



DARTMOOR NATIONAL PARK AUTHORITY

(Un-audited) 2020/21 Statement of Accounts and The Annual Governance Statement

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Narrative Report

Introduction

Dartmoor National Park Authority is a small organisation with limited resources available to fulfil our two statutory purposes: to conserve and enhance the natural beauty, wildlife and cultural heritage of the National Park; and to promote opportunities for the understanding and enjoyment of the special qualities of the area by the public. In carrying out this work, we are also required, by statute, to seek to foster the economic and social well-being of local communities within the National Park. Much of the work we do is undertaken in partnership with others, in order to achieve the best outcomes for Dartmoor National Park, the people who live and work here and those who visit this special place.

Our ambition is to act as a powerful and effective enabler and advocate for Dartmoor National Park; working with others to deliver a National Park that is thriving, inspirational and valued. We set out what this means in practice and how we will seek to achieve it in our Business Plan, Annual Budget and Medium Term Financial Plan. Our work supports the wider National Park Management. This is a statutory document which the Authority is charged with preparing and reviewing. It is a plan for the National Park rather than for the Authority. It sets out a long-term, shared vision for the National Park and more specific actions over a five year period to help achieve that vision. There is a close correlation between the Authority's priorities and those identified through consultation and engagement in the preparation of the Management Plan. Our challenge is to work in partnership to conserve Dartmoor's special qualities, enable people to enjoy them and to do this in ways which help develop understanding of the National Park and contribute to the local economy.

The membership of the Authority is set out in legislation (Environment Act 1995). The overall role of the nineteen Members is to ensure that the Authority fulfils National Park purposes and does so in a way that best reflects the special qualities of the National Park. Members have a duty to achieve the efficient, effective and accountable governance of the organisation in the best interests of the National Park, and to provide leadership, scrutiny and direction in pursuing the aim of sustainable development – balancing and integrating environmental, social and economic considerations. Five Members are appointed by Devon County Council and five by the District/Borough Councils (South Hams - one, Teignbridge - two and West Devon - two). The remaining nine Members are appointed by the Secretary of State; of these five are 'national' appointments, in recognition of the national status of the area, and four represent the parishes in the National Park.

In 2020/21 the Authority employed 90 full and part-time staff (48 female and 42 male) which includes one Chief Executive, one Director and three other Senior Managers who form the Authority's Leadership Team (3 female and 2 male).

The Statement of Accounts

The aim of this Statement of Accounts is to demonstrate the overall financial position of the Authority at the end of the 2020/21 financial year, how we have used our financial resources to meet our Business Plan priorities and how we have achieved positive outcomes for the National Park. The financial statements have been prepared in accordance with the requirements of the Code of Practice on Local Authority Accounting (the Code) which is based on International Financial Reporting Standards (IFRS). The accounting policies (Note 2) establish the principles on which the figures in the financial statements are based. There are no changes to accounting policies this year.

The Annual Governance Statement is included within this publication but does not form part of the accounts. The Annual Governance Statement describes the Authority's Governance Framework, any identified significant governance issues and the challenges faced by the Authority.

This report constitutes the Authority's "Narrative Statement" as required by Section 8 of the Accounts and Audit Regulations 2015. The purpose of it is to indicate the most significant matters impacting on the Authority's financial position. In particular, it describes the Authority's financial performance and the economy, efficiency and effectiveness of its use of resources.

Financial Environment

The Department of Environment, Food and Rural Affairs (Defra) determines the level of Government funding for the National Park Authority on an annual basis. For 2020/21 National Park Grant was

£3,825,865 which was the same as in 2019/20. After five years of cuts between 2010 and 2015, National Parks experienced a period of financial stability following the 2015 Spending Review which resulted in a four-year funding commitment, though in real-terms key costs still exceeded the increase in National Park Grant. However, since then the country has faced considerable uncertainty due to first Brexit and then the Coronavirus pandemic in 2020. The 2019 and 2020 Comprehensive Spending Reviews were postponed (by Government) and our financial settlement has since been frozen including that for 2021/22 which is, in effect, a real terms cut when taking into account inflationary pressures. Our key measure of inflation is the local government pay award and we have no influence over this. At the time of writing the 2021/22 pay award had not been agreed.

In response to the reductions in funding between 2007 and 2015, which saw our income reduce in real terms by more than 40%, the Authority undertook a major change programme which saw staffing levels reduce by 25%; a reduced number of senior managers; a renewed focus on efficiency and effectiveness and a new emphasis on securing alternative sources of income. We continue to keep our staffing structure under constant review and robustly control costs and spending plans. There is no automatic replacement for any post that falls vacant; all vacancies are scrutinised against Business Plan priorities before any decision to replace is taken.

We actively seek to generate additional income to support National Park purposes and our priorities. This is in the form of external grant bids for project work and programmes; the introduction of new fees and charges; promoting voluntary donations through 'Donate for Dartmoor', sponsorship and specific fundraising programmes (e.g., Moor Otters 2). However, an increasingly competitive funding environment requires considerable outlay in terms of staff time to develop funding bids and new income generating projects and is not without risk – success is not guaranteed and normally requires significant match funding by the Authority. The match-funding is often provided through use of reserves. The National Lottery Heritage Fund closed for new bids during the pandemic and have re-prioritised; this may create a backlog of potential applications/increased demand. Brexit may also have an impact on our ability to secure external funding, i.e. fewer funding sources and an inability to match domestic and EU funding.

The Government published an ambitious plan for the environment: *A Green future: Our 25 Year Plan to improve the Environment (2018)* and an *Eight Point Plan for National Parks (2016)*. Our Business and Financial Plans respond to both and demonstrate how, through key actions and service delivery, we are delivering national priorities, in particular, conserving and enhancing the environment and providing people with opportunities to enjoy it and improve their health and well-being. We are also contributing to the Government's productivity and clean growth agendas through our support for local businesses and a desire to see enhanced environmental productivity.

The Government commissioned an independent review of National Parks and Areas of Outstanding Natural Beauty in 2018 and the final reports of the Landscapes Review was published in September 2019. The report contains 27 proposals including a call for Government to protect National Park Grant in real terms for at least five years. Given the scale of the Report's ambition this funding proposal appears modest. The Government has yet to publish its formal response but, as noted above, the 2020/21 funding settlement represents a significant real terms cut in funding and thus is contrary to the recommendation of the independent Landscapes Review. The Authority has sought to respond to the Landscapes Review through a review of our engagement and outreach activity, ensuring our work programmes and priorities reflect the conclusions of the Review (where we agree with them) and establishment of an informal Member and Officer working group on governance.

Financial Performance

The coronavirus pandemic had a significant and profound impact on the way in the Authority worked throughout 2020/21 and on individual work programmes. We incurred some increased costs and had to invest in new technology to facilitate flexible working for all staff. Nevertheless, proactive financial management, some reduced running costs and access to the Government's Coronavirus Job Retention Scheme has meant that we do not have to call on reserves to cover any in-year shortfalls.

The final revenue outturn in the Authority's Management Accounts is a surplus of £57,789 against budget which equates to a minus 1.37% variance (£179,957 surplus and a minus 4.43% variance in 2019/20). This figure is reconciled to the deficit on the provision of services in the Comprehensive

Income and Expenditure Statement (CIES) on page 15, in the following table, by removing the charges for the use of assets and other technical accounting adjustments.

Reconciliation of Deficit on the Provision of Services in CIES to the Authority's Management Accounts	31 March 2021 £000
Deficit on the Provision of Services	1,184
Reverse amortisation, depreciation & impairment charges	(264)
Reversal of IAS19 Retirement Benefit Adjustments	(879)
Reversal of Accumulated Absences Adjustment	(4)
Capital Grant – direct funding of Postbridge Visitor Centre	146
Capital Expenditure funded from National Park Grant	45
Net transfers to or (from) reserves per Management Accounts	(286)
Revenue Budget Surplus (As reported in Management Accounts)	(58)

The main components of the budget for 2020/21 and a comparison with the actual outturn position at year end, is set out below, as reported to the Audit and Governance Committee on 28 May 2021.

2020/21 Management Accounts	Revised Budget £000	31 March Outturn £000	Deficit / (Surplus) £000
Conservation of Natural Environment	353	391	38
Conservation of Cultural Heritage	170	140	(30)
Recreation Management	437	435	(2)
Promoting Understanding	682	601	(81)
Rangers, Estate Services & Volunteers	618	576	(42)
Development Management	329	354	25
Forward Planning & Community	287	302	15
Corporate & Democratic Core	340	308	(32)
Support Services & Office Accommodation	990	902	(88)
Project Fund	100	75	(25)
Revenue contribution to capital spend	0	45	45
Net Expenditure	4,306	4,129	(177)

Financed by:	£000	£000	£000
National park Grant	(3,826)	(3,826)	0
Reserves	(480)	(261)	119
Total	(4,306)	(4,187)	119

Year-end Deficit / (Surplus)	0	(58)	(58)
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The Authority generated external grant income of £494,456 (£562,185 in 2019/20) and any unspent amounts will be carried forward as they are ringfenced for specific purposes. We received income from sales, fees, and charges of £422,314 (£750,736 in 2019/20). It can therefore be seen that the coronavirus pandemic had a significant impact on our income generation this year, especially the non-grant income element (in comparison to 2019/20). This was due to the closure of our visitor centres for 8 months, closure of car parks for 2 months and suspension of some face-to-face service provision e.g., education and outreach programmes. Planning fee income was also lower than in previous years.

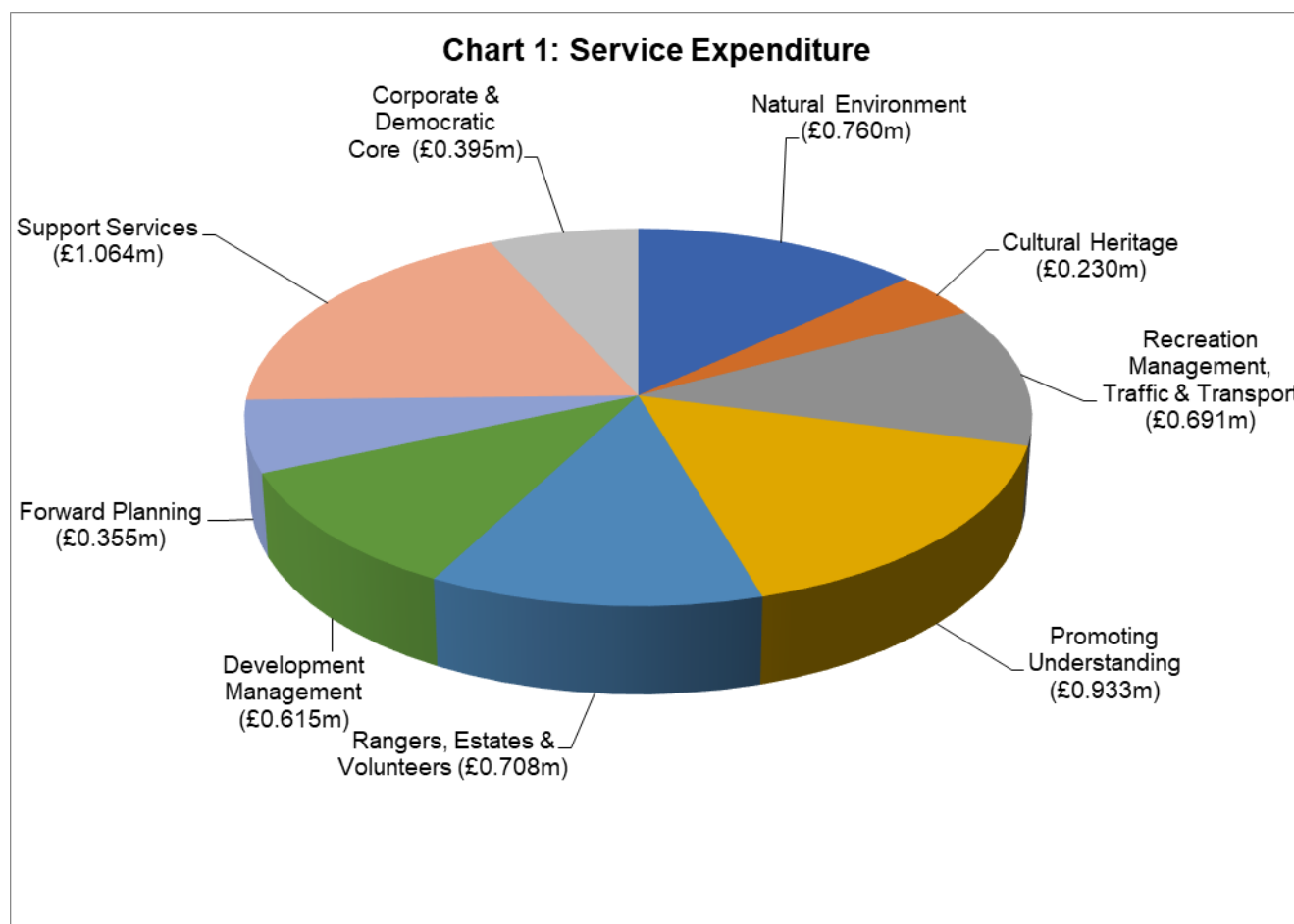
Other favourable variances included: staff vacancies during the year resulted in savings of £63,262; travel and transport savings of £39,335 due to covid related restrictions and reduced premises running costs of £28,638. However increased visitor management pressures during the summer resulted in the introduction of the Dartmoor Marshal Scheme and extra WC cleaning costing in excess of £68,000.

Many of our work programmes, across the board, were impacted by the coronavirus restrictions which has resulted in delays: for example, Moor Otters II was postponed and is being re-launched at the end of May 2021; our stakeholders, partners and contractors were also affected, which had a knock-on effect for the whole supply chain and everyone's ability to "get work done." Once restrictions were lifted many companies and organisations had significant backlogs in work to catch up on and had to revise their working practices to comply with government guidelines and protect their staff and customers, meaning they were not working at full capacity. Much of the delayed work will now be completed in 2021/22 instead and has resulted in financial commitments being carried forward via reserves.

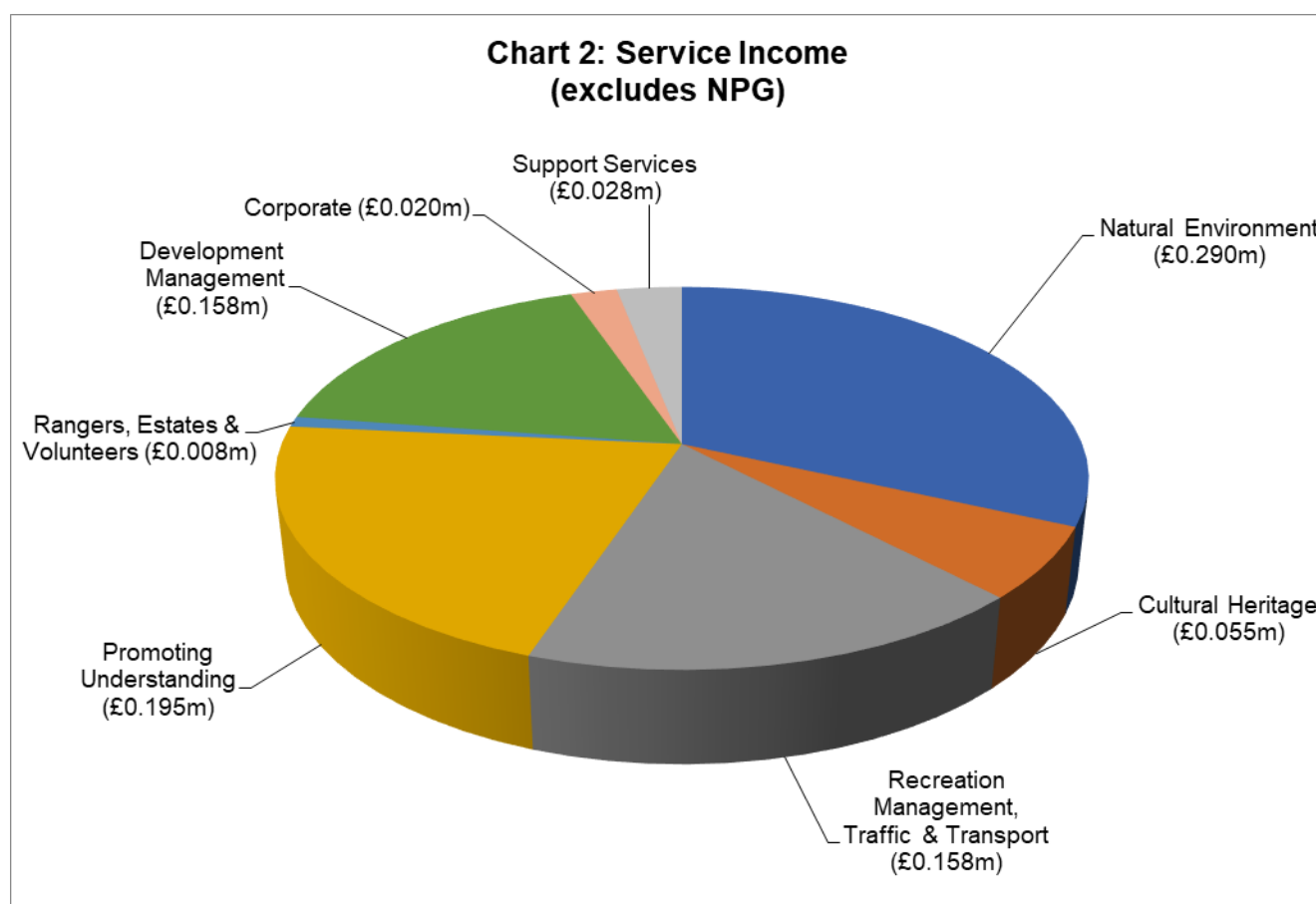
In March 2020, in response to the Coronavirus pandemic the Authority launched the Coronavirus Community Grant Scheme to provide vital community support. The scheme provided grants of up to £500 to voluntary and community grants to help them tackle the impact of the outbreak and support the most vulnerable in the community. It was a simple application process, with grants paid in advance within days of receiving the application, applicants then reported on actions undertaken. Sixty-eight applications were supported, and the total amount of grant awarded was £27,500.

We adapted and changed our working practices so that we as could deliver "business as usual" as far as possible during 2020/21. Robust financial management was maintained throughout the year as is normal practice. We accessed the Coronavirus Job Retention Scheme and Business (Retail) Support Grant in relation to our Visitor Centres closures and loss of commercial income. We did not have to take up an offer from Defra for additional Nation Park Grant funding as we have not had to make any staff redundant, because of Covid 19, and were able to find the cost of increased spending from other savings.

Gross service expenditure totalled £5.751 million and Chart 1 highlights spending for each Service as presented in the Comprehensive Income and Expenditure Statement (CIES).



Income received and credited to services from external grant funding, sales and fees & charges totalled £0.912 million and is shown in Chart 2 below and is as presented in the CIES.



Capital Spending

The Capital Assets of the Authority includes: Land, Buildings, Community Assets, Heritage Assets, Intangibles, Vehicles, Plant and Equipment. The total carrying value in the Balance Sheet as at 31 March 2021 was £4.237 million (£3.909 million at 31 March 2020).

A full valuation of the Authority's Land and Building portfolio was once again undertaken resulting in an unrealised gain of £0.401 million being recognised in the Comprehensive Income and Expenditure Account (CIES) and the Revaluation Reserve. (See note 13 for further information regarding the potential *material valuation uncertainty* that has arisen due to the impact of the Coronavirus pandemic).

In 2019 the Authority was successful in a bid to the Rural Development Programme England (RDPE) to build an extension to the Postbridge Visitor Centre; 100% capital funding of £479,947 was approved. The build was completed on time and under budget (£452,262) and the upgraded and extended Visitor Centre opened in August 2020. We also replaced two Ranger vehicles during the year at a cost of £44,870, the costs of which were met from National Park Grant.

General and Earmarked Reserves

At the beginning of the year total useable reserve balances stood at £2.977 million. During the year we used £0.563 million and made transfers to or between reserves of £0.335 million. The General Reserve has been retained at £0.5 million, which equates to approximately 12% of the 2021/22 Net Budget Requirement, or three month's salary payments and is the minimum level that the Authority has determined must be retained. Overall, this has resulted in a closing balance of £2.749 million at year-end, which is a net decrease of £0.228 million. A breakdown can be found in Note 12.

In aggregate, the level of reserves and balances held is regarded as sufficient to meet current needs and to provide some assurance that unforeseen risks and emergencies can be managed. These balances are determined in part by our on-going work programmes and projects and by a risk-based

analysis and methodology designed by the Authority. The Authority is debt free but could decide to undertake and apply for prudential borrowing to finance capital expenditure in the future.

Pension Scheme Assets and Liabilities

The Authority's pension fund deficit is subject to two different actuarial valuations; the Triennial Valuation and the IAS 19 annual accounting valuation. The Triennial Valuation is used to set the employer contribution rates for the following three years and is based on assumptions that are specific to the Authority's part of the Devon Pension Fund. The annual IAS 19 valuation, that the Authority is required to use in these accounts uses standardised assumptions and is designed to provide comparability between employers.

The result of the annual accounting valuation as at 31 March 2021 for the Authority is that the net liability has increased by £5.08 million from £12.669 million to £17.749 million, due mainly to changes in financial and demographic assumptions. The liability is the annual accounting valuation and is an assessment of the level of corporate bonds a corporate body would need to issue in order to cover the cost of the deficit over an assessed period. This approach was designed with the Private Sector in mind but has also been adopted by the Public Sector, although of course in local government, the true pension fund deficit is assessed through the Triennial Valuation and the deficit made good over the working life of the employees rather than by issuing Corporate Bonds.

The most recent triennial valuation took place at 31 March 2019 and the Authority's funding level was assessed to be at 97.8% compared to 90% in 2016. The Authority continues to make additional contributions to seek to achieve a 100% funding position in accordance with a 17-year recovery plan as determined by the Actuary. In February 2017 Members approved the payment of a cash lump sum contribution of £500,000 into the fund, with the aim of reducing past service deficits and to potentially reduce future years' contribution increases and along with a slightly enhanced contribution rate indicates that our deficit recovery strategy remains on track.

The annual accounting valuation and disclosures included in these accounts (see Note 33) makes use of many assumptions and is a "snapshot" valuation of assets and liabilities on one particular day at year-end. This snapshot approach to valuing the deficit is volatile and unpredictable. It is arguable whether the annual calculation of the pension fund deficit accurately reflects the long run position, many believe it does not. The pension fund deficit as reported in these accounts does not represent an immediate call on the Authority's reserves but simply provides an accounting valuation snapshot (at 31 March 2021) with the value of assets and liabilities changing on a daily basis.

The Business Plan

The Business Plan is a strategic document and as such does not describe everything we do, rather it seeks to:

- Explain the vision for the Authority and outline the way we will work to achieve National Park purposes
- Identify the core values which will guide our work
- Set out the Authority's strategic priorities and the key actions
- Detail the funding available to deliver the Business Plan.

It also provides a link between the National Park Management Plan, individual work programmes and staff appraisals. The 2020/21 Business Plan was structured around three themes: *Enhance*, *Enrich*, *Prosper*, but our overall goal is to work in an integrated way (often with partners) to ensure that each work area or priority action considers and delivers across all three themes. The Business Plan sets out key actions to deliver our priorities but also recognises that our core business/services continue on a daily basis. Whilst the Business Plan focuses on each individual financial year, it also identifies where actions/ programmes will continue beyond one year and thus links to the Medium-Term Financial Plan as well as the current year's revenue budget.

The 2020/21 Business Plan identified 27 key actions against the following priorities for the Authority:

- Better for Nature
- Better for Cultural Heritage
- Better for Farming and Forestry

- Better for People
- Better for Communities and Business
- Be an excellent organisation

The number of key actions highlights the breadth of the work of the Authority and the nature of the key actions ranges from specific short-term projects to longer term strategic goals, each requiring different levels of officer and Member input and commitment.

The Coronavirus pandemic did have a significant impact on work programmes (as reported to Audit & Governance Committee during the year) and we added 3 additional key actions to reflect the work that we are doing in response to the pandemic. Work programmes were revised, and resources reallocated to meet changing demands, in particular the Authority's response to the unprecedented visitor management pressures post-lockdown in the summer of 2020. Progress against the actions is summarised in the following table:

Business Plan: Progress against Actions	Number	%
Completed or 2020/21 actions delivered for ongoing projects	14	48%
2020/21 actions partially delivered or ongoing actions/projects for 2021/22	10	26%
Not completed and/or deferred to 2020/21	6	26%

Throughout the year the Authority responded to opportunities to bid for external funding including:

- A national bid to the Green Recovery Challenge Fund (Access Unlimited) led by the Youth Hostel Association but with National Parks, including Dartmoor, being local partners. This was successful and is now being implemented.
- A local partnership bid to the Green Recovery Challenge Fund (Nurturing Nature, Changing Lives), which was not successful, but the Authority has been advised to re-apply.
- A partnership bid to the Natural Environment Readiness Fund, submitted in March, a decision expected in July.
- A further six-year Natural Flood Risk Management project being led by the Environment Agency, with the Authority as a key partner, approved subject to final Business Plan.
- The Authority partnered with two bids to the Flood and Coastal Resilience Innovation programme; one led by Plymouth City Council focussing on the SW of Dartmoor which was not successful and a wider sub-regional bid (Devon and Cornwall) which was successful.
- A bid to the Princes Countryside Fund for a Community Resilience Project which was successful and has started.

The Moor Otters 2 project was postponed until May 2021, it aims to be a key driver for the economic recovery on Dartmoor and we are hopeful it will provide a much-needed boost to local businesses and raise some money towards conservation projects when we auction the otters in October 2021.

The pandemic had a significant impact upon our work this year, in particular our planned work with outreach and engagement (i.e., Junior and Youth Ranger programmes) as well as other projects being delayed or postponed as officer time was reallocated to support our response to the pandemic.

The following actions were not completed during the 2020/21 business year:

- Action 8 - Delivering Biodiversity Net Gain
- Action 12 - Produce species re-introduction strategy.
- Action 14 - Dark Night Skies
- Action 18 - Junior & Youth Rangers
- Action 23 - Moorscapes
- Action 24 - Develop a green transport and behaviour change strategy.

Performance Indicators (PIs)

The Authority has a wide-ranging set of PIs, some of these relate directly to the services we provide and thus set 'service standards'; others are 'State of the Park' indicators and as the name suggests help us assess the condition of the National Park and monitor key trends. The 'State of the Park' indicators are not influenced solely by the Authority's actions. Some of the PIs are set nationally

(either by Government or as a set of indicators for all English NPAs) and others are set locally by the Authority itself. Our PIs are also grouped together and reported against our three strategic themes and this allows us to monitor progress and achievement of outcomes across all service areas.

The coronavirus pandemic has had a direct impact on key areas of our work, including volunteering, outreach events and our Visitor Centres which is reflected in the performance data:

- Capacity to generate income has been affected, income from Donate for Dartmoor was just £5,006 (against a target of £30,000)
- Significantly reduced sickness absence levels were an unexpected trend during a pandemic. Supporting the health and wellbeing of the Authority's employees has been a particular focus throughout the past 12 months and we will sustain that focus as staff start to return to our offices and work more flexibly in the future.
- Member attendance at Authority meetings exceeded the target of 85% throughout the year following the successful switch to remote meetings. Our experience of 'remote/virtual' public meetings demonstrated that they facilitated public engagement. Due to the recent decision not to allow remote/virtual meetings to continue, we are working to ensure that Covid-secure physical meetings of the Authority and its committees can take place safely and effectively.
- Improved performance data for Development Management in Q3 (sustained in Q4) is indicative of a positive direction of travel with the percentage of applications being determined within 8 weeks exceeding the 85% target for the second half of 2020/21. Recent appointments to Planning Officer and Enforcement Officer positions and a further permanent part-time Planning Officer currently being recruited will bolster capacity within our planning team.
- The Authority has, throughout the year, secured positive publicity and sentiment in media coverage as part of the national emergency pandemic response, maintaining reactive and proactive media communications despite the ongoing and evolving situation.
- As a result of our significant digital engagement 84% of visitors to the website in 2020/21 were new; we have exceeded our unique views target of 350,000 in the year by reaching 537,629! We have also achieved 67,337 followers on social media against a target of 60,000.
- We successfully delivered online events and activities through the year to engage with new audiences during the lockdown and delivered the *#WeAreDartmoorBusiness* recovery campaign, launched at end of July.
- As a result of the extended lockdown periods the total number of litter bags collected by staff and volunteers is lower than in previous years, however we saw a noticeable increase in the number of litter bags collected in quarter two as lockdown measures were eased. Regrettably, we anticipate the volume of litter left on Dartmoor will increase in 2021/22.
- The number of visitors to our Visitor Centres are significantly down due to their closure during the pandemic restriction periods and the Postbridge rebuild.

The Authority considers Risk Management to be an important element of its performance management framework and the **Strategic Risk Register** is reviewed and updated by Leadership Team on a quarterly basis and by Members at least half yearly.

Monitoring performance and outcomes against the Business Plan, our Performance Indicators and Risk Management is undertaken at a 'service' or 'team' level and is reported to Leadership Team on a quarterly basis and to the Audit & Governance Committee. Copies of the reports and documents can be found on the Authority's website.

National Park Management Plan

Under section 66(1) of the Environment Act 1995 each National Park Authority (NPA) is required to prepare and publish a National Park Management Plan for its Park and review it every five years. Although preparation of the Management Plan is the prime responsibility of the NPA, we need to actively engage with and gain support from all key stakeholders who will assist in its delivery. The Management Plan is the strategic plan for the National Park as a whole and not just for the Authority. It is a Plan for all who care about Dartmoor and its future. There is normally an annual meeting of all stakeholders, convened and facilitated by the Authority to up-date the action plans for each of the priorities and to identify new actions/issues. The annual Steering Group meeting did not take place in

2020/21 due to the pandemic. We are currently reviewing the governance arrangements for the revised National Park Management Plan. After undertaking a substantial review, the new Management Plan for 2021 – 2026 was approved for adoption by the Authority on 8 January 2021 and will be published during 2021/22.

State of the Park Report

The State of the Park Report is produced every five years and provides a wider perspective on what is happening to the National Park across the three themes that underpin our work (*Enhance, Enrich, Prosper*). The State of the Park report helps us, and our partners determine:

- What the key changes and trends are
- The issues and gaps which need further investigation or addressing.
- How we are progressing towards the vision in the National Park Management Plan and delivering National Park Purposes.

In addition, the 2017 State of the Park report provided an evidence base for the review of the National Park Management Plan (now adopted) the next State of the Park Report is due in 2022.

Looking Forward

The national policy context for the 2021/22 Business Plan is provided by documents such as the Government's plan for the environment (A Green future: Our 25 Year Plan to improve the Environment) and its Industrial Strategy and productivity agenda. The Business Plan identifies the links to the Government's 25 Year Environment Plan, the findings of the independent Landscapes Review and Authority's declared Climate Emergency. With specific reference to the Landscapes Review, the draft Business Plan shares the ambition of being 'a positive force for the nation's wellbeing' and enhancing the National Park for people and nature. It also highlights how we are responding to the independent Landscapes Review though we await the Government's formal response to it.

The annual Business Plan focuses on the forth coming financial year but identifies where actions/ programmes will continue beyond it and, therefore, links to the Medium-Term Financial Plan as well as the detailed revenue budget for 2021/22. It also provides a link between the National Park Management Plan, individual work programmes and staff appraisals. The Business Plan for 2021/22 is structured around the five priorities identified through the review of the National Park Management Plan. They are:

- Better for Nature
- Better for Cultural Heritage
- Better for Farming and Forestry
- Better for People
- Better for Communities and Business
-

There is also a sixth priority that is focused on the Authority as an organisation:

- Be an excellent organisation, this priority also reflects our aim to be a carbon neutral organisation by 2025.

The key actions to help deliver the priorities identified by Members, include:

- **Visitor management** – Covid has demonstrated the importance of exercise close to nature and the value of our National Parks. Since the first lockdown was eased, we have seen an increase in visitor numbers and new visitors to the National Park. Our challenge is to ensure that visitors respect Dartmoor's special qualities, cause no lasting damage but actually help to sustain the National Park. As detailed in the report on Visitor Management presented to the Authority in March 2021, this is a significant area of work.
- **Engagement and Outreach** – our challenge is to secure funding for the practical action we want to undertake in support of the Authority's Engagement and Outreach Strategy, which was approved in November 2020
- **Future direction of agriculture policy** – A number of the key actions contained in the Business Plan are aimed at helping to shape a future Environmental Land Management System (ELMS) that will be 'good for Dartmoor'. These include the Hill Farm Project, Common Cause, Tests and Trials, the Countryside Stewardship Facilitation Fund, the Natural

Flood Management and Peatland Restoration projects. We also envisage a new Farming in Protected Landscapes Programme which we hope will provide funding for practical environmental and access improvement and help prepare farmers for the new ELMS.

- **Supporting economic development and productivity** - The Authority's work is focused on managing and enhancing a key economic asset – Dartmoor National Park. There are specific priorities in the Business Plan to support local communities and business. These include: Moor Otters 2, the Pathways Project and the Community Resilience Project which builds on the lessons we learnt through operating the Coronavirus Community Support Grant.
- **Climate change and enhancing nature** – The focus on peatland restoration and natural flood risk management supports this theme along with the work to deliver Biodiversity Net Gain through positive planning. Proposals for a green transport strategy will aim to reduce car travel and encourage other forms of transport – also contributing to health and well-being.
- **Engaging with people and communities** - This is reflected in a number of the key actions in the Business Plan including Moorscapes – we are seeking to develop an external funding bid to further develop the successful Parishscapes project (this was delayed in 2020/21 due to Covid).

The Business Plan is ambitious, with a blend of key actions that will deliver management and enhancement of the environment, opportunities for people to get engaged and promote the enjoyment and understanding of Dartmoor's special qualities. These actions will help support the Dartmoor economy and the communities that live within the National Park. The key ingredients for most of the actions are staff time and partnership working.

Whilst many of the actions are funded there are a number that relate to work programmes designed to develop future funding bids and/or secure other forms of funding (voluntary donations, commercial sponsorship etc.). Similarly, the Coronavirus pandemic may impact on our ability to deliver all of the actions in the Business Plan in 2021/22.

Coronavirus

The coronavirus pandemic had a significant and profound impact on the way in the Authority worked throughout 2020/21 and on individual work programmes. We incurred increased costs in relation to visitor management initiatives and had to invest new technology to facilitate flexible working for our staff. Most of our staff have worked remotely from home since 23rd March 2020. Our offices have remained closed to the public and the Visitor Centres have been closed during the three national lockdown periods. However, staff have adapted, and most services have continued to be delivered even if in slightly different ways.

In March 2020 we predicted that the 2020/21 Business Plan would be subject to change; that some work programmes would be delayed or deferred, and the Moor Otters public arts trail is a prime example but will now be delivered between May and September 2021.

The Authority has experienced a loss of income from car parking and Visitor Centre sales, some of which has been offset by other (running costs) savings. We accessed the Coronavirus Job Retention Scheme and Business (Retail) Support Grant in relation to our Visitor Centres closures and have made other savings e.g. travel and premises running costs which means that we will not have to call on reserves. Neither have we had to advantage of Defra's offer for additional National Park Grant funding, as we have not had to make any staff redundant because of the pandemic and we have lived within our (financial) means during the year.

Conclusion

Considering the Authority's ambitious and often diverse work programme and the impact of the Coronavirus pandemic, 2020/21 has once again been one of sound financial management and the commitment of staff to continue with delivery. There has been some slippage in programmed work mainly due to the impact of the pandemic restrictions, we have experienced a loss in some income streams, but this has been offset by other savings due to national restrictions being in place and staff working from home. We were also able to access some government funding and relief schemes.

The budget savings achieved during 2020/21 helps us to maintain the Match Funding and Invest to Save Reserves. This is important as many of our practical work programmes are dependent on external funding secured through competitive bids which require match funding (and staff time to develop them). We are using core funding to ensure we have continued capacity to bid for external funding to deliver practical work programmes that support the vision and actions in the newly adopted National Park Management Plan. This remains a challenge given the short-term nature of Government funding for the National Park (i.e. one-year grant settlements from Defra).

It is possible that the 2021/22 Business Plan objectives could be impacted as we exit the pandemic and progress along the “roadmap out of lockdown”. We will continue to report on this through our business plan and financial management monitoring processes.

The Authority continues to maintain a robust financial position; and is demonstrating a proactive approach to building stronger partnerships, generating new income streams and financial resilience and agility. We are well placed to continue to deliver good outcomes for Dartmoor and to support and deliver against the 25 Year Environment Plan. We have already completed a business review to respond to the ‘Glover agenda’.

Kevin Bishop
Chief Executive (National Park Officer)

28 May 2021

Donna Healy
Head of Business Support (Chief Finance Officer)

28 May 2021

Statement of Responsibilities for the Statement of Accounts

The Authority's Responsibilities

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Chief Finance Officer
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- Approve the Statements of Accounts

The Chief Finance Officer's Responsibilities

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

In preparing this Statement of Accounts the Chief Finance Officer has:

- Selected suitable accounting policies and then applied them consistently
- Made judgments and estimates that were reasonable and prudent
- Complied with the local authority Code

The Chief Finance Officer has also:

- Kept proper accounting records which were up to date
- Taken reasonable steps for the prevention and detection of fraud and other irregularities

Chief Finance Officer's Certificate

I hereby certify that this Statement of Accounts for the year ended 31 March 2021 has been prepared in accordance with the Accounts and Audit Regulations 2015 and that it gives a true and fair view of the financial position of Dartmoor National Park Authority as at 31 March 2021 and its income and expenditure for the year ended 31 March 2021.

Donna Healy, Head of Business Support (Chief Finance Officer)

Date: 28 May 2021

The Financial Statements

The financial statements and their purpose are summarised as follows:

- **Comprehensive Income and Expenditure Statement** (page 15) – This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from Government Grant. National Park Authorities receive Government Grant and raise other income to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation (government grant) position is shown both in the Expenditure and Funding Analysis and the Movement in Reserves Statement
- **Movement in Reserves Statement** (page 16) – This statement shows the movement from the start of the year to the end on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and other 'unusable' reserves. The statement shows how the movements in year of the Authority's reserves are broken down between gains and losses incurred with generally accepted accounting practices and the statutory adjustments required to return the amounts chargeable to government grants for the year. The Net Increase/Decrease line shows the statutory General Fund Balance movements in the year following those adjustments.
- **Balance Sheet** (page 17) – the Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by reserves held by the Authority. Reserves are reported in two categories. The first category of reserves are useable reserves and are those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitation on their use (for example the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt). The second category of reserves are those that hold unrealised gains and losses (for example the Revaluation Reserve) where amounts would only become available to provide services if the assets are sold, and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations.'

The Authority has a negative Balance Sheet as at 31 March 2021 which means that the Authority's liabilities are £10.785 million greater than its assets. The negative Balance Sheet has no impact on the Authority being considered a going concern. The net Pension liability of £17.749 million (£12.699m in 2019/20) has a substantial impact on the net worth of the Authority as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Authority remains healthy. The deficit on the local government pension scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme Actuary (see Note 33 for further information).

- **Cash Flow Statement** (page 18) – the Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of grant income or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash flows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.
- **Expenditure and Funding Analysis Note** (page 19) - the Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, fees and charges) by the Authority in comparison with those resources consumed or earned by the Authority in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Authority's service areas. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from Government Grant. National Park Authorities receive National Park Grant and raise other income to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation (government grant) position is shown both in the Expenditure and Funding Analysis and the Movement in Reserves Statement.

2019/20				2020/21			
Gross Expenditure	Gross Income (Note 11)	Net Expenditure		Gross Expenditure	Gross Income (Note 11)	Net Expenditure	
£000	£000	£000		£000	£000	£000	
518	(295)	223	Conservation of the Natural Environment	760	(290)	470	
260	(37)	223	Conservation of Cultural Heritage	230	(55)	175	
653	(211)	442	Recreation Management and Transport	691	(158)	533	
1,042	(288)	754	Promoting Understanding	933	(195)	738	
829	(20)	809	Rangers, Estates and Volunteers	708	(8)	700	
578	(301)	277	Development Management	615	(158)	457	
293	(77)	216	Forward Planning & Communities	355	0	355	
392	(32)	360	Corporate and Democratic Core	395	(20)	375	
1,002	(29)	973	Support Services	1,064	(28)	1,036	
5,567	(1,290)	4,277	Cost of Services	5,751	(912)	4,839	
15	(14)	1	Other Operating Expenditure (Note 13 & 33)	15	0	15	
311	(24)	287	Financing and Investment Income and Expenditure (Note 6)	307	(5)	302	
0	(4,132)	(4,132)	Taxation and Non-Specific Grant Income (Note 7)	0	(3,972)	(3,972)	
5,893	(5,460)	433	(Surplus) or Deficit on Provision of Services (Note 10)	6,073	(4,889)	1,184	
		(272)	(Surplus) / Deficit on Revaluation of Property, Plant and Equipment (Note 13)			(401)	
		(1,316)	Re-measurement of the Net Defined Benefit Liability/(Asset) (Note 33)			4,201	
		(1,588)	Other Comprehensive Income and Expenditure			(3,800)	
		(1,155)	Total Comprehensive Income and Expenditure			4,984	

Movement in Reserves Statement

This statement shows the movement from the start of the year to the end on the different reserves held by the Authority, analysed into 'usable reserves' (i.e., those that can be applied to fund expenditure) and other 'unusable' reserves. The statement shows how the movements in year of the Authority's reserves are broken down between gains and losses incurred with generally accepted accounting practices and the statutory adjustments required to return the amounts chargeable to government grants for the year. The Net Increase/Decrease line shows the statutory General Fund Balance movements in the year following those adjustments.

<u>Movement in Reserves during 2019/20</u>	General Fund Balance	Capital Receipts Reserve	Unusable Reserves	Total Authority Reserves
	£000	£000	£000	£000
Balance brought forward at 1 April 2019	(2,733)	0	9,689	6,956
Total Comprehensive Income and Expenditure	433	0	(1,588)	(1,155)
Adjustments between accounting basis and funding basis under regulations (Note 8)	(656)	(21)	677	0
(Increase) or Decrease in year	(223)	(21)	(911)	(1,155)
Balance carried forward at 31 March 2020 (Notes 12 & 22)	(2,956)	(21)	8,778	5,801

<u>Movement in Reserves during 2020/21</u>	General Fund Balance	Capital Receipts Reserve	Unusable Reserves	Total Authority Reserves
	£000	£000	£000	£000
Balance brought forward at 1 April 2020	(2,956)	(21)	8,778	5,801
Total Comprehensive Income and Expenditure	1,184	0	3,800	4,984
Adjustments between accounting basis and funding basis under regulations (Note 8)	(956)	0	956	0
(Increase) or Decrease in year	228	0	4,756	4,984
Balance carried forward at 31 March 2021 (Notes 12 & 22)	(2,728)	(21)	13,534	10,785

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e., those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations.'

31 March 2020			31 March 2021	31 March 2021
£000		Note	£000	£000
3,161	Property, Plant and Equipment	13	3,467	
748	Heritage Assets	14	770	
0	Intangible Assets	15	0	
3,909	Long Term Assets			4,237
83	Inventories	18	88	
516	Short Term Debtors	19	332	
2,582	Cash and Cash Equivalents	20	2,529	
3,181	Current Assets			2,949
(222)	Short Term Creditors	21	(222)	
(222)	Current Liabilities			(222)
(12,669)	Other Long Term Liabilities	33	(17,749)	
(12,669)	Long Term Liabilities			(17,749)
(5,801)	Net Assets/(Liabilities)			(10,785)
(2,977)	Usable Reserves	12		(2,749)
8,778	Unusable Reserves	22		13,534
5,801	Total Reserves			10,785

Authorised for Issue

The un-audited Accounts (may be subject to change) were authorised for issue by the Chief Finance Officer on 28 May 2021.

Cash Flow Statement

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

31 March 2020		Note	31 March 2021
£000			£000
433	Net (Surplus) or Deficit on the Provision of Services		1,184
	Adjustments for:		
(877)	Non cash movements	23	(1,322)
21	Investing and Financing Activities	24	0
(423)	Net Cash Flows from Operating Activities		(138)
285	Investing Activities	24	191
(138)	Net (Increase) or Decrease in Cash and Cash Equivalents		53
2,444	Cash and Cash Equivalents at the start of the reporting period		2,582
2,582	Cash and Cash Equivalents at the end of the reporting period	20	2,529

Notes to the Accounts

1. Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, other grants and contributions, sales, fees and charges) by the Authority in comparison with those resources consumed or earned by the Authority in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Authority's service areas. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2019/20				2020/21		
Net Expenditure chargeable to the General Fund	Adjustments between Funding & Accounting basis (Note 8)	Net Expenditure in the CIES		Net Expenditure chargeable to the General Fund	Adjustments between Funding & Accounting basis (Note 8)	Net Expenditure in the CIES
£000	£000	£000		£000	£000	£000
167	56	223	Conservation of the Natural Environment	391	79	470
178	45	223	Conservation of Cultural Heritage	140	35	175
383	59	442	Recreation Management and Transport	435	98	533
644	110	754	Promoting Understanding	600	138	738
702	107	809	Rangers, Estates and Volunteers	576	124	700
209	68	277	Development Management	354	103	457
180	36	216	Forward Planning and Communities	302	53	355
306	54	360	Corporate and Democratic Core	313	62	375
858	115	973	Support Services	903	133	1,036
3,627	650	4,277	Net Cost of Services	4,014	825	4,839
(4,177)	333	(3,844)	Other Income and Expenditure	(3,977)	322	(3,655)
306	(306)	0	Capital Expenditure charged to General Fund	191	(191)	0
(244)	677	433	(Surplus) or Deficit on the Provision of Services	228	956	1,184
			Opening General Fund Balance	(2,977)		
			(Surplus)/Deficit on the General Fund in year	228		
			Closing General Fund Balance at 31 March (Note 12)	(2,749)		
(2,733)						
(244)						
(2,977)						

2. Accounting Policies

General Principles

The Statement of Accounts summarises the Authority's transactions for the 2020/21 financial year and its position at the year-end 31 March 2021. The Authority is required to prepare an annual Statement of Accounts in accordance with proper accounting practices; these proper accounting practices principally comprise:

- the Code of Practice on Local Authority Accounting in the UK 2020/21 (The Code)
- the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (SI 2003 No 03146, as amended) (the 2003 Regulations)

The Statement of Accounts has been prepared using the going concern and accrual basis. The historical cost convention has been applied, modified by the revaluation of certain categories of non-current assets and financial instruments.

Accruals of Income and Expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations of the contract;
- The full cost of employees is charged to the accounts for the period within which the employees worked. Accruals are made for salaries and wages, holiday pay, flexi leave and time off in lieu earned but unpaid at the year-end;
- Supplies and services are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the balance sheet;
- Interest payable on borrowings and receivable on investments is accounted for on the basis of effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract;
- Where revenue and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected;
- Where grant offers have been made by the Authority to individuals or organisations but not drawn down by the 31 March, agreement is sought from the Authority to make provision for their future payment from an earmarked reserve.

Adjustments between Accounting Basis and Funding Basis

The resources available to the Authority in any financial year and the expenses that are charged against those resources are specified by statute (the Local Government Act 2003 and the 2003 Regulations). Where the statutory provisions differ from the accruals basis used in the CIES, adjustments to the accounting treatment are made in the Movement in Reserves Statement (MIRS), so that usable reserves reflect the funding available at year end. Unusable Reserves are created to manage the timing differences between the accounting and funding bases. The material adjustments are:

Expense	Accounting Basis in Comprehensive Income and Expenditure Statement (CIES)	Funding Basis in Movement in Reserves Statement (MIRS)	Adjustment Account
Property, Plant & Equipment	Depreciation, revaluation and impairment losses	Revenue provision to cover historical cost determined in accordance with the 2003 Regulations	Capital Adjustment Account
Intangible Assets	Amortisation and	Revenue provision to	Capital Adjustment

	impairment	cover historical cost determined in accordance with the 2003 Regulations	Account
Non-Current Asset Disposals	Gain or loss based on sale proceeds less carrying amount of asset (net of costs of disposal)	No charge or credit	Capital Adjustment Account (carrying amount) Capital Receipts Reserve (sale proceeds & costs of disposal) Deferred Capital Receipts Reserve (if not yet received)
Capital Grants & Contributions	Grants that become unconditional in current year or received without conditions	No credit	Capital Grants Unapplied Reserve (amounts unapplied at 31 March) Capital Adjustment Account (other amounts)
Pensions Costs	Movement in pensions assets and liabilities	Employer's contributions payable and direct payments made to pensioners	Pensions Reserve
Holiday Pay	Projected cost of untaken leave entitlement at 31 March	No charge	Accumulated Absences Adjustment Account

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in 90 days or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

Employee Benefits

Short-term employee benefits are benefits such as wages and salaries, paid annual leave, sick leave and expenses paid on a monthly basis and charged on an accruals basis, to the relevant service line in the CIES.

Termination Benefits: when the Authority is demonstrably committed to the termination of the employment of an officer, or a group of officers, or making an offer to encourage voluntary redundancy, these costs are charged on an accruals basis to the relevant service line in the CIES.

Post Employee Benefits: employees of the Authority are members of the Local Government Pension Scheme (LGPS) administered by Devon County Council which is accounted for as a defined benefit scheme. The scheme provides defined benefits to members (retirement lump sums and pensions) related to pay and service.

- The liabilities of the Devon Pension Fund attributable to the Authority are included in the balance sheet on an actuarial basis using the projected unit method, i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions related to items such as mortality rates, employee turnover rates and projections of projected earnings for current employees.

- Liabilities are discounted to their value at current prices, using a discount rate of 2.00% based on the annualised Merrill Lynch AA rated corporate bond yield curve.
- The assets of the Devon pension scheme attributable to the Authority are included in the balance sheet at their fair value:
 - Quoted securities – current bid price
 - Unquoted securities – professional estimate
 - Unitised securities – current bid price
 - Property – market value

The change in the net pension liability is analysed into the following components:

Service cost comprising:

- Current service cost – the increase in liabilities as a result of years of service earned this year, allocated in the CIES to the services for which the employees worked;
- Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years, debited to the Surplus or Deficit on the Provision of Services in the CIES as part of Non Distributed Costs;
- Net interest on the net defined benefit liability (asset) i.e. net interest expense for the Authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing & Investment Income and Expenditure line of the CIES. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period, to the net defined benefit liability (asset) at the beginning of the period, taking into account any changes in the net defined benefit liability (asset) during the period, as a result of contribution and benefit payments.

Re-measurements comprising:

- The return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) charged to the Pensions Reserve as other Comprehensive Income & Expenditure;
- Actuarial gains and losses – changes in net pension liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions, charged to the Pension Reserve as Other Comprehensive Income & Expenditure

Contributions paid to the Devon Pension Fund: cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

Discretionary Benefits

The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

Events after the Reporting Period

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

- Those that provide evidence of conditions that existed at the end of the reporting period - the Statement of Accounts is adjusted to reflect such events
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events. But where a category of events would have a

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

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

Government Grants and Contributions

Whether paid on account, by instalments, or in arrears, government grants and third-party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

- The Authority will comply with the conditions attached to the payments; and
- The grants or contributions will be received

Amounts recognised as due to the Authority are not credited to the CIES until the Authority has satisfied any conditions attached to the grant or contribution that would require repayment if not met. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the CIES.

Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of the transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparatives for the prior period.

Property, Plant and Equipment

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred. Expenditure below the following (de-minimis) limits is treated as revenue expenditure and is charged to the relevant service line in the CIES in the year that it is incurred:

- £20,000 for land and buildings
- £5,000 for vehicles, plant and equipment
- £20,000 for information communications technology related equipment (systems upgrades and software)

Measurement - Assets are initially measured at cost comprising:

- The purchase price;
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management;
- The initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Assets are carried in the Balance Sheet using the following measurement bases:

- Operational non specialised property: Current Value – Existing Use Value
- Operational Specialised Property: Current Value – Depreciated Replacement Cost
- Non-Operational Property - Surplus assets: Fair Value – highest and best use
- Assets Held for Sale: Fair Values – highest and best use (less costs to sell)

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

property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Assets held in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. (Exceptionally, gains may be credited to the CIES where they arise from the reversal of a loss previously charged to a service). Where decreases in value are identified, they are accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains);
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the CIES.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising from before that date have been consolidated into the Capital Adjustment Account.

Impairment - Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall. Where impairment losses are identified, they are accounted for in the same way as revaluation losses.

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

- Buildings: straight line allocation over the useful life of the property as estimated by the Valuer;
- Vehicles, Plant & Equipment: straight line allocation over the life of the asset, as advised by a suitably qualified officer.

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost, being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

When an asset is disposed of or decommissioned, the carrying amount in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line on the CIES as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the CIES also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated in the Revaluation Reserve are transferred to the Capital Adjustment Account. Amounts received for a disposal in excess of £10,000 are categorised as capital receipts, credited to the Capital Receipts Reserve and can only be used for new capital investment or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement).

Heritage Assets

Heritage Assets are recognised and measured (including the treatment of revaluations gains and losses) in accordance with the Authority's accounting policies on property, plant and equipment. The Authority has one Heritage Asset which is reported in the Balance Sheet at insurance valuation i.e. based on a building re-instatement cost assessment. The insurance valuation is reviewed on an annual basis. of the property dates back to the 14th Century, and it is therefore deemed to have an indeterminate life; hence the Authority does not consider it appropriate to charge depreciation. The

Authority does not have a policy for the acquisition and disposal of Heritage Assets, the acquisition of "Uppacott" was a 'one-off' opportunity. The property is managed and preserved in accordance with the Authority's Asset Management Plan, the terms and conditions of the HLF grant and a property specific Business Plan.

The carrying amount of this Heritage Asset is reviewed where there is evidence of impairment. Any impairment is recognised and measured in accordance with Authority's general policies on impairment. If this property is identified for disposal in the future, it will be dealt with in accordance with the Authority's general provisions relating to the disposal of property, plant and equipment and the terms and conditions of the HLF grant. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

Intangible Assets

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

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Authority can be determined by reference to an active market. In practice, no intangible asset held by the Authority meets this criterion and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service lines in the CIES. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses are posted to the relevant service lines in the CIES. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the CIES.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund balance in the Movement in reserves Statement and posted to the Capital Adjustment Account and (for any sale proceed greater than £10,000) the Capital Receipts Reserve.

Leases

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

Leases (The Authority as a Lessee)

Operating Leases

Rentals paid under operating leases are charged to the CIES as an expense of the services benefitting from the use of the leased property, plant or equipment. Charges are made on a straight-line basis over the term of the lease, even if this does not match the pattern of the payments (e.g. if there is a rent-free period at the beginning of the lease).

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Lease payments are apportioned between:

- A charge for the acquisition of the interest in the property, plant or equipment applied to write down the lease liability; and
- A finance charge (debited to the Finance and Investment Income and Expenditure line in the CIES).

Property, plant and equipment recognised under finance leases is accounted for using the policies generally applied to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Authority at the end of the period).

The Authority is not required to cover depreciation or revaluation and impairment losses arising on leased assets from National Park Grant. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements.

Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

As the Authority only has two finance leases and the lease liability is not material for either of them, the annual lease payments are accounted for within the CIES as they fall due. The assets are therefore carried as Property, Plant and Equipment in the Balance Sheet, rather than as a Long Term Liability.

Overheads and Support Services

The costs of overheads i.e. charges for use of non-current assets (depreciation, impairment, impairment reversals and employee benefit accrued costs) are charged to services in accordance with the costing principles of the Code. The full cost of Support Services, which also includes our main premises and organisational running costs are reported as a separate service segment in accordance with the Authority's arrangements for accountability and financial performance and not allocated to those services that benefit from them.

Financial Instruments

Financial assets are classified on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics: there are three main classes of financial assets measured at:

- Amortised cost;
- Fair value through profit and loss (none);
- Fair value through other comprehensive income (none).

Our business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified at amortised cost (bank deposits and debtors).

Financial assets measured at amortised cost are recognised in the Balance Sheet when we become party to the contractual provisions of the instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits are made to the Financing and Investment Income and Expenditure line in the CIES for interest receivable, based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. Any gains and losses that arise on derecognition are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Expected Credit Loss Model - we recognise expected credit losses on financial assets held at amortised cost either on a 12-month or lifetime basis. Only lifetime losses are recognised for trade receivables (debtors). Impairment losses are calculated to reflect the expectation that the future cash flows might not take place due to default. Credit risk plays an important part in assessing losses. Where risk has increased significantly since initial recognition, losses are assessed on a life-time basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12 month expected losses.

Accounting Standards Issued Not Adopted

The Code requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard which has been issued but is yet to be adopted by the 2019/20 Code. The Code also requires that changes in accounting policy are to be applied retrospectively unless transitional arrangements are specified, this would result in an impact on disclosures spanning two financial years. IFRS16 Finance Leases was to have been introduced in the 2020/21 code. However, CIPFA has since deferred the start date (twice) until 1 April 2022. The impact of IFRS 16 is not yet reasonably estimable and work will be undertaken to inform the impact on the 2022/23 Accounts. There are therefore no accounting changes due in 2020/21 that are anticipated to have a material effect on the Authority's financial performance or financial position.

3. Critical Judgements in applying Accounting Policies

In applying the accounting policies as set out in Note 2, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- The accounts have been prepared on a going-concern basis. The concept of going concern assumes that the Authority, its functions and services will continue in operational existence for the foreseeable future. There is no indication that Defra or Central Government intends to abolish National Park Authorities. Defra has also provided a letter of assurance that it will provide funding to National Park Authorities and the Broads Authority to ensure that CV19 financial impacts do not directly result in redundancies or prevent an authority from maintaining a balanced budget in the financial year 2021/22.
- The Authority is continually reviewing the use and ownership of a number of assets. All land and building assets are classed as operational and held at current value, until they are declared surplus; at which point they are re-classified and held at fair value. See note 4 and 13 for further detail regarding asset valuations.

4. Assumptions made about the future and other sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because these balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. Items in the Authority's Balance Sheet as at 31 March 2021, for which there is a significant risk of material adjustment in forthcoming financial years, is as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Authority with expert advice about the assumptions to be applied.	The effect on the net pensions' liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £1.266m. However, the assumptions interact in complex ways. During 2020/21, the Authority's actuaries advised that due to estimates being corrected (as a result of experience and updating the assumptions) the net pensions' liability had increased by £8.776m and decreased by £4.565m reflecting the actual return on plan assets in excess of interest
Property Plant and Equipment	Market uncertainty for opinions of value in response to the potential impact of the Coronavirus pandemic	Valuation decreases would impact on the value of the Authority's balance sheet. However, the Authority has no current plans to dispose of any of its property portfolio; the property portfolio is valued at either current

		value or depreciated replacement cost; annual valuations have been undertaken on an annual basis in recent years; there is an expectation that markets will return to normal in time; the situation will be kept under review
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5. Events after the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Chief Finance Officer on 28 May 2021. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2021, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

6. Financing and Investment Income and Expenditure

2019/20		2020/21
£000		£000
311	Net interest cost on the net defined benefit liability (asset)	307
(24)	Interest receivable	(5)
<u>287</u>		<u>302</u>

7. Taxation and Non-Specific Grant Income

National Park Grant is a general grant allocated by Defra directly to National Park Authorities as revenue grant. NPG is non-ring-fenced and is credited to Taxation and Non-Specific Grant Income in the Comprehensive Income and Expenditure Statement.

2019/20		2020/21
£000		£000
(3,826)	National Park Grant (Defra)	(3,826)
(306)	Capital Grants and Contributions	(146)
<u>(4,132)</u>		<u>(3,972)</u>

8. Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure, recognised by the Authority in the year in accordance with property accounting practice, to arrive at the resources that are specified by statutory provisions, as being available to the Authority to meet future capital and revenue expenditure. The following sets out a description of the reserves that the adjustments are made against.

General Fund Balance

The General Fund is the statutory fund into which all the receipts of an authority are required to be paid and out of which all liabilities of the authority are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Authority is statutorily empowered to spend on its services or capital investment (or for the deficit of resources that the Authority is required to recover) at the end of the financial year.

2019/20 General Fund Balance £000	Adjustments to Revenue Resources	2020/21 General Fund Balance £000
	Amounts by which income & expenditure included in the CIES are different from revenue for the year calculated in accordance with statutory requirements:	
(763)	Pensions costs (transferred to or from the Pensions Reserve)	(879)
3	Holiday pay (transferred to or from the Accumulated Absences Reserve)	(4)
(216)	Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (charged to the Capital Adjustment Account)	(264)
(7)	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal	0
(983)	Total Adjustments to Revenue Resources	(1,147)
	Adjustments between Revenue and Capital Resources	
306	Capital expenditure charged to General Fund Balance	191
(677)	Total Adjustments	(956)

9. Note to the Expenditure and Funding Analysis

Adjustments between Funding and Accounting Basis 2020/21

Adjustments from the General Fund to arrive at the CIES amounts	Adjustments for Capital Purposes (note a) £000	Net change for Pensions Adjustment (note b) £000	Other Differences (note c) £000	Total Adjustment 2020/21 £000
Conservation of the Natural Environment	16	61	2	79
Conservation of Cultural Heritage	10	24	1	35
Recreation Management and Transport	30	67	1	98
Promoting Understanding	41	99	(2)	138
Rangers, Estates and Volunteers	39	84	1	124
Development Management	24	76	3	103
Forward Planning and Communities	21	30	2	53
Corporate and Democratic Core	21	43	(2)	62
Support Services	62	73	(2)	133
Net Cost of Services	264	557	4	825
Other Income & Expenditure	(191)	322	0	131
Total	73	879	4	956

Adjustments between Funding and Accounting Basis 2019/20

Adjustments from the General Fund to arrive at the CIES amounts	Adjustments for Capital Purposes (note a) £000	Net change for Pensions Adjustment (note b) £000	Other Differences (note c) £000	Total Adjustment 2019/20 £000
Conservation of the Natural Environment	16	40	0	56
Conservation of Cultural Heritage	10	37	(2)	45
Recreation Management and Transport	23	35	1	59
Promoting Understanding	38	69	3	110
Rangers, Estates and Volunteers	38	75	(6)	107
Development Management	12	56	0	68
Forward Planning and Communities	10	27	(1)	36
Corporate and Democratic Core	17	35	2	54
Support Services	52	63	0	115
Net Cost of Services	216	437	(3)	650
Other Income & Expenditure	(299)	326	0	27
Total	(83)	763	(3)	677

a) Adjustments for Capital Purposes - this column adds in depreciation and impairment and revaluation gains and losses in the services line; adjustments for capital disposals with a transfer of income on disposal and the amounts written off; capital grants are adjusted for income not chargeable under generally accepted accounting practices and capital grants receivable in year for which conditions are satisfied.

b) Net Change for Pensions Adjustments - Net change for removal of pension contributions and the addition of *IAS19 Employee Benefits* pension related expenditure and income:

- **For services** - this represents removal of the employer pension contributions made by the Authority as allowed by statute and the replacement with current service costs and past service costs
- **For Financing and investment income and expenditure** - the net interest on the defined benefit liability is charged to the CIES

c) Other Differences - other differences debited / credited to the CIES and amounts payable / receivable to be recognised under statute i.e., accumulated absences.

10. Expenditure and Income Analysed by Nature

2019/20		2020/21
£000		£000
3,612	Employee benefits expenses	3,782
1,739	Other service expenses	1,705
216	Depreciation, amortisation and impairment	264
326	Interest payments	322
5,893	Total Expenditure	6,073
(1,290)	Grants, fees, charges and other service income	(912)
(4,132)	Government grants and contributions	(3,972)
(24)	Interest and investment income	(5)
(14)	Gain on disposal of Property, Plant & Equipment	0
(5,460)	Total Income	(4,889)
433	(Surplus) / Deficit on the Provision of Services	1,184

11. Segmental Income

2020/21	Grants and Contributions £000	Fees and Charges £000	Sales Income £000	Other £000	Total £000
Conservation of the Natural Environment	(265)	(17)	0	(8)	(290)
Conservation of Cultural Heritage	(51)	(4)	0	0	(55)
Recreation Management & Transport	(74)	(84)	0	0	(158)
Promoting Understanding	(85)	(35)	(75)	0	(195)
Rangers, Estates and Volunteers	(5)	(3)	0	0	(8)
Development Management	0	(158)	0	0	(158)
Forward Planning and Communities	0	0	0	0	0
Corporate and Democratic Core	(15)	(5)	0	0	(20)
Support Services	0	(7)	0	(21)	(28)
Total Income	(495)	(313)	(75)	(29)	(912)

2019/20	Grants and Contributions £000	Fees and Charges £000	Sales Income £000	Other £000	Total £000
Conservation of the Natural Environment	(283)	(12)	0	0	(295)
Conservation of Cultural Heritage	(32)	(5)	0	0	(37)
Recreation Management & Transport	(110)	(101)	0	0	(211)
Promoting Understanding	(44)	(63)	(181)	0	(288)
Rangers, Estates and Volunteers	(12)	(8)	0	0	(20)
Development Management	0	(301)	0	0	(301)
Forward Planning and Communities	(77)	0	0	0	(77)
Corporate and Democratic Core	(3)	(29)	0	0	(32)
Support Services	(1)	(7)	0	(21)	(29)
Total Income	(562)	(526)	(181)	(21)	(1,290)

12. Reserve Balances

Accounting Policy

The Authority sets aside specific amounts for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund Balance. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against Surplus or Deficit on the Provision of Services in the Comprehensive Income & Expenditure Statement. The reserve is then transferred back to into the General Fund Balance so that there is no net charge against Government Grant for the expenditure. Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments and employee benefits and do not represent useable resources for the Authority; these reserves are explained in the relevant policies and in note 22.

Reserve Balances

Our reserve balances are regularly reviewed using a risk-based approach to determine their level and use; they are made up as follows:

- General Reserve (unallocated) - a contingency balance for emergency situations and is the minimum level that we have determined will always be maintained (in accordance with CIPFA guidance and good practice)
- Contingency Reserves (allocated) - provisions set aside using a risk-based analysis to cushion the impact of uneven cash flows and unexpected events where the timing of and / or amounts are uncertain
- Earmarked Reserves (allocated) - consisting of ring-fenced grants and contributions received from third parties, sums set aside for capital schemes, commitments against future contracts and agreements and external match-funding allocations where we are working in partnership with others
- Capital receipts Reserve – holds the proceeds from the disposal of land or other assets which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure

Movement in Earmarked Reserves

	Balance at 1 April 2019	Transfers Out 2019/20	Transfers In / Within 2019/20	Balance at 31 March 2020	Transfers Out 2020/21	Transfers In / Within 2020/21	Balance at 31 March 2021
	£000	£000	£000	£000	£000	£000	£000
Appeals and litigation	(250)	0	0	(250)	0	0	(250)
Capital: replacement of vehicle fleet	(127)	0	0	(127)	0	0	(127)
Property: repairs & maintenance	(210)	10	0	(200)	0	0	(200)
Pay and pensions	(52)	0	0	(52)	0	0	(52)
General inflation / loss of income	(35)	0	0	(35)	0	0	(35)
Invest to save & generate projects	(84)	0	50	(34)	0	0	(34)
Climate Change	0	0	(50)	(50)	0	0	(50)
Planning IT System	0	0	0	0	0	(50)	(50)
Budget commitments / contracts	(205)	117	(98)	(186)	138	(74)	(122)
Match-funding for projects	(926)	66	80	(780)	16	51	(713)
Grants and contributions received from third parties	(275)	134	(422)	(563)	246	(71)	(388)
General Reserve	(500)	0	0	(500)	0	0	(500)
Medium Term Financial Plan allocation	(69)	0	(110)	(179)	163	(191)	(207)
Total Earmarked Reserves	(2,733)	327	(550)	(2,956)	563	(335)	(2,728)
Capital Receipts Reserve	0	0	(21)	(21)	0	0	(21)
Total Reserves	(2,733)	327	(571)	(2,977)	563	(335)	(2,749)

13. Property Plant and Equipment

Property, Plant & Equipment Movements in 2020/21

	Land & Buildings	Asset under Construction	Vehicles, Plant, Furniture & Equipment	Community Assets	Total Property, Plant and Equipment
Cost or Valuation	£000	£000	£000	£000	£000
At 1 April 2021	2,495	306	745	216	3,762
Additions	0	146	45	0	191
Revaluation increases & decreases recognised in the Revaluation Reserve	159	0	0	0	159
Disposals	0	0	0	0	0
Other Movements in cost/valuation	452	(452)	0	0	0
At 31 March 2021	3,106	0	790	216	4,112
Accumulated Depreciation and Impairment					
At 1 April 2020	0	0	(601)	0	(601)
Depreciation charge for the year	(220)	0	(44)	0	(264)
Depreciation written out the Revaluation Reserve	220	0	0	0	220
De-recognition - Disposals	0	0	0	0	0
At 31 March 2021	0	0	(645)	0	(645)
Total Net Book Value at 31 March 2021	3,106	0	145	216	3,467

Property, Plant & Equipment Movements in 2019/20

	Land & Buildings	Asset under Construction	Vehicles, Plant, Furniture & Equipment	Community Assets	Total Property, Plant and Equipment
Cost or Valuation	£000	£000	£000	£000	£000
At 1 April 2019	2,400	0	776	216	3,392
Additions	0	306	0	0	306
Revaluation increases & decreases recognised in the Revaluation Reserve	95	0	0	0	95
Disposals	0	0	(31)	0	(31)
At 31 March 2020	2,495	306	745	216	3,762
Accumulated Depreciation and Impairment					
At 1 April 2019	0	0	(586)	0	(586)
Depreciation charge for the year	(177)	0	(39)	0	(216)
Depreciation written out the Revaluation Reserve	177	0	0	0	177
Disposals	0	0	24	0	24
At 31 March 2020	0	0	(601)	0	(601)
Total Net Book Value at 31 March 2020	2,495	306	144	216	3,161

Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:

Asset Type	Estimated Useful Life	Depreciation Rate
Buildings	24-60 years	Straight line
Vehicles	7 years	Straight line
Plant, Equipment & ICT Hardware	3-14 years	Straight line

Revaluations

The Authority carries out a valuation programme that ensures that all Property, Plant and Equipment required to be measured is revalued at least every five years. However, the Authority decided to undertake annual valuations of its Property portfolio in recent years. The most recent valuation was undertaken as at 31 March 2021. Land and building valuations are carried out by our qualified external Valuer, Stuart Oxton BSC (Hons) MIRCS, Registered Valuer, of NPS (South West) Ltd.

Valuations of land and buildings have been prepared in accordance with the RICS Valuation Global Standards 2020, the RICS Valuation Standards 2017 – UK National Supplement and Depreciated Replacement Methods of Valuation for Financial Reporting, 1st Edition.

	Land and Buildings	Assets under Construction	Plant, Vehicles Furniture & Equipment	Community Assets	Total
	£000	£000	£000	£000	£000
Carried at Historical Cost	0	0	145	216	361
Valued at Current Value at 31 March 2021	3,106	0	0	0	3,106
Total	3,106	0	145	216	3,467

Market Uncertainty

It was reported last year that the outbreak of the coronavirus (COVID-19) and its impact on the world's economy could be felt for many months and possibly years. VPGA 10 of the Red Book gives guidance about matters that may give rise to material valuation uncertainty. Para 2.4 states that *'markets can be disrupted by relatively unique factors. Such disruption can arise due to unforeseen financial, macro-economic, legal, political or even natural events. If the valuation date coincides with, or is in the immediate aftermath of, such an event there may be a reduced level of certainty that can be attached to a valuation, due to inconsistent, or an absence of, empirical data, or to the valuer being faced with an unprecedented set of circumstances on which to base a judgment'*.

It is considered that there is material uncertainty as at 31 March 2021, and, in line with the RICS document 'Impact of COVID-19 on valuation – Supplement to RICS Practice Alert' dated 06 November 2020, the following statement applies to the valuations: *'The outbreak of COVID-29, declared by the World Health Organisation as a 'Global Pandemic' on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movement and operational requirements have been implemented by many countries. In some cases, 'lockdowns' have been applied to varying degrees and to reflect further 'waves' of COVID-19; although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact. The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally'*.

In respect of the Dartmoor National Park Authority as at 31 March 2021: *'we continue to be faced with an unprecedented set of circumstances caused by COVID-19 and an absence of relevant/sufficient market evidence on which to base our judgements. Our valuations of the Authority's assets are therefore reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA*

10 of the RICS – Global Standards. Consequently, in respect of these valuations less certainty – and a higher degree of caution – should be attached to our valuations than would normally be the case’.

For the avoidance of doubt this explanatory note, including the ‘material valuation uncertainty’ declaration, does not mean that the valuations cannot be relied upon. Rather, this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the valuation date.

14. Heritage Assets

The Authority owns “Uppacott”, a Grade 1(star) listed, Devon Longhouse. This property was acquired principally because of its historical and cultural value and provides opportunities for the public to increase their knowledge, understanding and appreciation of Dartmoor’s cultural heritage. The acquisition was part funded by the Heritage Lottery Fund (HLF). The following table is a reconciliation of the carrying value (insurance rebuild cost) see note 13 for details of the valuation date and valuer.

2019/20 £000		2020/21 £000
748	Carrying Value at 1 April	748
0	Revaluation gain/(loss)	22
748	Carrying Value at 31 March	770

15. Intangible Assets

The Authority accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment. The intangible assets include purchased licenses only, as the Authority does not internally generate software. All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Authority. The useful lives assigned to the major software suites used by the Authority are between 3-15 years and the carrying amount of assets is amortised on a straight-line basis. Amortisation is charged to the CIES by being absorbed as an overhead across all the service headings in the Net Expenditure of Services. It is not possible to quantify exactly how much of the amortisation is attributable to each service heading. The movement of Intangible Asset balances during the year is as follows:

2019/20 £000	Intangible Assets	2020/21 £000
157	Gross Carrying Value at 1 April	157
(157)	Accumulated Amortisation	(157)
0	Net Carrying Value at 31 March	0

16. Financial Instruments

The following categories of financial instrument are disclosed in the Balance Sheet:

2019/20 £000	Current Assets and Liabilities (amortised cost)	2020/21 £000
2,582	Cash at bank	2,529
423	Debtors	261
(222)	Creditors	(222)

The (gains) and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments is as follows:

2019/20 £000		2020/21 £000
(24)	Interest and investment income (amortised cost)	(5)

17. Nature and Extent of Risks Arising from Financial Instruments

The Authority's activities expose it to a variety of financial risks:

- Credit risk – the possibility that other parties might fail to pay amounts due
- Liquidity risk – the possibility that the Authority may not have funds available to meet its commitments to make payments
- Market risk – the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates and stock market movements

The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by Leadership Team, under policies approved by the Authority. The Authority has adopted the CIPFA Code of Practice for Treasury Management in Public Services and as part of this approves an annual Treasury Management Strategy and Practices which sets out the policies on borrowing, investment, credit risk and interest rate exposure. The Authority provides written principles for overall risk management as well as written policies covering specific areas, such as interest rate risk, credit risk and investment of surplus cash. The Authority, at all times, invests its surplus funds prudently. Priority is given to security and liquidity rather than yield.

Credit Risk and Expected Credit Loss Allowances

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Authority's customers. This risk is minimised through the Authority's Annual Investment Strategy which requires that deposits are only made with financial institutions that meet certain minimum credit criteria. The Authority uses the ratings produced by all three of the UK's credit rating agencies.

Amounts arising from expected credit losses would normally be established for investments and debtors based on estimates of the losses that might be incurred if those owing money to the Authority fail to pay it back. In order to calculate an impairment loss allowance in respect of the Authority's bank deposits the Authority has used the combined historic default rate data from the three main credit rating agencies. We have concluded that the expected credit loss is not material therefore no allowance has been made.

The Authority's standard terms and conditions for payment of invoices (trade receivables) are 28 days from invoice date. Low risk, no history of default and with signed agreements in place with third parties, we have concluded that the expected credit loss is not material therefore no allowance has been made.

Liquidity Risk

The Authority has a comprehensive cash flow management system that seeks to ensure that cash is available when needed. Surplus cash is invested with financial institutions that meet certain minimum credit criteria and limits are set for the amount that can be invested for fixed periods. All trade and other payables are due to be paid in less than one year and the Authority currently has no borrowings. There is no significant current or future risk that it will be unable to raise finance to meet its commitments under financial instruments.

Market Risk

This is the risk that the Authority's investments will decrease due to changes in market factors which includes the following elements:

- Interest Risk. In terms of short-term cash investments, the variable rate of interest earned on surplus funds moves during the year and any assumptions in annual budgets are made cautiously based on current market and treasury forecasts. A 1% movement in interest rates would result in £20,000 more or less than budget if investments were held for a year. The Authority is currently debt free and has no plans to borrow.
- Price Risk. The Authority does not have any investments in equity shares or shareholdings.
- Foreign Exchange Risk. The Authority has no financial assets or liabilities denominated in foreign currencies and thus it has no exposure to loss arising from movements in exchange rates.

18. Inventories

Inventories (retail stock held for resale) are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the weighted average costing formula. The Authority has three Visitor Centres within the National Park, which sell books, maps, souvenirs, items of clothing and other suitable material that promotes National Park Purposes and this defrays the cost of the overall service. The Visitor Centres exist to further the provision of information and education, the "trading" results therefore, while significant, are incidental to the main provision of a Visitor Centre Service. Hence, there is no attempt to recharge proportions of staffing or other premises costs against the gross profit stated below. The National Park Visitor Centres were closed for eight months of the year in 2020/21 due to the Coronavirus Pandemic.

2019/20		2020/21
£000		£000
(181)	Gross Sales	(75)
76	Plus: Opening inventory	83
102	Plus: Purchases	44
(83)	Less: Closing Inventory at 31 March	(88)
(86)	Gross Profit	(36)

19. Debtors

Representing sums of money owed to the Authority for goods and services supplied during the year and not paid for by 31 March, or where the Authority has made payments in advance.

2019/20		2020/21
£000		£000
299	Central Government Bodies	141
8	Other Local Authorities	6
209	Other entities and individuals	185
516	Total at 31 March	332

20. Cash and Cash Equivalents

2019/20		2020/21
£000		£000
2,582	Bank current accounts at 31 March	2,529

21. Creditors

These represent sums of money owed by the Authority for goods and services received during the year and not paid for by 31 March, or where the money has been received by the Authority in advance.

2019/20		2020/21
£000		£000
0	Central Government Bodies	(50)
(5)	Other Local Authorities	(6)
(217)	Other entities and individuals	(166)
(222)	Total at 31 March	(222)

22. Unusable Reserves

Movements in usable reserves are detailed in the Movement in Reserves Statement.

2019/20 £000		2020/21 £000
(1,872)	Revaluation Reserve	(2,137)
52	Accumulated Absences Account	56
(2,071)	Capital Adjustment Account	(2,134)
12,669	Pensions Reserve	17,749
8,778	Total Unusable Reserves at 31 March	13,534

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment, Heritage and Intangible Assets. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost
- Used in the provision of services and the gains are consumed through depreciation, or
- Disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since April 2007, the date that the reserve was created. Accumulated gains arising before that are consolidated into the balance on the Capital Adjustment Account.

2019/20 £000		2020/21 £000
(1,707)	Balance at 1 April	(1,872)
(272)	Upward revaluation of assets	(401)
(1,979)	Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	(2,273)
107	Difference between fair value depreciation and historical cost depreciation and written off to the Capital Adjustment Account	136
(1,872)	Balance at 31 March	(2,137)

Accumulated Absences Account

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

2019/20 £000		2020/21 £000
55	Balance at 1 April	52
(55)	Settlement or cancellation of the accrual made at the end of the preceding year	(52)
52	Amounts accrued at the end of the current year	56
(3)	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	4
52	Balance at 31 March	56

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and subsequent costs.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 9 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2019/20		2020/21
£000		£000
(1,881)	Balance at 1 April	(2,071)
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
216	Charges for depreciation and impairment of non-current assets	264
0	Amortisation of intangible assets	0
7	Amounts Non-current assets written off on disposal	0
(1,658)		(1,807)
(107)	Adjusting amounts written out of the Revaluation Reserve	(136)
(1,765)	Net written out amount of the cost of non-current assets consumed in the year	(1,943)
	Capital financing applied in the year:	
(306)	Capital expenditure charged against the General Fund	(191)
2,071	Balance at 31 March	(2,134)

Pensions Reserve

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

2019/20		2020/21
£000		£000
13,222	Balance at 1 April	12,669
(1,316)	Re-measurements of the net defined liability/(asset)	4,201
1,240	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	1,383
(477)	Employer's pensions contributions and direct payments to pensioners payable in the year	(504)
12,669	Balance at 31 March	17,749

23. Cash Flow Statement – Operating Activities

The Surplus or Deficit on the Provision of Services has been adjusted for the following non-cash movements:

2019/20 £000		2020/21 £000
(216)	Depreciation and amortisation	(264)
(763)	Movement in pension liability	(879)
7	Increase / (decrease) in inventory	5
221	Increase / (decrease) in debtors	(184)
(119)	(Increase) / decrease in creditors	0
(7)	Net book value of disposals	0
(877)	Total Non-Cash Movements	(1,322)

The cash flows for operating activities include:

2019/20 £000		2020/21 £000
21	Proceeds from sale of non-current assets	0

24. Cash Flow Statement - Investing Activities

2019/20 £000		2020/21 £000
306	Purchase of property, plant and equipment	191
(21)	Sale of property, plant and equipment	0
285		191

25. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in year, together with the resources used to finance it is set out in the table below. If capital expenditure is to be financed in future years by charges to revenue as assets are used, the expenditure results in an increase to the Capital Finance Requirement (CFR), a measure of the capital expenditure incurred historically that has yet to be financed.

2019/20 £000		2020/21 £000
0	Opening Capital Financing Requirement	0
306	Capital Investment: Property, plant & equipment	191
	Source of Finance:	
0	Direct revenue contribution	(45)
(306)	Capital Grant	(146)
0	Closing Capital Financing Requirement	0

26. External Audit Costs

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts.

2019/20 £000		2020/21 £000
15	Fees payable to Grant Thornton UK LLP for external audit services carried out by the appointed auditor for the year	16

27. Officers' Remuneration

Senior Officers Remuneration

The Authority is required to name all officers that earn over £150,000 per annum for all or part of a year (there are none); and to list all officers who earn between £50,000 and £150,000 for all or part of a year, and who also fit the following criteria:

- They report directly to the Chief Executive, or;
- They are part of the Authority's Senior Management Team, or;
- They hold posts required by statute (the Chief Finance Officer and the Monitoring Officer)

		Salary, Fees & Allowances £	Expenses Allowances £	Pension Contribution £	Total £
Chief Executive (NPO)	2020/21	99,483	185	15,121	114,789
	2019/20	95,848	891	14,569	111,308
Director of Conservation & Communities	2020/21	65,561	0	9,965	75,526
	2019/20	63,806	0	9,699	73,505
Head of Business Support	2020/21	51,120	0	7,770	58,890
	2019/20	Not applicable did not earn over £50,000			

No other employees earn over £50,000 per annum.

Exit Packages

The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

Exit package cost band (including special payments)	(a) Number of compulsory redundancies		(b) Number of other departures agreed		Total number of exit packages by cost band (a + b)		Total cost of exit packages in each band (£)	
	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21
£0-£20,000	1	0	0	1	1	1	2,857	2,656
£20,001-£40,000	1	0	0	0	1	0	29,635	0
Total Cost in CIES	2	0	0	1	2	1	32,492	2,656

28. Members' Allowances

The Authority paid the following amounts to Members of the Authority during the year:

Name	Allowance £	Expenses £	Total £	Appointed by
K Ball	1,757	0	1,757	Devon County Council
SD Barker	1,757	0	1,757	Devon County Council
ACJ Cooper*	3,514	0	3,514	Secretary of State: National
W Dracup	1,289	0	1,289	Secretary of State: National
GJ Gribble	1,757	0	1,757	Devon County Council
PW Harper*	3,514	0	3,514	Secretary of State: National
SG Hill	1,757	0	1,757	Secretary of State: Parish
JR McInnes*	2,636	32	2,668	Devon County Council
SA Morgan	1,757	0	1,757	Teignbridge District Council
DE Moyse	1,757	0	1,757	West Devon Borough Council
FJ Nutley	1,757	0	1,757	Teignbridge District Council
N Oakley*	2,636	0	2,636	Secretary of State: National
CM Pannell	1,757	0	1,757	Secretary of State: Parish
MC Renders	1,757	0	1,757	West Devon Borough Council
PR Sanders*	3,514	142	3,656	Devon County Council
PC Smerdon	1,757	0	1,757	South Hams District Council
N Tigwell	206	85	291	Standards Committee: Independent
PC Vogel	1,757	0	1,757	Secretary of State: Parish
DW Webber	1,379	0	1,379	Secretary of State: Parish
CT Webber	206	0	206	Standards Committee: Independent
PE Woods*	6,997	0	6,997	Secretary of State: National
Total 2020/21	45,218	259	45,477	
Total 2019/20	44,465	4,920	49,385	

* Includes Chair, Deputy Chair or special responsibility allowances. Allowances are not an indication of individual attendance.

29. Grant Income

The Authority credited the following grants and contributions to the Comprehensive Income and Expenditure Statement.

2019/20		2020/21
£000	Credited to Taxation and Non Specific Grant Income	£000
(3,826)	National Park Grant (from Defra)	(3,826)
(306)	Capital Grant: Rural Development Programme England	(146)
(4,132)	Total	3,972

2019/20		2020/21
£000	Credited to Services	£000
(43)	Devon County Council	(68)
(28)	Historic England	(49)
0	Natural England	(7)
(1)	English Heritage Trust	(1)
(7)	Defence Infrastructure	(21)
(6)	South West Water	(12)
(82)	Heritage Lottery Fund	0
(40)	Duchy of Cornwall	(15)
(33)	South Hams District Council	0
(7)	West Devon Borough Council	(25)
(12)	Prince's Countryside Fund	0
(17)	Ministry of Housing, Communities and Local Government	0
(4)	National Parks Partnership	(19)
(0)	Forestry England	(5)
(2)	Discover England Fund (via the Peak District NPA)	0
(190)	Environment Agency	(134)
(15)	Rural Payments Agency	(11)
(0)	Police and Crime Commissioner: Devon and Cornwall	(5)
(6)	Dartmoor Preservation Association	(1)
(13)	Defra	(51)
0	HMRC – Coronavirus Job Retention Scheme	(52)
0	Clarion Futures	(7)
0	Dixon Foundation	(10)
0	NAAONB	(2)
(4)	HQ Dartmoor Training Area	0
(5)	Somerset County Council	0
(5)	Woodland Trust	0
(20)	Teignbridge District Council	0
(20)	BMC Access & Conservation	0
(2)	Other	0
(562)	Total	(495)

30. Related Party Transactions

The Authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers of the accounts to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Central Government has effective control over the general operations of the Authority predominantly via the Department for Environment, Food and Rural Affairs (Defra). Defra is responsible for providing the statutory framework, within which the Authority operates, provides the majority of its funding in the form of National Park Grant and prescribes the terms of many of the transactions that the Authority has with other parties. Details of transactions with government departments are set out Notes 7 and 29.

Members of the Authority have direct control over the Authority's financial and operating policies. A list of the Members' allowances paid in 2019/20 is shown in Note 28. The Authority's Standing Orders require Members to declare their interests in related parties in a register of interests. In addition Members are asked to declare separately any transactions with the Authority. No material transactions have been disclosed.

Officers of the Authority are bound by the Authority's Code of Conduct which seeks to prevent related parties exerting undue influence over the Authority. Senior Officers are required to declare any transactions with the Authority. No transactions have been disclosed.

Devon County Council

The Authority has several Service Level Agreements (SLAs) with Devon County Council which include providing VAT, Treasury, Payroll, Legal, Communications and ICT related services. The Authority made payments totalling £96,675 in 2020/21 for the provision of these services (£87,952 in 2019/20).

The Authority has an agreement with Devon County Council conferring delegated responsibility to us for the inspection, maintenance and management of most Public Rights of Way within the National Park boundary, including footpaths, bridleways and restricted byways. In 2020/21 the Authority received £68,000 from Devon County Council for maintenance and improvements (£43,000 in 2019/20).

We made contributions to Devon County Council totalling £5,485 (£4,619 in 2019/20) for other Dartmoor related projects and initiatives undertaken or lead by the County Council and received contributions of £1,130 (£3,525 in 2019/20) for projects that we took the lead on.

Devon Audit Partnership

Our Internal Audit function is provided via a Service Level Agreement with the Devon Audit Partnership (DAP) at a cost of £5,800 (£5,700 in 2019/20).

Teignbridge District Council

We have a service level agreement with Teignbridge District Council for Health & Safety support, at an annual cost of £8,275 (£4,500 in 2019/20).

West Devon Borough Council

We had a formal agreement for car park management services at Princetown (which ceased at the start of the year) at a cost of £993 for 2020/21 (£5,554 in 2019/20) the fee paid being based on a percentage of income collected.

Other Partnerships

The Authority has entered into a collaboration agreement in respect of the Devon Portal Project, which provides a common gateway to local authority services in Devon, the lead Authority is Devon County Council. Dartmoor National Park Authority does not make a financial contribution.

The Authority is a partner in the National Parks Shared Internet Portal Project, to which the annual contribution for membership is £8,102 (£10,000 in 2019/20); the accountable body is National Parks UK Ltd.

The Authority is a partner in National Parks Partnerships Limited Liability Partnership, a company established by all 15 UK National Parks; a £10,000 contribution was made in 2020/21 (£10,000 in 2019/20). The company is managed by a Board of Directors who report to the Chairs of the UK National Parks (DNPA does have a representative on the Board).

The Authority is holding a cash balance of £350,000 (received in 2015/16) from a Developer, representing a commuted sum, for a S106 Planning Obligation Agreement on land at Chagford. This is in lieu of making provision within the development for community purposes in accordance with the adopted Local Plan and it is to be passed on to third party(s) to secure delivery of those community purposes. This balance is therefore excluded from the Authority's primary financial statements, as it does not represent DNPA funds. Officers are currently in discussions with the Chagford Community Land Trust about options for the use of this money.

Assisted Organisations

The Authority gives grants or contributions for conservation, interpretation, education, culture and heritage projects to organisations and individuals. Whilst individually these payments are not material to the Authority, the total of grants and contributions given in 2020/21 was £22,460 (£19,365 in 2019/20) and could be considered as material to those assisted organisations.

The Authority enters into land management and access agreements with various landowners or tenants across Dartmoor. The total amount paid in 2020/21 was £15,632 (£17,245 in 2019/20).

In March 2020, in response to the Coronavirus pandemic the Authority launched the Coronavirus Community Grant Scheme to provide vital community support. The scheme provided grants of up to £500 to voluntary and community grants to help them tackle the impact of the outbreak and support the most vulnerable in the community. It was a simple application process, with grants paid in advance within days of receiving the application, applicants then reported on actions undertaken. Sixty-eight applications were supported and the total amount of grant awarded totalled £27,500.

31. Leases

Authority as Lessee

The Authority has two administrative buildings that have the attributes of finance leases. The Authority's interest in the assets is included within non-current assets on the balance sheet. The lease liability is not included within the balance sheet as the sum is not material. The annual lease payments are accounted for within the Comprehensive Income and Expenditure Statement as they fall due.

2019/20	Land and Buildings carried as Property, Plant & Equipment in the Balance Sheet (net amounts)	2020/21
£000		£000
140	Parke, Bovey Tracey (DNPA Headquarters)	128
581	High Moorland Office and Visitor Centre, Princetown	588
721	Total	716
2019/20	Future Minimum Lease Payments	2020/21
£000		£000
8	Not later than one year	8
32	Later than one year and not later than five years	32
16	Later than 5 years	8
56	Total	48

Operating Leases

- Multiple land leases, many of which are at nil payment or a peppercorn rent
- Equipment with lease terms of five years or less

	Land & Buildings	Equipment
2020/21 Future Minimum Lease Payments	£000	£000
Not later than one year	8	5
Later than one year and not later than five years	29	0
Later than 5 years	282	0
Total	319	5

	Land & Buildings	Equipment
2019/20 Future Minimum Lease Payments	£000	£000
Not later than one year	8	8
Later than one year and not later than five years	30	1
Later than 5 years	287	0
Total	325	9

2019/20 £000	Expenditure charged to the Comprehensive Income and Expenditure Statement in year:	2020/21 £000
5	Recreation Management and Transport	5
15	Rangers, Estates and Volunteers	3
17	Support Services (Corporate amounts)	13
37	Total	21

32. Termination Benefits

In 2020/21 the Authority terminated the contracts of one employee, and incurred liabilities of £2,656 see Note 27(b) for the number and the total cost per band. In 2019/20 Authority terminated the contracts of two employees, and incurred liabilities of £32,492.

33. Defined Benefit Pension Schemes

As part of the terms and conditions of employment, the Authority makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement. The Authority participates in the Local Government Pension Scheme (LGPS) which is a funded, defined benefit statutory scheme, administered by Devon County Council in accordance with the Local Government Pension Scheme Regulations 2013. The Authority and its employees pay contributions into a Fund, calculated at a level to balance the pension liabilities with investment assets.

The Investment and Pension Fund Committee, at Devon County Council, oversees the management of the Fund whilst the day-to-day fund administration is undertaken by a team within the administering authority. Where appropriate some functions are delegated to the Fund's professional advisers. As administering authority to the Fund, Devon County Council, after consultation with the Fund Actuary and other relevant parties, is responsible for the preparation and maintenance of the Funding Strategy Statement and the Statement of Investment Principles. These should be amended when appropriate based on the Fund's performance and funding.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The latest actuarial valuation of the Fund was carried out as at 31 March 2019 and contributions have been set for the period from 1 April 2020 to 31 March 2023. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

In general, participating in a defined benefit pension scheme means that the Employer is exposed to a number of risks:

- Investment risk. The Fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges;
- Interest rate risk. The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount future liability cash flows. As the Fund holds assets such as equities the value of the assets and liabilities may not move in the same way;
- Inflation risk. All of the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation; and
- Longevity risk. In the event that the members live longer than assumed a deficit will emerge in the Fund. There are also other demographic risks.

In addition, as many unrelated employers participate in the Devon County Council Pension Fund, there is an orphan liability risk where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers. All of the risks above may also benefit the employer e.g. higher than expected investment returns or employers leaving the Fund with excess assets which eventually get inherited by the remaining employers. The Authority's Pension Fund liability does not represent an immediate call on reserves; it is a snapshot valuation in time, based on assumptions. The true value of the deficit is assessed on a triennial basis with contribution rates set to recover the balance over the longer-term.

In 2018/19 we made allowance for the potential impact of the *McCloud & Sargeant* judgement, which has been rolled forward and remeasured to obtain the accounting results as at 31 March 2021. In 2019 a judgement was made in the Court of Appeal about cases involving judges' and firefighters' pensions (*McCloud & Sargeant*). The cases concerned age discrimination in the arrangements for protecting certain scheme members from the impact of introducing new pensions arrangements. This ruling will also extend to the LGPS; as when the LGPS was restructured in 2014, it allowed protections for those members who were active in the Scheme at 2012 and over the age of 55.

On 16 July 2020, the Government published a consultation on the proposed remedy to be applied to LGPS benefits in response to the *McCloud & Sargeant* cases. The consultation closed on 8 October 2020 and the final remedy will only be known after the consultation responses have been reviewed and a final set of remedial Regulations are published. We do not believe there are any material differences between the approach underlying our estimated allowance and the proposed remedy. A more detailed analysis at this stage would require a significant volume of member data which is not yet available. Therefore, we have not included any further adjustment in light of the ongoing consultation in this report.

There are also uncertainties in relation to LGPS benefits due to the previously paused 2016 cost cap process, which has recently been un-paused by Government, but this process also needs to consider and include the remedy for the *McCloud & Sargeant* judgement; it remains uncertain what changes may be made to LGPS benefits as a result.

Transactions Relating to Retirement Benefits

The cost of retirement benefits in the reported Cost of Services is recognised when they are earned by employees, rather than when benefits are eventually paid as pensions. However, the charge that is required to be made against Government Grant is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

2019/20 £000		2020/21 £000
	Comprehensive Income & Expenditure Statement	
	Cost of Services:	
914	Current service cost	1,061
	Other Operating Expenditure:	
15	Administration expenses	15
	Financing and Investment Income and Expenditure:	
311	Net interest expense	307
1,240	Total Post Employment Benefit charged to the Surplus or Deficit on the Provision of Services	1,383
	Other Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement	
	Re-measurement of the of the net defined benefit liability comprising:	
2,174	Return on plan assets (excluding the amount included in the net interest expense)	(4,565)
(3,539)	Change in financial assumptions	9,505
(362)	Change in demographic assumptions	(349)
37	Other actuarial gains/(losses) on assets	0
374	Experience (gain)/loss on defined benefit obligation	(390)
(1,316)	Total Post Employment Benefit charged to the Comprehensive Income and Expenditure Statement	4,201
	Movement in Reserves Statement	
(1,240)	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with The Code	(1,383)
	Actual amount charged against the General Fund Balance for pensions in the year	
467	Employer's contributions payable to the scheme	494
10	Retirement benefits payable to pensioners – discretionary benefits arrangements	10
477		504

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Authority's obligation in respect of its defined benefit plans is as follows:

2019/20	Net Pension Liability	2020/21
£000		£000
(31,948)	Present value of the defined benefit obligation	(42,100)
19,441	Fair value of Fund assets	24,521
(12,507)	Sub-total	(17,579)
(162)	Present value of unfunded obligation	(170)
(12,669)	Net Defined Benefit (Liability) / Asset at 31 March	(17,749)

2019/20	Reconciliation of the Movements in the Fair Value of Fund Assets	2020/21
£000		£000
21,160	Opening fair value of fund assets	19,441
508	Interest on assets	400
	Re-measurement gain/(loss):	
(2,174)	• Return on plan assets less interest	4,565
(37)	• Other	0
(15)	Administration expenses	(15)
477	Contributions by employer (including unfunded)	504
163	Contributions by employees	164
(641)	Benefits paid	(538)
19,441	Closing Fair Value of Fund Assets at 31 March	24,521

2019/20	Reconciliation of Present Value of Fund Liabilities (Defined Benefit Obligation)	2020/21
£000		£000
(34,382)	Opening balance at 1 April	(32,110)
(914)	Current service cost	(1,061)
(819)	Interest cost	(707)
(163)	Contributions by scheme participants	(164)
	Re-measurement gain/(loss):	
362	Change in demographic assumptions	349
3,539	Change in financial assumptions	(9,505)
(374)	Experience (loss)/gain on defined benefit obligation	390
631	Benefits paid	528
10	Unfunded pension payments	10
(32,110)	Closing Balance at 31 March	(42,270)

The Local Government Pension Scheme Assets

The estimated asset allocation for Dartmoor National Park Authority as at 31 March 2021 is:

2019/20 £000		Fair Value of Scheme Assets	2020/21 £000	
829	4%	Gilts	835	3%
2,587	13%	UK Equities	2,716	11%
8,361	43%	Overseas Equities	12,663	52%
1,831	9%	Property	1,969	8%
838	4%	Infrastructure	994	4%
2,553	13%	Target Return Portfolio	2,308	9%
226	1%	Cash	253	1%
1,019	5%	Other Bonds	1,099	4%
1,197	6%	Alternative Assets	1,684	7%
19,441		Total	24,521	

Based on the above, DNPA's share of the assets in the Fund is approximately 0.48%.

The percentage of the total Fund held in in each asset class (split by those that have a quoted market price and those that do not):

Fair Value of Scheme Assets		31 March 2021	
		% Quoted	% Unquoted
Fixed interest government securities	UK	0.1%	
	Overseas	3.3%	
Corporate Bonds	UK	0.1%	
	Overseas	2.3%	
Equities	UK	11.1%	
	Overseas	51.6%	
Property	All		8.0%
Others	Absolute Return Portfolio	9.4%	
	Infrastructure		4.1%
	Derivatives	0.1%	
	Multi Sector Credit Fund	6.8%	
	Private Debt		2.1%
	Cash/temporary Investments		1.0%
Net current assets	Debtors		0.1%
	Creditors		(0.1%)
Total		84.8%	15.2%

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The Fund liabilities have been assessed by Barnett Waddingham, an independent firm of actuaries, estimates for the Fund being based on the latest full valuation of the Scheme as at 31 March 2019. The next valuation of the Fund will be carried out as at 31 March 2022 and will set contributions for the period from 1 April 2023 to 31 March 2026.

The principal assumptions used by the actuary have been:

31 March 2020		31 March 2021
	Long-term expected rate of return on assets in the scheme:	
2.35%	Discount rate	2.0%
	Mortality Assumptions:	
	The assumed life expectations from age 65 are:	
22.9	Men	22.6
24.1	Women	23.9
	Retiring in 20 years:	
24.3	Men	24.0
25.5	Women	25.4
	Financial Assumptions:	
2.7%	RPI increases	3.20%
1.9%	CPI increases	2.85%
2.9%	Rate of increase in salaries	3.85%
1.9%	Rate of increase in pensions	2.85%
	Other Assumptions:	
50%	Take-up of option to convert annual pension into retirement lump sum	50%
10%	Take up of active members to pay 50% contributions for 50% benefits	10%

The estimate of the Employer's past service liability duration is 21 years. This has been calculated based on membership data provided for the most recent full valuation of the Employer's liabilities at 31 March 2019. This may differ from the estimated duration at the previous accounting date.

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

Sensitivity Analysis	£000	£000	£000
Adjustment to discount rate:	+0.1%	0.0%	-0.1%
Present value of obligation	41,409	42,270	43,149
Projected service costs	1,266	1,308	1,351
Adjustment to long term salary increase:	+0.1%	0.0%	-0.1%
Present value of obligation	42,375	42,270	42,166
Projected service costs	1,309	1,308	1,307
Adjustment to pension increases and deferred revaluation:	+0.1%	0.0%	-0.1%
Present value of obligation	43,036	42,270	41,520
Projected service costs	1,351	1,308	1,266
Adjustment to mortality age rating assumption:	+1 Year	None	-1 Year
Present value of obligation	44,110	42,270	40,508
Projected service costs	1,366	1,308	1,252

Impact of the Authority's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant rate as possible. The Authority has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over a 17-year period. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed as at 31 March 2022.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and other main existing public service schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits. The Authority anticipates that it will pay £0.485 million expected contributions to the scheme in 2021/22.

GLOSSARY OF FINANCIAL TERMS

Accounting Policies

Accounting Policies determine the basis on which income and expenditure, assets and liabilities, transactions and adjusting events are reflected in financial statements. For example, an accounting policy for a particular type of expenditure may specify whether an asset or a loss is to be recognised, how it is to be measured and where in the comprehensive income and expenditure statement or Balance Sheet it is to be presented.

Accruals

Except for the Cash Flow Statement, the Statement of Accounts is prepared using the Accruals basis of accounting. This requires the non cash effects of transactions to be reflected in the accounting period during which those effects are experienced and not in that during which any cash is paid or received. On this basis, income and expenditure is reported when the related activity or benefit actually occurs.

Actuary

An Actuary is an expert on pension scheme assets and liabilities. Actuaries compute the actuarial charges falling due in each year in accounting for retirement benefits. Actuaries also make recommendations every three years regarding the rate of employer contributions due to the Local Government Pension Scheme.

Amortisation

Amortisation represents the use of economic benefits derived from intangible assets and is charged on a straight-line basis over their useful lives. These are reviewed annually. Amortisation is charged with but is distinct from impairment charges.

Appropriation

Certain charges and credits which are made to the comprehensive income and expenditure account do not affect the authority's funding requirements and so are not chargeable to the general fund. In such cases appropriation of the amount concerned is made from the general fund to the relevant unusable reserve. The authority may also set sums aside for planned future expenditure by appropriation of the funding to earmarked reserves. All appropriations are included in the movement in reserves statement.

Balance Sheet

The balance sheet is one of the primary financial statements and presents the authority's recognised assets, liabilities and reserves as at the end of each financial year. It shows the distribution of assets in relation to short and long term liabilities and the extent to which the authority's net worth is available in usable and unusable reserves. Each balance sheet element is recognised and valued in accordance with the Code of Practice on Local Authority Accounting (the Code) as set out in supporting notes.

Budget

A Budget is approved annually by the Authority's and sets out the approved spending and income for a financial year. It is prepared in accordance with legislation applicable to local authorities and the National Park Grant Memorandum issued by Defra. The budget does not include any of the adjustments needed to comply with financial reporting standards, as such and is not truly comparable with the results as shown in the Comprehensive Income and Expenditure Account for the year.

Capital Adjustment Account

The Capital Adjustment Account records the funding from internal resources of Capital Expenditure and the financing (under statute) of certain revenue expenditure. It also includes, for existing Property, Plant and Equipment, the revaluation gains accumulated prior to 1 April 2007 (the date on which a separate revaluation reserve was established). It is an unusable reserve and relevant adjustments are summarised in the Movement in Reserves Statement. Categorized as timing adjustments, these typically comprise period Depreciation, Amortisation and Impairment debits, charges for financing of certain revenue expenditure under statute or for repayment of financial

assistance for capital purposes, revaluation deficit adjustments, credits for financing charges to Revenue (including MRP) and for unconditional grants applied to Capital Expenditure. Finally, there are adjustments in respect of assets reclassified (as investments or assets held for sale) or de-recognised on disposal.

Capital Charges

Depreciation, Amortisation and downward revaluations (subject to restriction) are charges made to the comprehensive income and expenditure account for the use, depletion or impairment of non-current assets during each financial period. These charges do not affect the funding position of the Authority and are accordingly appropriated from the general fund to the capital adjustment account. Capital Charges reduce the carrying value of non-current assets and correspondingly reduce the capital adjustment account and (subject to restriction) the revaluation reserve.

Capital Expenditure

Capital Expenditure represents expenditure on the construction, acquisition, development or improvement of Property, Plant and Equipment and of Intangible Fixed Assets (principally, software licenses). Under legislation it may be financed from capital sources or from funds set aside from revenue. It is to be distinguished, however, from Revenue Expenditure funded from Capital Under Statute, which is charged, appropriately, as revenue expenditure in the Comprehensive Income and Expenditure Statement and only matched with its capital funding by transfer in the Movement in Reserves Statement.

Capital Receipts

Capital Receipts are income received from the sale of Property, Plant and Equipment or Intangible Assets. They are available only to finance new Capital Expenditure or to repay debt. Until this occurs, they are held on the Capital Receipts Reserve.

Cash Flow Statement

The Cash Flow Statement summarises the inflows and outflows of cash and cash equivalents resulting from operations, and from investing and financing activities. It also shows how the net cash flow from operations is related to the Net Surplus or Deficit on Provision of Services.

CIPFA

CIPFA (The Chartered Institute of Public Finance and Accountancy) is the lead body for setting standards in public sector accounting practice.

Comprehensive Income and Expenditure Statement

The Comprehensive Income and Expenditure Statement shows the cost in the year of providing services in accordance with generally accepted accounting practices (rather than the amount to be funded from taxation or NPG).

It discloses the gross income and expenditure of continuing operations analysed by service, any exceptional items, other operating expenditure, financing and investment income and expenditure, and taxation and non-specific grant income. These items together comprise the surplus or deficit on the provision of services. Below this line, valuation and actuarial gains and losses are included in order to arrive at the total comprehensive income and expenditure. Those elements which are not to be included in the surplus or deficit under statutory regulations are transferred to the respective Unusable Reserves in the Movement in Reserves Statement.

Community Assets

Assets that the Authority intends to hold in perpetuity, that have no determinable and useful life (where useful life is defined as a period of time over which the Authority benefits from the use of the asset) and that may have restrictions on their disposal.

Contingent Liability

Contingent liabilities arise where, firstly, past events precipitate a present obligation which is either unlikely to result in a transfer of economic benefit or cannot be measured with sufficient reliability. Secondly, past events may give rise to a possible obligation whose existence can only be confirmed by some future occurrence not wholly under the authority's control. A contingent liability is not

provided for, therefore, either because of the improbability of outflow or the inability to measure it. Contingent liabilities are disclosed by way of note.

Contributions

Contributions are receivable other local authorities and other non-governmental bodies in respect of the authority's functions carried out independently. They are distinguishable from fees and charges income, which is received under a contract of supply. The same distinction applies to contributions paid by the authority. Contributions receivable are distinguished from grant income only in that grants are received from UK or EU governments (or their agencies).

Credit Loss

Credit loss is the difference between all contractual cash flows that are due to the Authority and all the expected cash flows (i.e. cash shortfalls) discounted at the effective rate of interest.

Creditors

Creditors are amounts due to third parties as at the balance sheet date arising from goods or services that have been received but for which payment has not been made, from income received in advance of supply, or from unspent grant monies covered by a repayment clause. Creditors also include provisions and amounts held on account for payment.

Current Assets/Liabilities

Current Assets are either assets held with the expectation of realisation within twelve months of the Balance Sheet date or cash. Current Liabilities are liabilities due for settlement within twelve months of the Balance Sheet date.

Current Value

The Code has introduced the concept and definition of current value to the measurement of property, plant and equipment. Current value measurements reflect the economic environment prevailing for the service or function the asset is supporting at the reporting date.

For non-specialised assets, current value should be interpreted as existing use value. In the RICS Valuation – Professional Standards, this is market value based on the assumption that property is sold as part of the continuing enterprise.

For specialised assets where no market exists, current value should be interpreted as the present value of the assets' remaining service potential, which can be assumed to be at least equal to the cost of replacing that service potential. Under these circumstances, property, plant and equipment is measured at Depreciated Replacement Cost.

Debtors

Debtors are amounts owed to the authority at the balance sheet date where services have been delivered but payment has not been received. An unexpired period in a period-based charge is also included under debtors as expenditure in advance.

Depreciation

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. As charged in the Comprehensive Income and Expenditure Statement, it represents the measure of the cost or re-valued amount consumed during the period. Depreciation is charged with but is distinct from Impairment.

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial Reporting Standards (FRS)

Are accounting standards developed by the Accounting Standards Board. They determine the standards adopted in the preparation and presentation of the Authority's accounting records.

General Fund

The General Fund is the usable revenue reserve which finances the Authority's working capital. It represents the cumulative net budget surplus after appropriations to or from earmarked reserves.

Government Grants

Government Grants are amounts receivable from Government and Government agencies, (local, national or international), in order to fund Capital Expenditure or services and statutory functions. Government Grants are held as Creditors until all conditions for their receipt have been met. They are then included in the Comprehensive Income and Expenditure Statement. Specific revenue grants are allocated to service expenditure lines while other grants are included in Taxation and Non-specific Grant Income. Capital grants, once recognised, are transferred in the Movement in Reserves Statement to reserves; either to Capital Grants Unapplied or, when consumed, to the Capital Adjustment Account. Contributions from other bodies are accounted for in the same way as their Government grant equivalents. The following abbreviations have been used to describe awarding bodies in the analysis of Government Grants:

- MHCLG = Ministry [of] Housing, Communities & Local Government
- DEFRA = Department [for] the Environment, Farming and Rural Affairs

Heritage Assets

A tangible asset with historic, scientific, technological, geophysical or environmental qualities held and maintained principally for its contribution to knowledge and culture, included in the Balance Sheet at insurance valuation.

Impairment

Impairment is the charge made in order to reduce the carrying amount of Property, Plant and Equipment or Intangible Assets to the recoverable amount. An Impairment loss is recognised when a specific asset's remaining service potential has been detrimentally affected by, for example, obsolescence, damage, or the adverse effects of reorganisation or regulatory changes. It is distinct from revaluation losses which, being price based, are non-specific in nature. Impairment also has separate applications to Financial Instruments.

Intangible Assets

Intangible assets have no physical substance but have a value in use of more than one year. These assets are not considered as marketable and are included in the balance sheet, subject to any impairment, at amortised historical cost. All intangible assets currently owned by the authority are software licences.

International Financial Reporting Standards (IFRS)

These standards are issued by the international accounting standards board. They are adapted under the auspices of CIPFA so as to apply to local authorities and consolidated in the code of practice on local authority accounting (the Code).

Leases

Two types of leases are accounted for. Finance leases transfer substantially all the risks and rewards of ownership of the assets concerned to the authority as lessee; operating leases do not. The type of lease concerned in a particular case will be determined using a list of prescribed criteria which include, for example, the length of the contract (in relation to the life of the asset), the nature of the asset (whether for specialist or general use) and the allocation of responsibility for maintenance and insurance. Operating leases are included simply as expenditure in the comprehensive income and expenditure account. Finance leases are capitalised as corresponding assets (within property, plant and equipment) and liabilities (discounted to net present value). The lease payments are similarly disaggregated as repayment of principal and interest while depreciation is charged annually to the service for which it is used.

Minimum Revenue Provision (MRP)

MRP represents the minimum amount that, under Government regulations, the General Fund must be charged each year in order to fund the repayment of existing debt.

Movement in Reserves Statement

The Movement in Reserves Statement sets out the transfers between reserves which are made in arriving at their balance sheet values. The Surplus or (Deficit) on the Provision of Services is carried to the general fund. Appropriations are then made (to exclude non-monetary charges and credits) to unusable reserves, except for asset disposal sales proceeds and unapplied capital grants, which are usable reserves. Other discretionary appropriations are made to earmarked reserves for projected future spending. Appropriations are also made between the capital adjustment account and either the capital receipts reserve or capital grants unapplied reserve in order to reflect the application of capital grants and disposal receipts already credited to the comprehensive income and expenditure account. Adjustments to revaluation surpluses similarly involve the capital adjustment account and the revaluation reserve.

NPE

National Parks England, formally: English National Park Authorities Association (ENPAA).

Net Book Value/Carrying Amount

Net Book Value is the carrying amount at which assets and liabilities are included in the Balance Sheet under the Code. In the case of Financial Instruments, it is stated after including any timing adjustments and, in the case of property, plant and equipment and intangible assets, any revaluation, depreciation or amortisation. In all cases it is stated after any recognised Impairment.

NPMP

National Park Management Plan – the single most important strategic plan for all National Parks and is a statutory requirement.

NP (UK) Ltd

National Parks UK Ltd formally: Association of National Park Authorities (ANPA)

NPP LLP

National Parks Partnerships Limited Liability Partnership: a company set up and owned by all 15 UK National Park Authorities to create and manage commercial partnerships between commercial companies and the Parks.

Outturn

Outturn represents the annual results of the revenue and capital programmes which the Authority reports in order to account for its use of public funds under government legislation. It is reported in the same terms as the budget. It is not subject to external audit, does not comply with the Code, nor does it include a balance sheet. As such is not truly comparable to the statement of accounts.

Prior Period Adjustments

Prior period adjustments are adjustments, applicable to prior years, arising from changes in Accounting Policies or from the correction of material errors. They do not include corrections of recurring items or adjustments of accounting estimates made in prior years.

Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are included in the balance sheet under the heading of property, plant and equipment. Such assets are carried at current value and are regularly revalued in order to ensure that this remains the value at which they are reported annually. Where there is no market-based evidence of current value (because of the specialist nature of an asset), depreciated replacement cost is used as an estimate of current value. Depreciation is charged annually by reference to the remaining useful life of an asset or of each class of component making up that asset. Surplus assets are valued at fair value.

Provisions

A provision is a liability of uncertain timing or amount. It is recognised when there is a present obligation (whether legal or constructive) as a result of a past event where a transfer of economic benefit is likely to result and a reliable estimate of this transfer can be made.

Related Parties

Parties are considered to be related if one party has the ability either to control the other party or to exercise significant influence over it in making financial or operating decisions. Parties are also related if they are subject to common control. Related parties include subsidiaries, associates, joint ventures, and possibly other entities or individuals. Central government is a related party by this definition. Related parties attract additional disclosure requirements in order to identify the extent to which the authority may exercise or be subject to influence or control. The statement of accounts includes the following in this respect:

- Details of significant government grants and the awarding bodies;
- Transactions with subsidiary and associated companies;
- Transactions with the pension fund.
- Transactions with related individuals not applicable to other members of the community (for example, members and chief officers).

Revaluation Reserve

The revaluation reserve is an unusable reserve holding revaluation gains on property, plant and equipment and intangible assets. Each revaluation is asset specific, allowing no offset, and restricted to operational assets, thus excluding investment properties and surplus assets. Accounting for changes in valuation is closely prescribed and distinct from the treatment of impairment. Revaluations cannot be grouped or offset, and a revaluation deficit is appropriated to capital adjustment account.

Revenue Expenditure Funded from Capital Under Statute (REFCUS)

REFCUS is revenue expenditure that is funded from capital either because it is capital in nature (but not ownership) or because capital financing has been allowed by specific regulation. REFCUS is included accordingly in the Comprehensive Income and Expenditure Statement and transferred to Capital Adjustment Account in the Movement in Reserves Statement.

Section 151 Officer

The Section 151 Officer is the officer designated under that Section of the Local Government Act 1972 to take overall control of the financial affairs of the Authority and to take personal responsibility for its financial administration.

Service Level Agreement (SLA)

Sets out the type and standards of service that one organisation provides to another, or the services provided by one part of an organisation to another part of the same organisation.

Unusable Reserves

Unusable reserves are reserves that the authority is not able to utilise to provide services. These reserves fall into two categories, namely: revaluation balances and adjustment accounts. Revaluation gains held under the first category only become available for use when the assets to which they relate are disposed of and the gain realised as a capital receipt. In the second category, each reserve is named after the adjustment variously required to report the comprehensive income and expenditure account under the accounting basis. These adjustments are realised only by reversal and thus constitute timing differences. By these adjustments, the general fund continues to be stated under the funding basis required by regulation.

Usable Reserves

Usable reserves are reserves available to the authority for the provision of services although there may be statutory limitations on the type of use in each case. Reserves usable for capital expenditure consist of the capital receipts reserve (which may also be applied in the repayment of borrowings) and capital grants unapplied. Usable revenue reserves consist of the general fund together with any earmarked reserves set aside from general fund for specified future expenditure.

Valuation

Assets and liabilities are included in the Balance Sheet at their carrying amounts: those valuations determined in accordance with The Code. These are set out in the note on Accounting Policies.

ANNUAL GOVERNANCE STATEMENT

2020/21

SCOPE OF RESPONSIBILITY

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

In discharging this overall responsibility, the Authority is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.

The Authority has developed a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'. A copy of the code is available on our website. The Annual Governance Statement explains how the Authority has complied with the Local Code of Corporate Governance and also meets the requirements of regulation 4(2) of the Accounts and Audit (England) Regulations 2015 and the amended regulations for 2021 in relation to the publication of a statement on internal control.

THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, and cultures and values, by which the Authority is directed and controlled and the activities through which it accounts to, engages with and leads the community, including residents, visitors and stakeholders. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

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

The governance framework has been in place for the year ended 31 March 2021 and up to the date of approval of the Business Plan and Statement of Accounts. The framework has been further supported by the Local Code of Corporate Governance.

THE GOVERNANCE FRAMEWORK & LOCAL CODE OF CORPORATE GOVERNANCE

The Authority operates within a Corporate Governance Framework which ensures accountability to its users, stakeholders and the wider community to which it relates. It comprises the systems and processes, cultures and values by which decisions are made and functions undertaken to deliver the purposes and duties of the organisation.

The key elements of the systems and processes that comprise the Authority's governance arrangements are based on the 7 core principles contained in the Local Code of Corporate Governance and include the following aspects:

- The vision, objectives and priorities for Dartmoor National Park are set out in the National Park Management Plan – Your Dartmoor. This document is reviewed and reported upon annually. This process involves a wide range of partners/stakeholders. A fundamental review of the National Park Management Plan was completed in 2021 and a revised Plan was adopted by the Authority for the period 2021 - 2026. The Authority engaged with partners, stakeholders and the public so that they could help develop the future vision for the National Park and key priority actions to deliver that vision.

- The Business Plan for the Authority is a strategic document which provides a link between the National Park Management Plan and work programmes (for teams and individuals). The Business Plan, including priorities and targets, is reviewed annually and a separate annual review is produced in June to report on performance and highlight key projects undertaken in-year. The performance of individual services/teams is monitored through a series of dashboards and agreed performance indicators which are reported to Audit and Governance Committee.
- The Authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government (2010).
- The principles of decision making are set out in the Authority's Standing Orders, supported by:
 1. Financial Regulations, a Disposals Policy, a Sustainable Procurement Policy and Procurement Procedures
 2. The Authority's adopted codes of practice in relation to Treasury Management for Investments and for Capital Finance and Accounting (the Prudential Code)
 3. Scheme of Delegation
 4. Code of Conduct for Members and Officers
 5. Job / role descriptions for Members and Officers
 6. Policies and Procedures
- Public involvement and transparency in decision making is facilitated through formal consultations, workshops, involvement in service reviews, consultative forums with members of the community representing access, land use, conservation, businesses and community interests and public participation at the Authority and its Committees.
- Ensuring that established policies, procedures, laws and regulations are complied with is the responsibility of nominated statutory Officers, the Monitoring Officer and the Chief Financial Officer, as laid down in the Authority's Standing Orders & Financial Regulations.
- A Risk Management Strategy that defines and identifies the process for ongoing risk management and the responsibilities of the various stakeholders in the risk management process.
- A Strategic Risk Register is compiled, regularly reviewed and monitored by the Audit and Governance Committee and Leadership Team. Leadership Team monitors and manages operational risks via service plans, work programs and Service Dashboards. The Authority's internal project management guidance requires identification and management of risks.
- A programme of service reviews or value for money/business reviews that look closely at and challenge service provision and delivery and discharges the Government's Value for Money requirements for the Authority.
- Comprehensive budgeting systems set targets to measure financial performance which are reviewed by the Leadership Team and reported to the Audit and Governance Committee on a quarterly basis for detailed review and scrutiny.
- Performance management is applied consistently throughout the Authority against a Performance Management Framework. Reports of progress against performance targets are reported quarterly to the Leadership Team and the Audit & Governance Committee.
- The Standards sub-Committee monitors the ethical framework for the Authority and will alert the Authority to any potential issues arising from its decision-making processes.

All of the above elements are subject to independent challenge and scrutiny through Internal and External Auditors and other review bodies such as Defra.

REVIEW OF EFFECTIVENESS

The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of the effectiveness of the system is informed by the work of the Leadership Team and other Officers within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's (Devon Audit Partnership) annual report and also by responding to comments and recommendations made by external auditors and other review agencies and inspectorates.

The Authority's Chief Financial Officer and Monitoring Officer have also provided assurance that there have been no significant control issues that have required the need for: formal action in their respective roles; significant additional funding; had a material impact on the accounts; or resulted in significant public interest, damaging the reputation of the Authority.

Although a review of the effectiveness of the Governance arrangements is reported once per year to the Authority, the process of gathering evidence and monitoring performance is continual and is managed through reports to Audit & Governance Committee. The Actions identified to be addressed during the year were:

Action	Progress
Local Plan Process: Examination in Public by the independent Planning Inspectorate	Submitted for inspection September 2020
National Park Management Plan 2021-2026: Consider the responses to the public consultation and work with partners to agree the final plan prior to adoption by the Authority	Adopted 8 January 2021 Whilst the public engagement and consultation responses during the review showed significant improvement on the process for the previous five-year plan, there is still room for improvement especially among young people and younger adults. We will therefore invest in additional communication materials that will help to reach this younger audience, the material includes specially commissioned illustration and easy to read explanation of the National Park Management Plan, what it is, who it is for and that anyone who has an interest in Dartmoor can play a part in shaping it. This additional communications output (issued in print and through social media during spring/summer 2021 and beyond) sits alongside the exiting Your Dartmoor website and printable version of the National Park Management Plan
Climate Change: Deliver Year 1 of the Authority's carbon plan. Contribute to the Devon-wide programme of carbon reduction. Seek funding for further peatland restoration	We reported year 1 progress to the Authority in May 2021 and Members agreed key actions for 2021/22 We commented on a Devon Carbon Plan consultation (February 2021) and are actively supporting its development and subsequent delivery
National Park Grant: In light of the real terms cut, identify financial savings in 2020/21 and re-work the MTFP	Robust financial management during 2020/21 resulting in an outturn surplus that will be used to support the 2021/22 budget. The delay to the Comprehensive Spending Review means we are still unable to plan ahead with any financial certainty (see below) and this makes producing a detailed MTFP difficult.
Engage with the Comprehensive Spending Review	Postponed to 2021 by the Government due to the Coronavirus pandemic
Complete the review Standing Orders	Completed
Consider, respond to and implement relevant recommendations from the Government's independent Review	We are still awaiting the Government's formal response to the Landscapes Review that was published in September 2019. The Chief Executive was part of a Defra convened 'Contacts

of Protected Landscapes (due to report Autumn 2019)	<p>Group' to assist in the development of the Government's response but during 2020 the focus of this Group was on the response to the Covid pandemic. We understand that a Written Ministerial Statement providing direction on the Government's response to the Landscapes Review is due by the end of May/early June 2021.</p> <p>The Authority has responded to the findings of the Landscape Review: our Business Plan demonstrates links to the recommendations in the Review and we established a Task and Finish group on governance which submitted ideas to Defra; we wait a detailed response on the Dartmoor specific governance proposals</p>
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Other significant improvements in relation to governance arrangements undertaken during 2020/21 as follows:

- Responded to the Covid 19 pandemic: this has entailed radical changes to the way we work and engage with partners. For 12 months our business (in the form of Authority and other public meetings) was conducted via video conferences. This proved an effective mechanism with good attendance from Members and increased public participation. We also used video conference to run a series of informal stakeholder sessions to discuss how we respond to visitor management issues, support local businesses and develop a programme of actions to support our local communities. We moved the National Park Forum to a digital platform and provided a series of regular briefings to all stakeholders to ensure they were aware of our responses to the various restrictions and opportunities such as the Authority's Community Support Grant.
- Responded to the Government White Paper 'Planning for the Future' – the potential direction of travel could have serious implications for planning within the National park and the wider landscape setting of the National Park.

GOVERNANCE ISSUES

Although the Authority has been assessed as having strong Governance arrangements in place, to ensure continuous improvement, it is proposed that the following work is undertaken during 2021/22:

- Continue to engage with the Government's response to the Landscapes Review
- Engage with the 2021 Comprehensive Spending Review
- National Park Management Plan – Develop and publish further communications material to improve public engagement and establish revised governance arrangements to ensure continued partnership working to deliver the vision and monitor performance
- Provide procurement training for new starters and refresher training for existing staff to incorporate the forthcoming new / amended UK regulations post Brexit

During the year the Authority had to contend with and respond to the coronavirus pandemic. The Authority has not had to alter governance arrangements and systems of internal control during the 2020/21 year due to the Coronavirus pandemic. The majority of our business continued as usual by adapting and changing our ways of working so that staff could work safely from home, rather than from our offices. Although the pandemic did have a significant impact on some work programme delivery and some work programmes were revised and resources reallocated to meet changing demands, in particular the Authority's response to the unprecedented visitor management pressures post-lockdown. However, committee meetings, working panels and other meetings were held remotely in accordance with government guidance and legislation. We have not had to alter our longer-term plans, priorities or strategies. Our current governance arrangements and systems of internal control have remained fit for purpose through-out the year.

CERTIFICATION

We have been advised on the implication of the results of the review of the effectiveness of the governance framework by the Audit and Governance Committee and a plan to address weaknesses and ensure continuous improvement of systems is in place.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed:

Pamela Woods
Chair of the Authority

Date: 28 May 2021

Signed:

K D Bishop
Chief Executive (National Park Officer)

Date: 28 May 2021