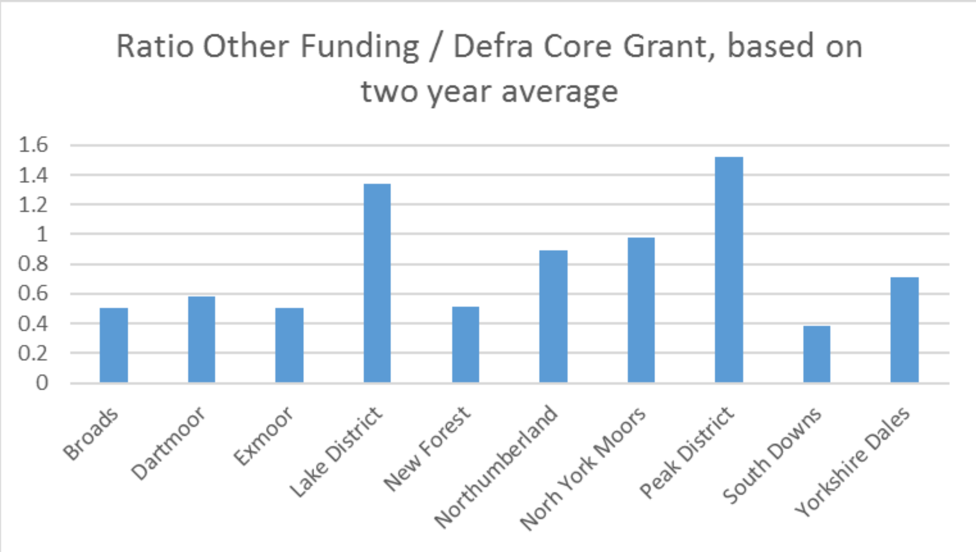
2022/23	**Gross Expenditure (planned)**	Funded by:		
		Defra Core grant	**Defra FiPL**	**Other sources (incl. reserves)**
	£m	**£m**	**£m**	**£m**
Dartmoor	6.02	3.83	0.65	1.54
Exmoor	4.01	3.21	0.49	0.31
Lake District	15.52	5.59	1.09	8.84
New Forest	4.54	3.25	0.18	1.11
Northumberland	4.57	2.67	0.45	1.45
North York Moors	11.25	4.38	0.69	6.18
Peak District	13.95	6.70	1.30	5.95
South Downs	13.82	10.49	0.45	2.88
Yorkshire Dales	11.12	5.23	1.47	4.42
TOTALS	**84.8**	**45.35**	**6.77**	**32.68**
In % terms	100%	53.48%	7.98%	38.54%

(vi) Defra Core Grant versus other funding, English NPAs

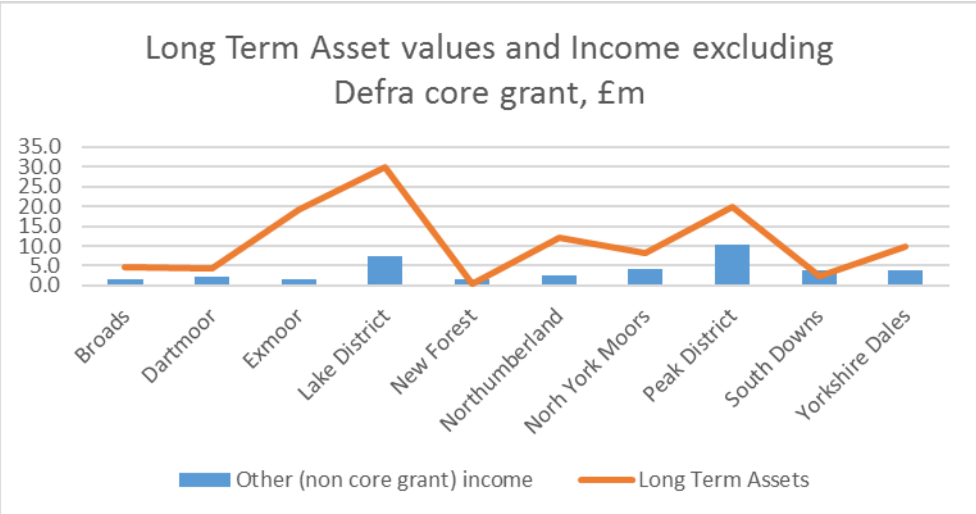


Figures above exclude Navigation Income for the Broads (this is a significant statutory source of income, unique to the Broads, and would otherwise make comparison valueless), and are taken from the most recent published accounts for which a full set is available at the time of preparing this report.

(vii) Comparison of levels of income generation



(viii) The relationship of property ownership to income generation



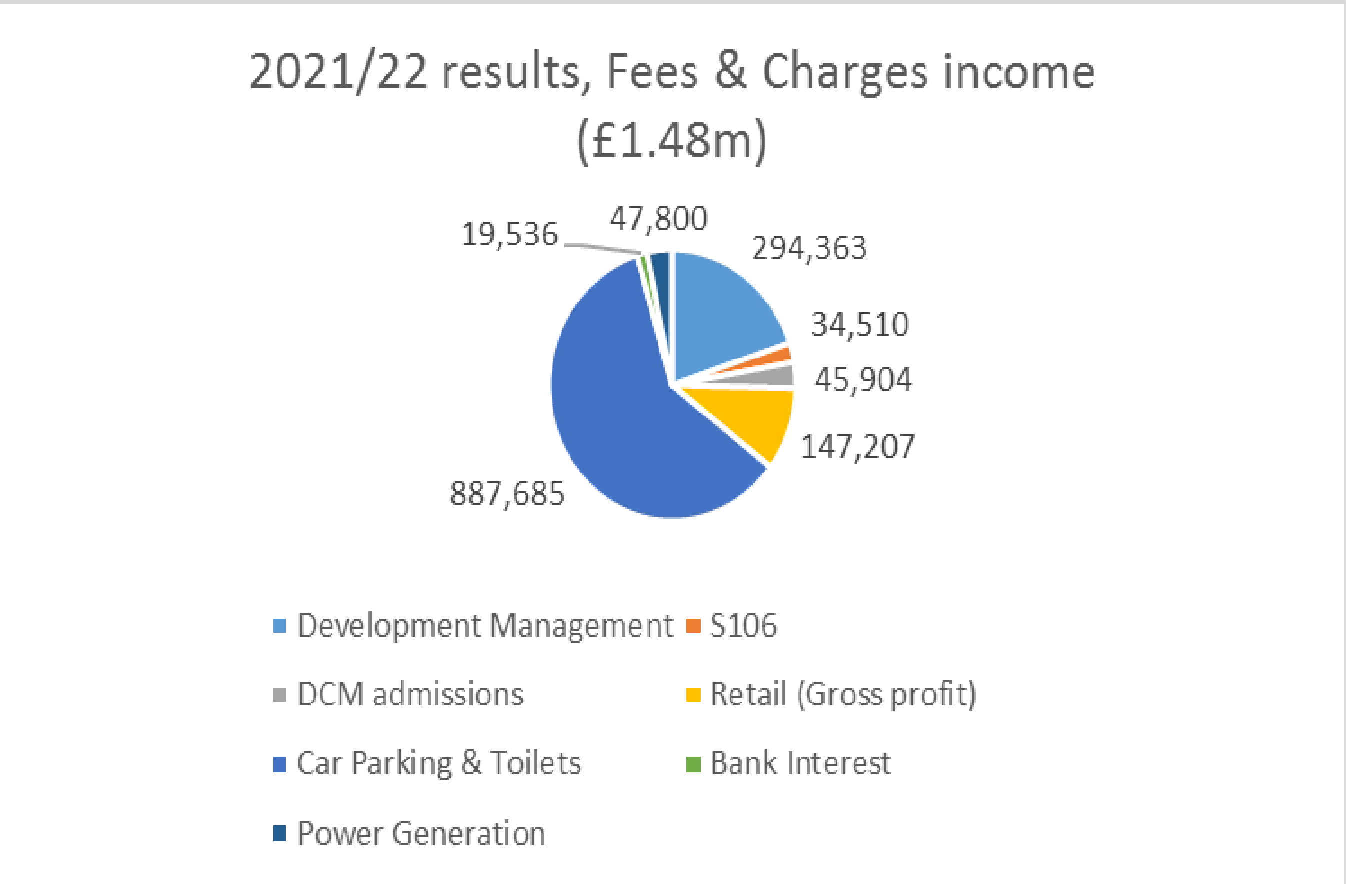
Fees and Charges

This Annex sets out recent performance information for regular non-grant income, covering:

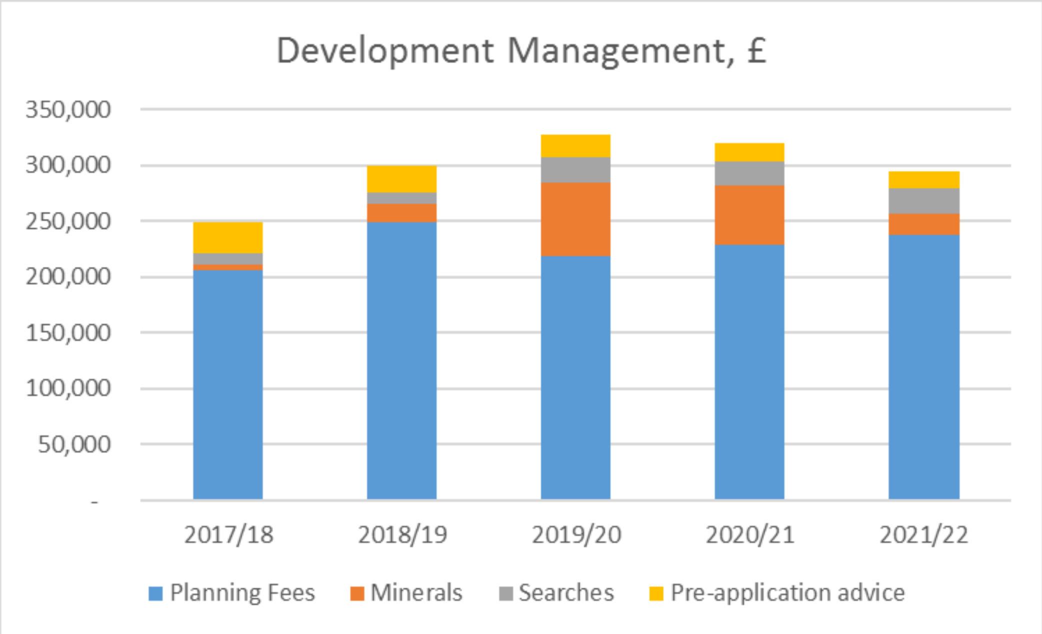
- Development Management-related income: Application Fees, including Minerals; Pre Application Advice; Search Fees; S106 Legal Fees
- Dales Countryside Museum: admissions
- Retail
- Car Parking and Toilets
- Bank Interest
- Power Generation, including Feed-in Tariff and Renewable Heat Incentive

The number of the graphs in this Annex show the impact of the pandemic on receipts in 2020/21.

The results for last financial year (below) are typical of the contribution from each of these sources.



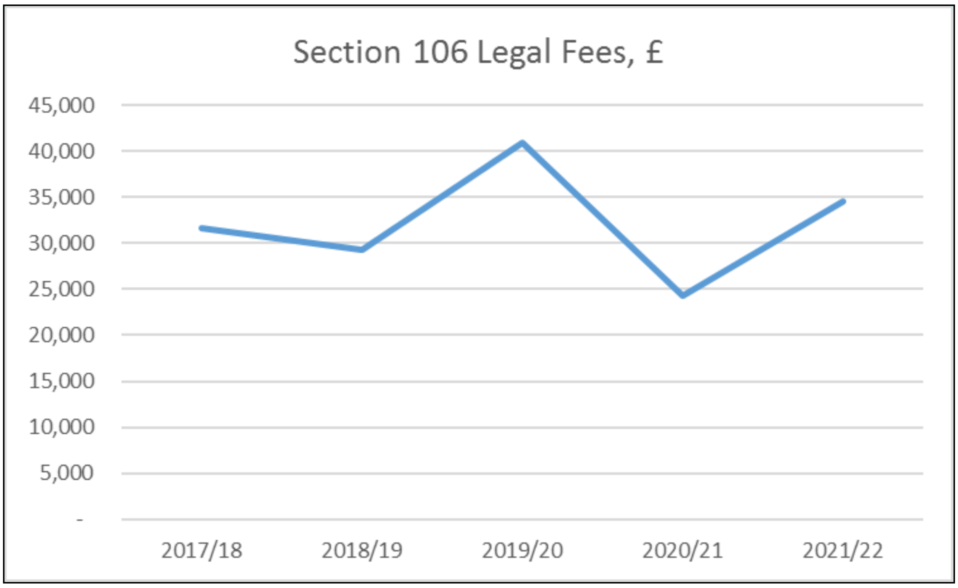
(i) Planning Income



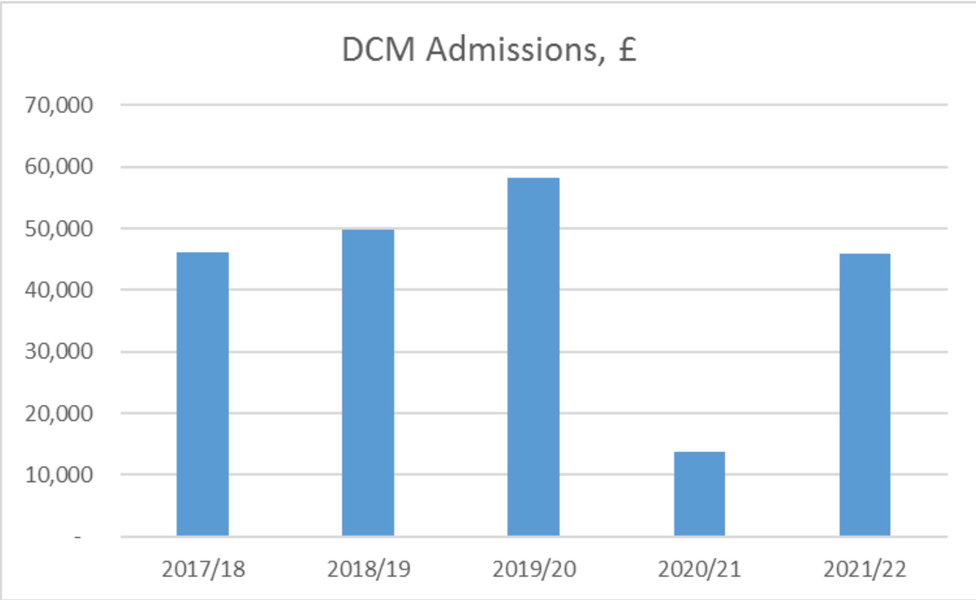
Income levels by category are fairly consistent, year-on-year, but with a distorting affect linked to sporadic Minerals (quarrying) planning applications.

(ii) S106 (legal Fees) Income

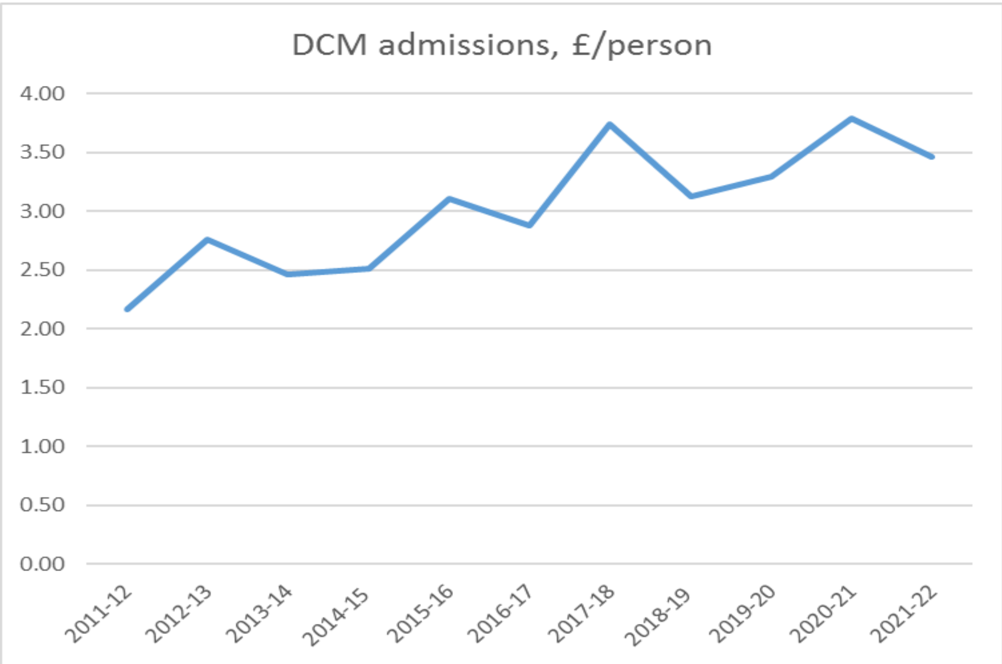
Average annual income is £32k pa over the past 5 years or, ignoring the 'dip' year of 2020/21 (which is presumed to have some link to the peak Covid-19 pandemic), £34k a year.



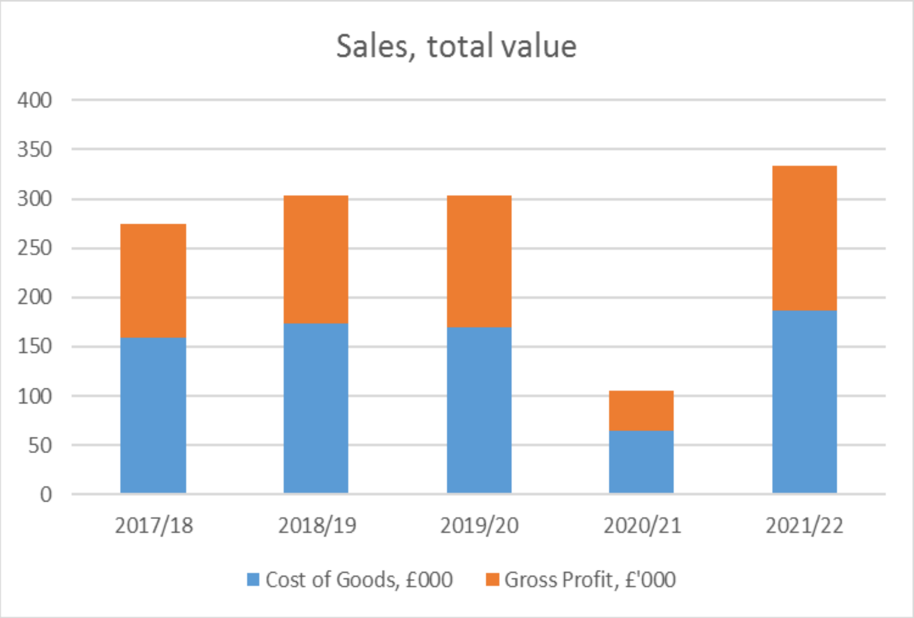
(iii) Dales Countryside Museum: admissions



The trend is one of gradual increase, brought to an abrupt halt in the pandemic (but now recovering). All types of admission have seen some growth, roughly in proportion, as has spend per visitor, the latter linked to gradual increases in ticket prices: see graph, below, which cover a slightly longer time-period, to try to see past the Covid-19 impact.



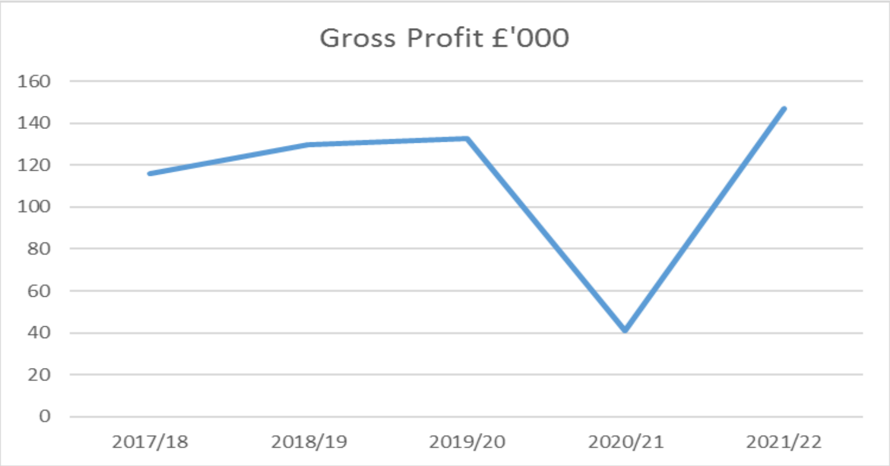
(iv) Retail



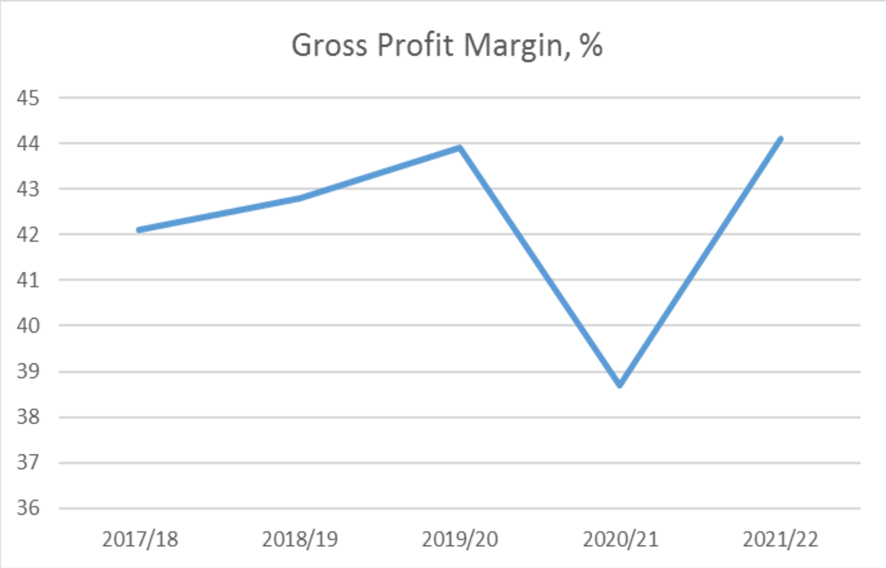
Performance over the past five years has been one of gradual increase, excepting 2020/21, when results were severely affected by the Covid-19 Lockdowns:

- **2021/22** Gross Retail Sales £334k (**2017/18**: £275k)
- **2021/22** Gross Profit £147k (**2017/18**: £116k)
- **2021/21** Gross Profit Margin 44% (**2017/18**: 42%).

The improvement trend should be linked to staff resource added to the budget in 2019[10]: An additional National Park Centre Manager post was created to promote the centres as visitor hubs, improve their effectiveness and efficiency, and encourage further retail activity… and was linked to a targeted increase in retail income to cover part of its cost.'
Both the total value of gross profit, and the gross profit margin, have been improving:



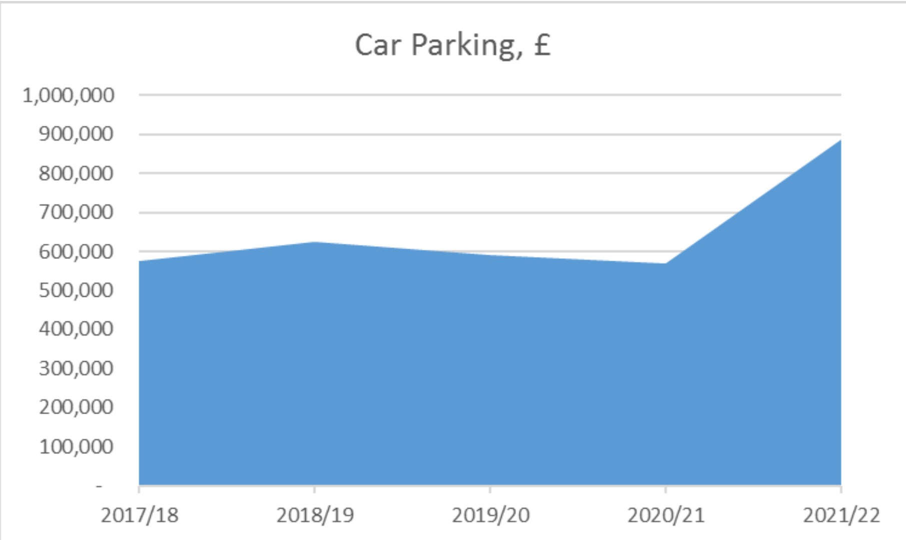
[10] Draft Budget 2019/20; Finance & Resources Committee 12 February 2019



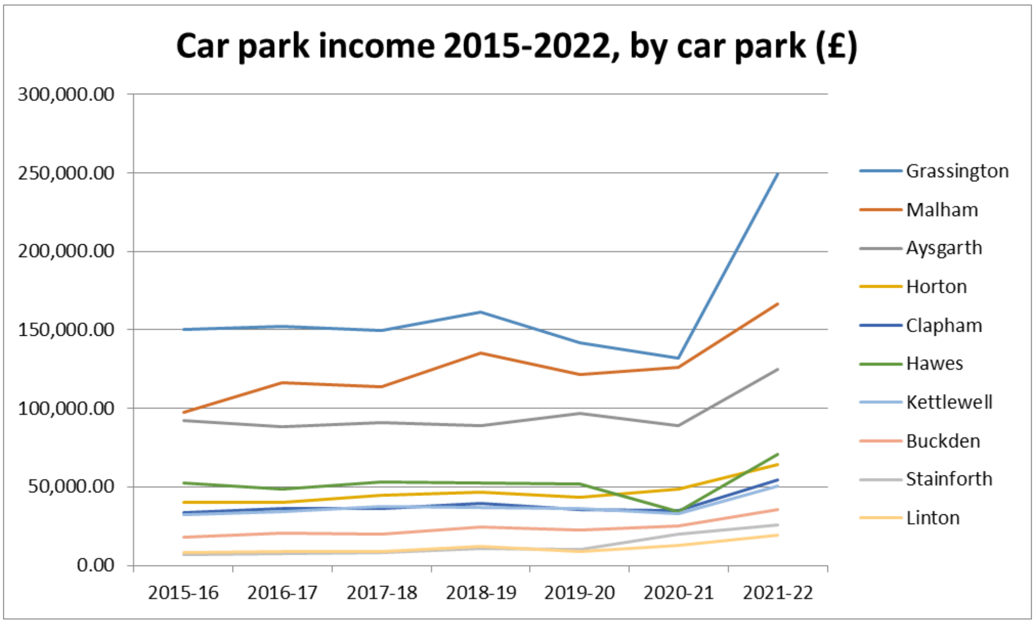
As sales and margin have recovered to pre-pandemic levels, the 2020/21 dip in gross profit margin is considered temporary and hasn't been investigated further. Its cause is likely to be a mix of different purchasing choices by visitors during an 'unusual' period, and of what products were available in the National Park Centres (different products having different margins), plus decisions on the levels of profit margin to apply in a difficult market.

(v) Car Parking and Toilets

Parking income has been consistent over the years, until a significant increase in 2021/22.

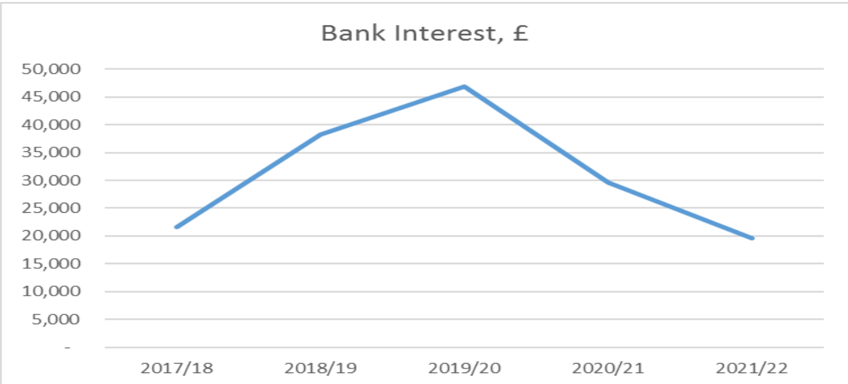


The 2021/22 increase has two main components: (i) a moderate increase general affecting all locations, linked to a small rise in ticket prices parks; (ii) higher visitor numbers at most sites (see below), especially at Malham, Aysgarth, and Grassington, the latter related to the visitor interest in the location for the recent filming of 'All Creatures Great and Small'.

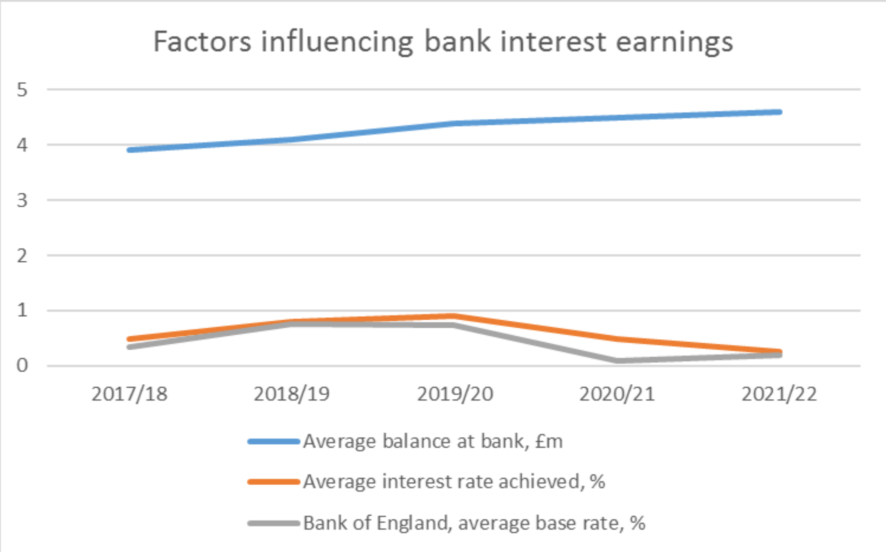


Income from toilets (entry charge at Grassington; donations at two other locations) was consistent until 2019/20. Charging at Grassington was temporarily abandoned, as a pre-emptive response to anticipated lower visitor numbers during the pandemic (although that effect was not subsequently borne out by car parking volumes).

(vi) Bank Interest



As might be expected, there is a clear link to Bank of England interest base rates and to the level of cash in our bank account (see below)



(vii) Energy generation, Feed in Tariff (FIT) and Renewable Heat Incentive (RHI).

The value of this activity in 2021/22 was **£48k/pa**, comprising:

- **Solar PV generation** - yielded an income-equivalent of **£18.3k**, based on our current contracted price for electricity. The 'Yoredale original' panels were installed when FIT contracts were available, and have generated an average income of **£3.6k/pa** over the past 10 years.

- **Renewable Heat Incentive** income, from the Grassington and Dales Countryside Museum biomass boilers: £16.4k (DCM) and £9.5k (Colvend), total **£25.9k.**

The payback point for the capital investment needed for these installations has been passed, in terms of their up-front cost to the Authority. The funding for the biomass boilers and the original PV array at Yoredale – all of which were installed over a decade ago - came from the Authority's reserves, and the majority of funding for the later PV arrays, installed in 2020, came from the Government's Public Sector Decarbonisation Scheme.

Other Income: Yorkshire Dales Millennium Trust, Three Peaks Project

Yorkshire Dales Millennium Trust

As reported to the Authority in June[11], the relationship with YDMT is currently working well. That report reviewed activity during 2021/22, though the intention wasn't to evidence the income generation aspects of the relationship. The achievements described mostly cover joint working arrangements by which YDMT contributed - sometimes through their own direct delivery of projects, and alongside a range of other partners - to Management Plan targets; much of that activity didn't generate income for the Authority, so falls outside the scope of the current review.

However, in 2021/22 (i.e. the last full financial year) YDMT also contributed over £50k of income directly to the Authority, as follows:

	£
Westmorland Dales Project	25,000
Young Rangers	5,220
Apprentices	2,760
Swaledale Barns donation	15,000
Three Peaks donations	2,064
Total	**50,044**

Commenting on the donations in the above table: the Authority decided some years ago not to pursue an active policy on donations, so as to avoid duplicating activity for which YDMT officers were the specialists. Instead, a Funding Agreement[12] is in place, under which YDMT raises donations on our behalf, for a fee of 5% of the value achieved. This arrangement on donations is a pragmatic outcome: although National Parks might look like natural recipients for donations from the people who cherish them, it has proven very difficult to turn that view into an outcome, a conclusion supported by the experience at other NPAs, a number of which have continued to seek donations directly.

Three Peaks Project

This long-running project pays for a dedicated ranger to look after the heavily-used rights of way along the Three Peaks route. The income accumulated under this heading comes from a wide range of sources, including sale of Three Peaks merchandise, subscriptions and donations to the Friends of the Three Peaks, receipts from the sale of unwanted equipment, larger donations such as that from the British Mountaineering Council's 'Mend our Mountains' initiative and corporate sponsorship from HF Holidays, as well as fees from TV companies for the use of our car parks as part of filming work.

The level of income varies considerably (with the inevitable Covid-related dip in 2020/21), so reserve accounting is used to spread this evenly across the years (average annual income being ~£32k).

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[11] Joint working with the Yorkshire Dales Millennium Trust; Authority, 28 June 2022
[12] Funding Agreement February 2022 in relation to Fundraising MOU dated November 2020; Gary Smith, 3 March 2022