



NPA/23/008

## Dartmoor National Park Authority

3 March 2023

### Brentor Car Park and Toilets

Report of the Head of Recreation, Access & Estates

Recommendation: **That Members authorise officers, in conjunction with the Director of Conservation and Communities and the Chief Executive (National Park Officer), to conclude a community asset transfer of the land and public toilets at Brentor Church car park**

#### 1 Introduction

- 1.1 The Authority holds the freehold title to Brentor car park and toilets. Under an Agreement dated 14 September 1970 between Devon County Council (the County Council) and the then Rural District Council of Tavistock (the District Council), the County Council constructed and paid for the establishment of a surfaced car park and public toilets. Through the Agreement, the responsibility for ongoing maintenance and management of the toilets rests with the District Council.
- 1.2 The site consists of a surfaced car park, public toilets, areas of grass amenity and trees, and an information board.
- 1.3 The car park is situated approximately two miles west of Mary Tavy, on the western boundary of the National Park. It is a popular car park which is well used by local residents and visitors alike, to visit the iconic Brentor Church and for recreational purposes to the surrounding countryside. The church holds regular, weekly church services and is a popular venue for weddings.
- 1.4 The car park has spaces for around 40 vehicles and the Authority has undertaken minor maintenance works (e.g. filling potholes) in recent years. The tarmac surface of the car park is deteriorating and would benefit from more substantial repairs being undertaken along with re-surfacing works for the whole of the car park.
- 1.5 The Authority also pays a local contractor to mow the grass areas throughout the summer on a regular basis and cut the boundary hedges on an annual basis.
- 1.6 The public toilets are managed by West Devon Borough Council (WDBC) and would benefit from being improved and updated. WDBC has undertaken a review of its rural public toilet provision and Brentor toilets and officers of the Authority understand that they are at risk of closure due to the financial pressures on local services. Officers have explored options with WDBC to seek viable solutions to

keep the public toilets open. WDBC has held discussions with Brentor Parish Council around a possible transfer of the asset to the local community; however this did not proceed. Due to significant financial pressures, the Authority is not in a position to take on additional maintenance liabilities for the management and maintenance of these toilets. WDBC has indicated that it would support a Community Transfer of the toilets to the Brentor Church, included with the car park.

## **2 Premises Review 2022**

- 2.1 The Authority considered future options for Brentor car park as part of the work on the Premises Review, which proposed that the car park could be retained with an income generated from car park charging (i.e. pay and display).
- 2.2 The Authority commissioned DCC to make and advertise a Traffic Regulation Order (TRO) to regularise formal charging for off-street parking for our pay on entry car parks. Brentor Church car park was included within the scope of the TRO, as this would provide the Authority with an option to introduce pay and display at this site and an income stream to support future maintenance. However, this option would require ongoing maintenance costs for the site (ticket machines, car park surfacing, grass-cutting, hedge cutting) and leave the public toilets at risk of closure by WDBC due to financial pressures.
- 2.3 Officers have been in discussions with Brentor Church around a possible Community Transfer of both the car park and public toilets to them. Subject to agreement and without prejudice, the asset would be transferred along with future responsibility for management and maintenance of both the car park and toilets as a single entity. If completed, the transfer would enable the car park and toilets to remain available for public use, with the Church installing a donation box or similar, to provide a revenue stream for operational and maintenance purposes.
- 2.4 Officers have concluded that the preferred route to secure the long-term viability of the site would be to transfer the assets (car park and toilets) to the Church (Parochial Church Council).

## **3 Asset Value and securing Best Value**

- 3.1 Alternative uses for the site are likely to be limited. The site is relatively small, isolated from other developments with narrow lanes, which limits vehicular access for large vehicles. The toilet block is unlikely to lend itself to an alternative use. As the site sits outside of the national park boundary, it would be for WDBC to indicate what opportunities might exist for a change of use of the toilet block.
- 3.2 In order to meet the requirements of section 23 Local Government Act, it is recommended that an overage provision is included in any community asset transfer. This would protect the Authority in the event that the site was disposed of (i.e. sold on the open market) at a later date as it would provide a proportion of the sale value of the site back to the Authority.

## **4 Options and associated costs**

- 4.1 The preferred option is to transfer the Brentor Church car park and toilets to the Parochial Church Council. This would remove future maintenance liabilities for the Authority.
- 4.2 The cost of drafting heads of terms for a community transfer will be in the region of £1,250.00 to £1,500.00 which would be re-charged to the Parochial Church Council. The heads of terms would form the basis for our legal services to draft the transfer through to completion with the purchaser's solicitor. The legal work associated with the transfer would be carried out within the terms of the Service Level agreement with Devon County Council.
- 4.3 Retention of the car park and introducing formal charges would mean that the Authority continues to have full responsibility for maintenance of the site. Repair costs for the car park surface are estimated at £20,000 - £25,000 (at 2022 prices). Further costs would be incurred to install car park ticket machine and associated signage estimated at £6,000, plus ongoing costs for grounds maintenance works including grass-cutting and hedge maintenance and boundary fencing repairs.
- 4.4 Whilst we do not have any vehicle data for the number of cars using this car park, the predicted loss of income estimated, based on the income from similar sites of this size and location is £15,000 per annum after operating costs are deducted.

## **5 Financial implications for the Authority**

- 5.1 The community asset transfer would be cost-neutral to the Authority with the heads of terms costs re-charged to the Parochial Church Council. Other legal work would be included within the Service Level Agreement between the Authority and Devon County Council.
- 5.2 There is a long-term loss of income if the Authority were to transfer the car park to the Parochial Church Council but this needs to be balanced against the potential costs associated with the maintenance of the public toilets. Whilst there is a need for the Authority to generate income from its assets, officers believe that the Authority is best served by treating this land as a community asset and transferring it to the Parochial Church Council who would assume responsibility for all management (including potentially the public toilets).

## **6 Equality and Sustainability Impact Assessment**

- 6.1 No specific detrimental impacts have been identified. An improved car park surface will benefit people with limited mobility. The public toilets are accessible to people with limited mobility.

## **7 Conclusion and Recommendations**

- 7.1 The toilets and car park at Brentor Church are a well-used, year-round visitor facility. The car park provides good, direct access to the church, which is a popular landmark and visitor destination, and to access local path networks on the western side of the National Park for quiet, informal recreation. Closure of the toilets at this

location is not desirable and the authority is not in a position to take on responsibility for them.

- 7.2 WDBC have indicated the toilets are at risk of closure and the Authority has been negotiating with district council officers and the Brentor Church to try and find a long-term solution that keeps the toilets open and the car park maintained to a high standard.
- 7.3 Brentor Church has expressed a willingness in taking responsibility for the car park and toilets and operating the site themselves. In order to do this, the Church will need to consider whether to introduce formal charging for parking to fund the management and maintenance costs. This would be a good solution which works for all parties involved.

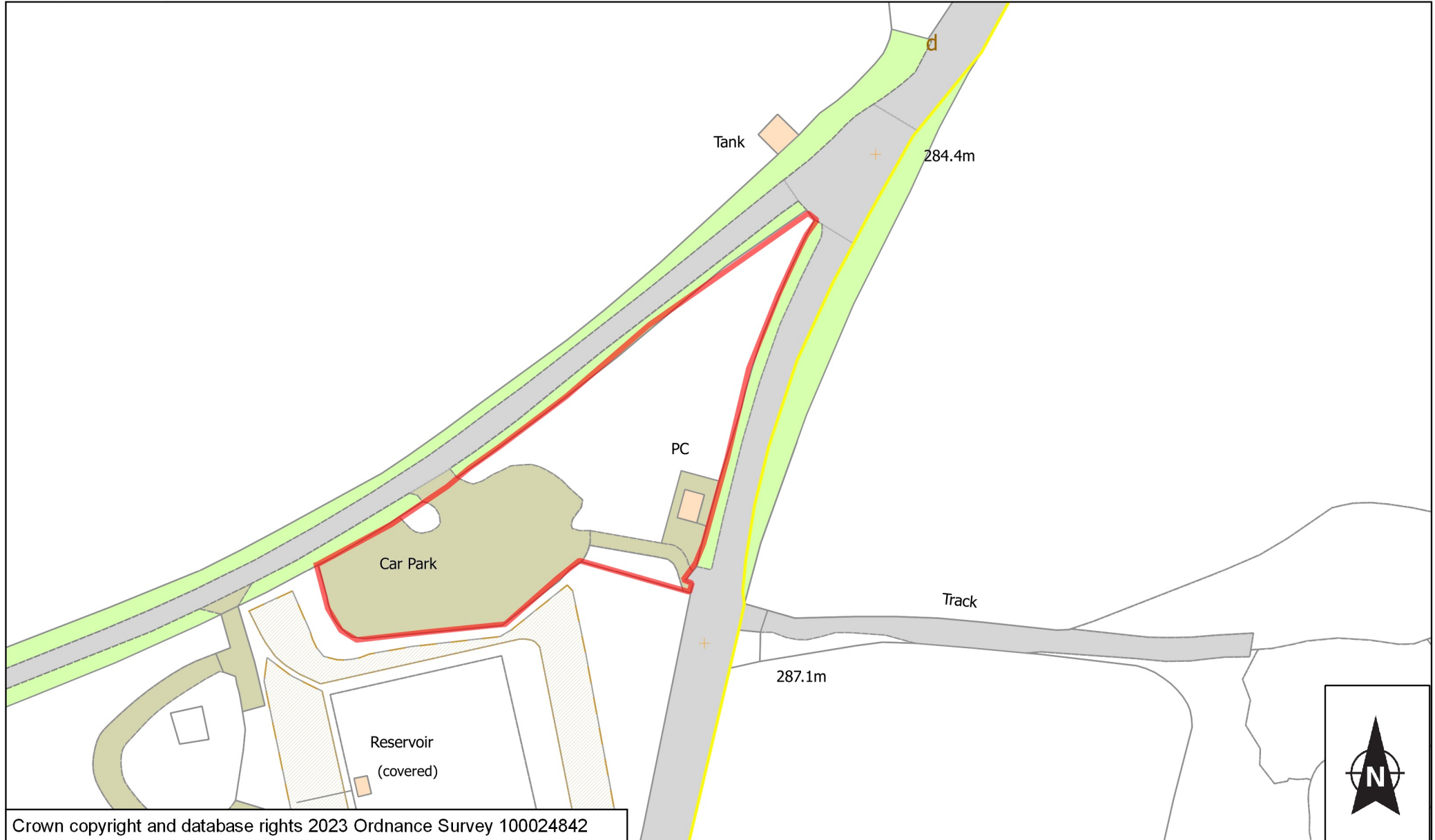
ANDREW WATSON

# Dartmoor National Park Authority

## Brentor car park and toilets

Scale 1:1,000

Map created by awatson on 13/2/2023



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NPA/23/009

## Dartmoor National Park Authority

3 March 2023

### Draft Business Plan 2023 - 24

#### Report of the Chief Executive (National Park Officer)

**Recommendation: That Members review the draft Business Plan for 2023/24, offer any comments and delegate authority to the Chief Executive (National Park Officer), in consultation with the Chair, to agree the final version.**

#### **1 Background**

- 1.1 The Business Plan is a strategic document and as such does not seek to describe everything that we do, rather it seeks to:
- Explain the purpose of the Authority.
  - Detail the link with the Dartmoor Partnership Plan (previously referred to as the National Park Management Plan);
  - Set out the Authority's strategic priorities and the key actions to achieve these;
  - Outline the funding available to deliver the Business Plan.
- 1.2 The Business Plan also provides a link between the Dartmoor Partnership Plan, individual work programmes and staff appraisals.
- 1.3 The draft Business Plan focuses on 2023/24 but identifies where actions/ programmes will continue beyond 2023/24 and, therefore, links to the Medium Term Financial Plan as well as the detailed revenue budget for 2022/23) ([see NPA/22/012](#)).
- 1.4 The national policy context for the draft Business Plan is provided by documents such as: the [Government's response to the Landscapes Review](#); the [Ten Point Plan for a Green Industrial Revolution](#); [25 Year Environment Plan](#); the [Environmental Improvement Plan](#) and the Government's [30 by 30 target for nature recovery](#). Whilst the Department for Environment, Food and Rural Affairs (Defra) Defra is the 'sponsoring government department' for National Parks our work extends beyond Defra to other Departments including: Health; Transport; Education; Levelling Up, Housing and Communities; Net Zero and Energy Security; and Culture Media and Sport Up. The Business Plan identifies the links to key Government policies.

## 2 Priorities for 2023/24

2.1 The draft Business Plan for 2023/24 (see appendix 1) is structured around the five priorities identified through the review of the National Park Management Plan and the development of the Dartmoor Partnership Plan. In no particular order they are:

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

2.2 Members have endorsed these priorities as the basis for developing the Authority's Business Plan (NPA/21/034). They also agreed a sixth priority – '**Be an excellent organisation**' – which reflects our desire to be an effective organisation providing an excellent level of service. This priority includes our aim to be a carbon neutral organisation by 2025.

2.3 The key actions in the draft Business Plan will help deliver the priorities identified by Members, including:

- **Future direction of agriculture policy** – A number of the key actions contained in the draft Business Plan are aimed at helping to shape a future Environmental Land Management System (ELMS) that will be 'good for Dartmoor'. These include delivering the Farming in Protected Landscapes Programme; the work of the Dartmoor Hill Farm Project and Common Cause.
- **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 a joint approach with other Devon local planning authorities. 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 (please note that work on this action is delayed from 2021/22 due to the byelaw review).
- **Supporting economic development and productivity** - The Authority's work is focused on managing and enhancing a key economic asset – Dartmoor National Park – and supporting key sectors such as farming. We are not an economic development agency per se and the Government have ruled out a new third purpose for National Parks to promote economic development. The focus in 2022/23 will be community-led development. For example, we are assisting in scoping the potential for a 'community hub' linked to Ashburton Post Office that could help address access to financial services, sustain the Post Office and the library and increase footfall for other local businesses.
- **Improving access** – 'Miles Better' is a programme to improve access infrastructure within the National Park (signage and other infrastructure), provide routes suitable for all and to promote the use of these access opportunities to all sectors of society.
- **Income generation** – as our core budget continues to shrink in real terms so it becomes even more important that we can generate funds for practical project work within the National Park from other sources. We have a good track record of securing external project funding. The proposed 'Dartmoor Foundation' 9a key action in the draft business plan) should provide a suitable delivery vehicle

for securing additional funding for projects that help deliver National Park purposes and the vision and actions in the Dartmoor partnership Plan.

- 2.4 The Business Plan is supported by a performance management framework that comprises three elements:

#### **Dashboards for key services/teams**

- 2.5 These are intended to provide management information on how a service/team is performing and an opportunity to highlight key achievements and pressure points. Their primary value should be to the manager for that service area - for them to use, to review and potentially improve performance. They are also reported quarterly to Leadership Team (as part of the meeting that focuses on performance) and Leadership Team will reflect key issues in reports to Audit and Governance Committee. In addition, Audit and Governance Committee can request to see any dashboard. The dashboards help to demonstrate the 'day job' whilst the Business Plan focuses on key strategic projects.

#### **Performance indicators (PIs)**

- 2.6 These are data sets that we use to gauge the 'quality of the service' we provide and/or potential impact. The current set comprises a mixture of PIs: some are set nationally by Government (e.g. speed of planning decision); some have been agreed collectively by the English National Park Authorities so that we can benchmark performance; and some are agreed locally (i.e. by Dartmoor National Park Authority). The PI data is reported to Audit and Governance Committee.
- 2.7 In 2022/23 we committed to up-dating the State of the Park Report and reviewing the associated PIs. This work has been delayed due to lack of staff capacity. This work will be picked up in 2023/24 (subject to staff capacity). It also needs to link to the work that Natural England are doing for Defra on a new 'Outcome Framework' for National Parks. This was due to be published in early 2023 but is delayed.
- 2.8 A key issue in 'measuring performance' is the availability of data and/or the cost of data collection. We have sought to address this, in part, through our work with Exeter University on use of remote sensing to determine habitat coverage in the National Park. The draft Business Plan includes a key action on 'Developing a strong evidence base' which will be focused on developing further our links with key local organisations (e.g. universities), assessing the opportunities of 'Big data' and how we better use citizen science to support monitoring and evidence gathering.

#### **Business Plan monitor**

- 2.9 This document tracks progress with the key actions identified in the Business Plan. It is reported quarterly to Leadership Team and to Audit and Governance Committee. The intention is to better project manage the key actions identified in the Business Plan, ideally to ensure they are delivered on time and within budget, but also to identify, at an early stage, if there are any actions we are at risk of not delivering and to consider any support measures to address project slippage, or whether we signal to Members that action will not be completed and why.

### **3 Equality and Impact Assessment**

- 3.1 Under the Equality Act 2010 (the Act) the Authority must prepare and publish one or more objectives it thinks it should achieve in pursuance of the general duty under



the Act. Our work programmes are designed to ensure equality of access and awareness and understanding of diversity.

#### **4 Financial Implications**

- 4.1 The draft Business Plan has been developed in parallel with the 2023/24 Revenue Budget. As noted in (NPA/23/010) we still await confirmation of National Park Grant for 2023/24 from Defra. We are also waiting to see if we have been successful in a 'bid' to secure additional grant for 2022/23. This level of financial uncertainty does not assist business planning or help with medium term financial planning.
- 4.2 If National Park Grant for 2023/24 is confirmed at £3,825,865 then our core grant will have remained unchanged since 2019/20 despite inflation being over 20% during this time period. Indeed, National Park Grant has reduced by over 40 per cent in real terms since 2010/11.
- 4.3 Many of the actions in the draft Business Plan are focused on securing additional income to deliver practical projects and programmes. However, sustained core funding is essential – it provides limited capacity to bid for new funding and through prudent use of our revenue grant and reserves the ability to match-fund external grants. External funding (grants, donations, sales and charges) should not be seen as a substitute for National Park Grant.
- 4.4 We may need to review the Business Plan if National Park Grant is not £3,825,865 or inflationary pressures are beyond the assumptions that underpin the revenue budget for 2023/24.

#### **5 Conclusion**

- 5.1 The draft Business Plan is ambitious, with a blend of key actions that will deliver: management and enhancement of the environment; opportunities for people to engage in looking after the National Park; 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.
- 5.2 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.).
- 5.3 Progress on the Business Plan is reported to each meeting of the Audit and Governance Committee.
- 5.4 The most significant risks to non-delivery of the key actions in the draft business plan are lack of core grant and staff turnover.

KEVIN BISHOP

**Attachments: Appendix 1 – Draft Business Plan 2023/24**

20230303 KB Business Plan 2023/24

**Dartmoor National Park Authority  
Business Plan 2023 - 24**

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**Introduction**

*To be drafted*

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## Dartmoor National Park Authority

The Dartmoor National Park Authority was established under the provisions of the Environment Act 1995 as an independent body within the framework of local government.

The Authority's role is clearly defined by Parliament through our two statutory purposes to:

- conserve and enhance the natural beauty, wildlife and cultural heritage of the National Park;
- promote opportunities for the understanding and enjoyment of the special qualities of the area by the public.

These purposes are of equal weight unless there is an irreconcilable conflict between the two, in which case, conservation of natural beauty, wildlife and cultural heritage takes priority.

In pursuing the two statutory purposes, we are also required to:

- seek to foster the economic and social well-being of local communities within the National Park.

The National Park Authority is governed by 19 Members appointed via different routes:

- by the Secretary of State to reflect the national interest
- by constituent authorities (Devon County Council, South Hams District Council, Teignbridge District Council and West Devon Borough Council).
- via parish council elections and subsequent appointment by the Secretary of State.

The Authority is a small organisation and the majority 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 partners range from public authorities to private individuals, from commercial businesses to community groups.

To learn more about the work of the Authority visit: [www.dartmoor.gov.uk](http://www.dartmoor.gov.uk)

## Dartmoor Partnership Plan

The Dartmoor Partnership Plan (formerly known as the National Park Management Plan) is the most important document for the National Park. It sets out a vision for the National Park and specific objectives for the next five to ten years. It is produced in partnership but with the Authority playing a key role in facilitating the partnership and leading the process. The vision for Dartmoor (see below) is ambitious: it combines national priorities (as reflected in documents such as: the [Ten Point Plan for a Green Industrial Revolution](#); [25 Year Environment Plan](#); the Government's [30 by 30 target for nature recovery](#) and the [Environmental Improvement Plan 2023](#)) with local priorities.

This Business Plan identifies key actions that the Authority will lead on in support of the Partnership Plan (see next section).

## Vision for Dartmoor National Park 2045

Dartmoor National Park is an extraordinary landscape: shaped by nature and humans over time; steeped in history but always changing; one of Britain's finest. It has the power to inspire and enrich lives.

Our Vision is to make Dartmoor better for future generations: climate resilient, nature rich, beautiful, connected to the past and looking to the future; a place where people of all ages and backgrounds can live, work or visit. A place that is loved, cherished and cared for.

It will be:

- **Alive with nature:** Networks of healthy habitats that are home to many different plants, insects and animals create a more resilient natural environment connected within and across the boundary of the National Park. Some areas feel wilder as nature is enhanced and allowed to take its course.
- **Celebrated and enhanced:** Dartmoor's natural beauty and rich cultural heritage is better understood, valued and looked after.
- **A warm welcome for all:** Enriching people's lives, reaching out to people from all backgrounds, connecting them with this special place. Transformative experiences will inspire people to care for the National Park.
- **A great place to live and work:** People of all ages can enjoy living and working in low carbon, flourishing communities that are connected physically and digitally. Farming and forestry businesses play a key role in delivering a high-quality environment and local products alongside a range of other public benefits.
- **Carbon negative:** Dartmoor's peatlands, soils and woodlands will store significantly more carbon. Responding to climate change will be embedded in our way of life, making the best use of natural resources and reducing carbon emissions.

Everyone will come together to deliver this Vision for Dartmoor; make choices that balance the needs of people and place; embrace positive change; and inspire the next generation to help shape its future.

This plan sets out how we will work together over the next five years towards the vision. This National Park Management Plan for Dartmoor will be reviewed and updated every five years.

To learn more about the Dartmoor Partnership Plan visit: [Your Dartmoor - Home](#)

## This Business Plan

Our Business Plan is structured around 6 priorities:

- P1 Better for Nature
- P2 Better for Cultural Heritage
- P3 Better for Farming and Forestry
- P4 Better for People
- P5 Better for Communities and Business
- P6 Be an excellent organisation

Most of these (priorities 1 to 5) relate directly to the Dartmoor Partnership Plan (see above). Priority 6 reflects our desire to be an effective organisation providing an excellent level of service.

The table below highlights key actions that the Authority will lead on in 2023/24 under each of these 6 priorities. It should be noted that whilst we up-date our Business Plan on an annual basis most of our work programmes span more than one financial year.

Our work is presented under the six priorities but our overall goal is integrated delivery: to ensure action on one priority considers and delivers, wherever possible, across all themes and helps Dartmoor become carbon neutral.

The Business Plan does not detail all the work we do. As well as delivering these key actions we will be seeking to maintain services including:

- Development management – determining over 640 planning applications per annum and responding to over 5,000 of planning inquiries per annum
- Conservation – providing advice to landowners and managers
- Rangers – helping people to enjoy and look after the National Park – over 2,500 days of practical work and assistance
- Visitor Centres – operating award winning Visitor Centres that help people enjoy Dartmoor, inspire them to care for this special place and support the local economy.
- Securing external funding for strategic projects that help conserve and enhance the National Park for people to enjoy today and tomorrow. The Authority has secured over £16m for Dartmoor in the last two years.

## Key Actions to Deliver Business Plan Priorities

Key Action	Outcome sought	Target start date	Target end date	Contribute to carbon neutral	25 Year Env Strategy	Landscapes Review
<b>Better for Nature</b>						
Dartmoor Headwaters - working with the SW Peatland Partnership deliver a programme of Peatland Restoration	Restoration and enhancement of 1000 ha of peatland on Dartmoor by 2026 to deliver multiple benefits including increased local capacity to undertake the restoration work and thus support a 'circular economy'.	Ongoing	Funding confirmed until 2026	✓	✓	✓
Dartmoor Headwaters – working with the Environment Agency and others to deliver natural flood management schemes	Targeted use of natural approaches for catchment management that delivers a range of public benefits in a way that supports local communities and the 'circular economy'	Ongoing	2027 Subject to confirmation of funding			
Deliver landscape scale nature enhancement	Pilot nature enhancement/recovery at a landscape scale across at least two catchments working with clusters of landowners/farmers to identify and develop opportunities and engaging local communities where possible. Work in partnership to deliver the East Dartmoor Landscape Recovery Project	Ongoing	Implementation subject to funding	✓	✓	✓
Improved condition of soils and understanding of their role in carbon management, flood management and nature recovery	By 2025 work with 50 farm businesses to improve soil health and improve soil structures to reduce compaction; improve soil biodiversity; and, to understand and increase carbon capture.	Started	2025 Part-funded	✓	✓	✓
Produce species prioritisation strategy	Strategic approach to identify and target species (both extant and reintroductions) that support the	2021	2025 Implementation	✓	✓	✓

Key Action	Outcome sought	Target start date	Target end date	Contribute to carbon neutral	25 Year Env Strategy	Landscapes Review
	greatest environmental benefit and identifies opportunities for community engagement. f		Subject to funding			
<b>Better for Cultural Heritage</b>						
Valuing Cultural Heritage	A programme of proactive advice, research and community engagement that sustains Dartmoor's cultural heritage and helps people to enjoy it.	Started	Ongoing			
<b>Better for Farming and Forestry</b>						
Deliver Farming in Protected Landscapes	Efficient delivery of Farming in Protected Landscapes (FiPL) – budget allocation is fully spent and farming community is receiving funding to deliver the four objectives of FiPL (Nature, Climate, People and Place). Learning from FiPL is applied to the development of the new Environmental Land Management system. FiPL grants are helping Dartmoor farmers make the transition to environmental land management and supporting the circular economy.	Started	2024	✓	✓	✓
Farm Dartmoor	Support for farm businesses across the National Park to help them deliver a range of public goods as part of a sustainable business and promote effective collaboration. Focus on supporting: agricultural transition, understanding of the new Environmental Land Management system and a circular economy.	Started	Ongoing subject to external funding	✓	✓	✓



Key Action	Outcome sought	Target start date	Target end date	Contribute to carbon neutral	25 Year Env Strategy	Landscapes Review
Our Upland Commons	Deliver agreed outcomes for National Lottery Heritage Funded programme, including: shared local visions for commons, showcasing new approaches to management of common land to deliver a range of public benefits and improved public understanding of commoning. Contribute to thinking about new Environmental Land Management system.	Started	Feb 2024	✓	✓	✓
<b>Better for People</b>						
Develop and implement Visitor Management Plan for 2023 season	Ensure a warm welcome for all visitors to Dartmoor National Park. Targeted outreach activity to improve inclusivity. Visitor behaviour influenced and changed so that negative impact on the fabric of the moor and local communities is reduced and positive impacts increased.	Started	Ongoing	✓	✓	✓
Byelaw Review	A comprehensive set of easy to understand and implement byelaws (for the commons of Dartmoor and land owned by the National Park Authority) that help people enjoy the National Park's special qualities and ensure these special qualities are conserved for future generations to enjoy.	Started	2024 (subject to legal action)	✓	✓	✓
'Miles Better'	Implement a costed programme of improvements to access infrastructure and secure funding for this programme in order to ensure that all access routes and associated infrastructure is in good condition, easy to use and helps support the Dartmoor economy.	Started	Ongoing		✓	✓

Key Action	Outcome sought	Target start date	Target end date	Contribute to carbon neutral	25 Year Env Strategy	Landscapes Review
Develop a Green Transport Strategy	A strategy to reduce the impact of cars through congestion or inappropriate parking as people arrive and travel around the National Park by other means of transport. Opportunities for those without access to a car are increased	2021	2023 (Subject to staff resources)	✓	✓	✓
Programme of outreach events and activities	Engage and welcome new visitors and reach out to all audiences. Provide an opportunity to communicate key messages and explain the work of the Authority and its partners. Increase income through retail sales and voluntary donations. Ensure community engagement and support for the local economy.	Started	Ongoing		✓	✓
<b>Better for Communities and Businesses</b>						
Housing	New Housing Guidance (SPD) adds detail to the Dartmoor Local Plan, enabling good planning for housing which meets the needs of Dartmoor communities.	2021	2023	✓		✓
Programme of support to deliver the 'Dartmoor model' of community and economic well-being including a business case to be the first 'Digital National Park'	Support for community development and the circular economy. Clear business case for investment in gigabit broadband and improved mobile connectivity to support a 'Digital National Park' model that does not harm the special qualities of the National Park.	Started	Ongoing	✓		✓
Scope potential for a programme that will help	A community-led approach to climate action that improves resilience, supports a circular economy and focuses on nature and climate	April 2024	Scoping completed by July	✓	✓	✓

Key Action	Outcome sought	Target start date	Target end date	Contribute to carbon neutral	25 Year Env Strategy	Landscapes Review
Dartmoor communities address climate change			2024 and funding opportunities identified			
<b>Be an Excellent Organisation</b>						
Review and deliver DNPA's Climate Action Plan.	Review the Climate Action Plan in 2023 and track progress towards the objective of DNPA becoming a carbon neutral organisation (against its scope 1 and 2 emissions) by 2025.	Started	2025	✓		✓
Volunteering – develop and improve our work with volunteers, providing rewarding opportunities that support staff and deliver national park purposes and priorities	Cohort of long-term volunteers undertaking regular conservation and access tasks across the National Park. Expanded network of Volunteer Engagement Rangers Improved 'recruitment' of volunteers, enhanced support for volunteers leading to more rewarding experiences for volunteers and better outcomes for the National Park				✓	✓
Dartmoor Foundation	Establish a new 'Dartmoor Foundation' as a vehicle for income generation to support National Park purposes, deliver the agreed vision for Dartmoor National Park and key actions in the Dartmoor Partnership Plan.	Started	2024		✓	✓
'Dynamic Dartmoor'	Use National Lottery Heritage Fund grant secured in 2022 to develop a five year programme of funding to help deliver key priorities in the Dartmoor Partnership Plan: including nature recovery, environmental enhancement, engaging and welcoming a wider range of people and	Started	2028	✓	✓	✓

Key Action	Outcome sought	Target start date	Target end date	Contribute to carbon neutral	25 Year Env Strategy	Landscapes Review
	supporting sustainable use of the National Park, the local economy, jobs and communities.					
Developing a strong evidence base.	An evidence base and strong partnerships with key organisations (e.g. universities) to support our work, report on the state of the National Park and evidence the impact of work to deliver the Dartmoor Partnership Plan.	Started	Ongoing	✓	✓	✓
Integrated Management Plans for land owned by the Authority	To demonstrate best practice and appropriate experimentation on our own land to deliver multiple benefits in partnership with others.	April 2023	Management Plans in place by March 2024	✓	✓	✓

## Measuring progress

We continually seek ways to improve the quality and value for money of the services we provide.

Progress against the key actions is monitored on a quarterly basis and reported to the Authority's Audit and Governance Committee. Each service area has its own dashboard to monitor service delivery, highlight achievements and pressure points. The dashboards are reported quarterly to Leadership Team.

At the end of each financial year, the Authority completes an annual performance review which contains information about the progress made in delivering the actions in the Business Plan, together with achievement against a comprehensive set of performance indicators. A copy of our latest Annual Review can be accessed at: [Annual-review-2021-22.pdf \(dartmoor.gov.uk\)](https://www.dartmoor.gov.uk/annual-review-2021-22.pdf)

## Funding and expenditure

All our core funding comes from central Government, not from local taxpayers. This reflects the fact that, unlike local councils, our responsibilities extend to people who live well beyond our boundaries.

Our core grant for 2023/24 is *to be completed*

Our ability to provide a high quality service in priority areas depends on raising significant funding from other sources (charges for services, fees, external grants etc.). Most of our priority actions are focused on securing income to deliver work programmes.

In 2022/23 we secured over *to be completed* of external income from various grant sources. This external income is not a replacement for our core funding which is essential to maintain key services such as: planning, rangers, conservation advice, access management etc.



NPA/23/010

## Dartmoor National Park Authority

3 March 2023

### Budget And Medium Term Financial Plan 2023/24 to 2025/26

#### Report of the Head of Business Support

**Recommendations:**      **That Members:**

- (i)      **approve the 2023/24 budget and note the indicative budgets for 2024/25 and 2025/26 as shown in Appendices 1 – 3;**
- (ii)     **approve the use of Earmarked Reserves balances as set out in Appendix 5; and**
- (iii)    **approve the Capital Investment Strategy as set out in section 4 of the report.**

## 1 Background

- 1.1 The Authority is required by statute to set a balanced annual revenue budget. The basis for the revenue and capital expenditure is the pursuit of the ‘Special Purposes’ for which the National Parks were designated in the Environment Act 1995 (the Act). Section 65 of the Act determines the purposes as: conserving and enhancing the natural beauty, wildlife and cultural heritage of National Parks and of promoting opportunities for the understanding and enjoyment of the Parks by the public. The Authority also has a duty to seek to foster the economic and social well-being of local communities within the National Park.
- 1.2 The key source of funding for the Authority is National Park Grant (NPG) which is paid by the Department of the Environment, Food and Rural Affairs (Defra). Currently NPG accounts for over 80% of total income. At the time of writing this report Defra has yet to confirm how much NPG the Authority will receive in 2023/24 and beyond. The delay in announcing NPG has an obvious impact on our ability to plan over both the short and medium term. We are also awaiting a decision on potential additional grant in 2022/23.

## 2 Financial Context

- 2.1 The Government’s Autumn Statement announced day-to-day departmental spending will increase by 3.7% per year in real terms. Although it should be noted the increase is for protected government departments. Unprotected government departments will see 1.2% real terms cut per year on average for the next two years.

- 2.2 Defra's resource funding will drop by 3.5% per year for the next two years, but their capital funding will increase by 41% next year and the following year seeing a reduction of 5%. The Authority does not receive specific capital funding and, despite asking, has not been provided with an opportunity to bid for capital funds.
- 2.3 Defra has indicated that we are likely to receive grant funds at the same level as for 2022/23. This will mean in real-terms the value of our DEFRA grant is a cut again, when taking into consideration the rate of inflation and nationally set pay awards, which are all outside of our control. It is worth noting that National Park Grant has remained at £3.8m since 2019/20.
- 2.4 A standstill grant, means our current projection is that our existing deficit will grow, if the grant is not adjusted for inflation and other pressures out of our control. The Authority has had to live with continued austerity since 2010/11. If NPG had kept pace with inflation it would now be worth in excess of £7.3m but we anticipate receiving £3.8m in 2023/24. We have had to undertake a number of business reviews over the last 12 years in order to reduce expenditure. These reviews have meant compulsory redundancies and reduction in service provision. The latest business review was undertaken in 2022/23 and is in the process of being implemented. A key proposal in the 2022/23 business review was the potential closure of the National Park Visitor Centre at Princetown. Members have agreed that we will use reserves to keep the Visitor Centre open for a period of up-to six months from April 2023. This will allow a decision to be made on any additional funding from Defra and for our discussions on different operational models to be progressed.
- 2.5 As noted above, following the decision by Members of the Authority in January 2023 to keep the National Park Visitor centre at Princetown open for up to six months from April 2023 we are using reserves to set a balanced budget for 2023/24.

### **3 2023/24 Budget and Medium Term Financial Plan Overview**

- 3.1 The 2023/24 Budget and indicative financial plans for 2024-25 and 2025-26 can be found at Appendices 1 to 3. The Authority does not build each annual budget on an incremental basis, choosing instead to zero-base each year. Assumptions used are:
- Pay Award: the single largest area of expenditure is staff salaries. A 4% pay award has been applied for years 2023/24, 2024/25 and 3% for 2025/26. An extra 1% increase in pay, if awarded in year 1, would cost around £33k; a provision for this is included within earmarked reserves;
  - Inflation and price increases are only included after discussion with suppliers / service providers;
  - External grant income: only included if confirmed;
  - Fees and charges income: target budgets are estimated using historical and trend data;
  - NPG: for planning purposes the MTFP assumes that the funding settlement will be flat cash (i.e. the same as 2022/23) for 2023/24 and 2024/25. For 2025/26 we have assumed a 3% increase in our NPG, this assumes government increasing our core funding to reflect our assumption for the pay award in 2025/26.
- 3.2 The forecast budget gap in years two and three, if they were to remain unchanged, could be met from reserves. However, it is too early to make changes at this stage until we get more clarity from Defra regarding our indicative funding figures.

<b>No increase in NPG</b>	<b>Budget Gap / (Surplus) £</b>
2023-2024 (to be met from reserves)	101,282
2024-2025	175,007
2025-2026	206,351
<b>Total</b>	<b>482,640</b>

- 3.3 If Defra were to apply an uplift of 1% to NPG in years two and three the deficit would be reduced by 16% in year two and there would be almost halved in year three (based on the current MTFP):

<b>Impact of a 1% increase in NPG in years two and three only</b>	<b>Budget Gap / (Surplus) £</b>
2023-2024	101,282
2024-2025	136,748
2025-2026	166,172
<b>Total</b>	<b>404,975</b>

- 3.4 If increased core funding from Defra is not forthcoming in the near future, then we will need to take further decisions to adjust our work programmes in order to set an affordable and balanced budget in future years. To keep calling on Reserves for more than one year is not sustainable. Similarly, as we have built the 2023/24 budget assuming a flat cash settlement, if this is not the case, a revised budget may have to be brought back to the Authority after the start of the financial year, so that Members can make decisions about how to rebalance the budget (and the MTFP).

## 4 Budget Detail

- 4.1 The following table provides a summary of some of the most significant projects and income targets that have been included in the MTFP; some of which may become at risk if increased core funding is not forthcoming.

<b>Projects and Programmes</b>	<b>2023/24 £</b>	<b>2024/25 £</b>	<b>2025/26 £</b>
Adopt a Monument Project External Funding	15,000 (10,000)	15,000 (10,000)	15,000 (10,000)
Monument Management Scheme Projects External funding	15,000 (10,000)	15,000 (10,000)	15,000 (10,000)
Biodiversity action plan (including Living Dartmoor)	7,000	7,000	7,000
Curlew recovery project	3,000	3,000	3,000
Management for DNPA woodlands External funding	18,460 (15,792)	9,884 (9,884)	10,479 (8,891)
Pine Martin Reintroduction	5,000	5,000	5,000
Management of own land	3,000	3,000	3,000



Outreach & Education (incl. Ranger Ralph, Junior & Youth Rangers)	12,950	15,165	16,200
Vehicle purchases	84,689	28,689	52,553
Electric Vehicle lease – 2 pool cars	9,000	9,000	9,000
Parke House maintenance programme	27,000	14,000	13,000
Duchy Hotel maintenance programme	28,250	16,000	0
Car park improvements/ resurfacing	47,500	22,500	22,500
Car parking income – demand led	(120,000)	(120,000)	(120,000)
Planning fee income – demand led	(176,000)	(191,000)	(191,000)
Visitor Centres retail stock procurement	80,000	50,000	50,000
Visitor Centres sales income	(147,000)	(85,000)	(85,000)
Donate for Dartmoor (target not budget)	(30,000)	(30,000)	(30,000)

4.2 Members' attention is also specifically drawn to the following projects:

- (i) The Hill Farm Project is principally funded from the Prince's Countryside Fund, Duchy of Cornwall and the Authority. Beyond March 2024 external funding for this project is not confirmed. The Authority is committing to continue to the future of the Project and help the farming community transition to a new Environmental Land Management Scheme (ELMS), which is a key priority in the Authority's Business Plan.
- (ii) Our Common Cause is a national partnership project, being led by the Foundation for Common Land with funding from the Heritage Lottery Fund, with the National Trust acting as the accountable body and will be completed by 2024.
- (iii) The Authority is a delivery partner in the Defra funded South West Peatlands Project being led by South West Water which commenced in 2018/19. This has been extended for another three years. On Dartmoor, a programme of restoration is underway with a budget of approximately £8m being funded by Natural England; and grants, contributions and in-kind support from local partners including the Authority.
- (iv) Dartmoor's Dynamic Landscapes is an external funded package working in partnership with others to help deliver key priorities in the Dartmoor Partnership Plan: including nature recovery, environmental enhancement, engaging and welcoming a wider range of people and supporting sustainable use of the National Park, the local economy, jobs, and communities. In December 2022, the Authority was successful in securing £361,082 grant towards the development phase of the project from the National Lottery Heritage Fund.
- (v) The Authority is also a delivery partner for the Dartmoor Natural Flood Management Project, which is being led by the Environment Agency (EA) for the delivery of nature-based solutions to deliver multiple benefits. A budget of £6 million has been secured by the EA, with in-kind and financial support (£83,606 for the length of the MTFP) contributions from the Authority for a 6-year project. The Authority is hosting the employment of the Project Officers and is recharging all cost to the EA.
- (vi) Farming in Protected Landscapes programme (FiPL) – developed by Defra, commenced in July 2021 and continues until March 2024. Dartmoor was allotted £1.5m for the three years. FiPL provides funding for farmers and other land

managers to make improvements to the natural environment, mitigate impacts of climate change, provide public access on their land and support nature-friendly, sustainable farming. This funding has been apportioned across protected landscape bodies to enable the farmers and land managers to bid for grants. It has recently been announced that FiPL will continue for a further year, but grant funds to be awarded are yet to be announced

- 4.3 In recent years the Authority has operated a Project Fund as part of its Revenue Budget. This Fund has enabled us to: buy-in additional support and capacity; to match-fund new projects; and to invest in new equipment during the financial year. This strategy has helped to provide flexibility and agility and it is therefore proposed that we continue with this approach for the life of the new MTFP. The amount allocated to the Project Fund for each year is summarised below:

<b>Project Fund</b>	<b>£</b>
2023/24	75,000
2024/25	75,000
2025/26	75,000

- 4.4 The triennial valuation of the Local Government Pension Fund took place in 2022 and the Authority's funding level improved from 97.8% in 2019 to 101.6% on 31 March 2022. An employer contribution target rate was subsequently set by the Actuary to 19.7% of pensionable pay, rather than 19.5%. The Authority's pension fund is fully funded, but we are on the cusp. If changes with economy, members of the fund leaving or joining etc., being fully funded could alter over the next three years. Although the Actuary has stated we need to pay a suggested minimum of 19.7% the Authority has made the prudent decision to set the contribution rate to 20%.

Funding Position	As at 31 March 2022 £	As at 31 March 2019 £
Assets	25,916,864	20,976,145
Liabilities	25,497,480	21,453,290
Surplus/(Deficit)	419,384	(477,145)
Actuarial Funding Position	101.6%	97.8%

- 4.5 The next valuation will take place in 2025, with the new rates, once known, taking effect from 1st April 2026.

## **5 Capital Strategy and Prudential Indicators**

- 5.1 As part of the annual budgeting process the Authority is required to produce an affordable Medium Term Capital Programme (MTCP) alongside its revenue budget, if relevant. There is also the requirement to produce a Capital Strategy in line with the CIPFA Prudential Code for Capital Finance in Local Authorities 2021. The Prudential Code is a professional code of practice to support local authorities when taking capital investment (fixed asset) decisions. The objectives are to ensure, within a clear framework, that capital investment plans are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with

good professional practice. A Treasury Management & Investment Strategy report is also being presented for approval today.

- 5.2 The obligation to have a Capital Strategy has arisen, as some authorities have become increasingly willing to invest significant amounts in commercial developments, in order to generate returns that will offset some of the financial impact of austerity.
- 5.3 This Authority rarely has a Capital Programme or the need for significant investment in physical assets in the same way as local authorities, who have responsibility for highways or housing. Capital spend for this Authority is commonly of a small scale nature such as related to vehicles or IT. For larger schemes such as new buildings or conversions, Members receive specific reports to support decision making; which provides background, the reasons why the scheme is being recommended and a cost benefit analysis; and will identify sources of finance. In advance of the report being presented to the Authority, Leadership Team will have scrutinised the proposed scheme.
- 5.4 The Authority historically has a low-risk attitude toward capital investment; having never borrowed internally or externally to fund capital schemes; entered into long-term liabilities such as Private Finance Initiatives; nor invested for commercial purposes. Capital investment decisions are made to support National Park Purposes only.
- 5.5 We seek external contributions towards supporting our capital spend wherever possible. If capital receipts (sale of assets) become available, these must be used to finance capital spend. In the absence of both these, revenue income (via NPG or fees and charges) or revenue reserves are used to fund capital expenditure.
- 5.6 Stewardship of our assets is led by Leadership Team and delivered by various officers within the Authority; the portfolio is small. Assets are kept under review to assess their ability to deliver or support National Park Purposes, to identify and manage future liabilities and identify opportunities for disposal. Built assets are subject to regular condition assessments and have a repair and redecoration programme that is built into the MTFP.
- 5.7 The Authority's capital programme for the MTFP period currently consists of:

<b>Capital Scheme/ Project</b>	<b>2023/24</b> <b>£</b>	<b>2024/25</b> <b>£</b>	<b>2025/26</b> <b>£</b>
Replacement Vehicles for CWT and Rangers	84,689	28,689	52,553
<b>Funded From</b>	<b>£</b>	<b>£</b>	
Capital Receipts and Vehicle Reserve	84,689	28,689	52,553

- 5.8 If any other Capital Projects are proposed in-year, for example in respect Climate Change Action Plan, they will be subject to submission of a business case to have the allocation of required funding approved.
- 5.9 If sources of additional capital income become available during the year, for example via additional grants, external contributions, or capital receipts, or if any other

business decisions are proposed that will result in a change to the Capital Programme the Authority will be presented with a business case for approval. Any changes required to the Prudential Indicators will be brought to the authority for approval.

## 6 Reserves

6.1 In 2010/11 the Audit & Governance Committee, at the request of the Authority, undertook work to formulate a risk-based approach to determining the level and use of reserves required by the Authority. The outcome of that work was an agreed methodology (NPA/AG/10/014) which continues to be applied to determine the level of reserves held.

6.2 Our reserve balances are regularly reviewed and 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
- 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 (e.g. pay awards, pension contributions, loss of income).
- 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 our external funding allocations where we are working in partnership with others.

6.3 The Risk Based analysis can be found at Appendix 4 and is at a summary level. Appendix 5 shows the likely General Fund Reserve Balances for the MTFP period at a detailed level. It can therefore be seen that the majority of our Reserve Balances are “allocated”. The following table is a summary of how reserves are currently being allocated in each year of the MTFP the detail of which can see found at Appendix 5:

<b>Earmarked Reserves</b>	<b>2022/23 £</b>	<b>2023/24 £</b>	<b>2024/25 £</b>	<b>2025/26 £</b>
Opening Balance	2,537,742	2,099,768	1,679,191	1,436,995
Movements	(437,974)	(420,577)	(242,196)	(284,404)
Closing Balance	2,099,768	1,679,191	1,436,995	1,152,591
<b>General Reserve</b>	500,000	500,000	500,000	500,000

6.4 If no increases in NPG are received for the next two years our Earmarked Reserve balances will be reduced by over 45% at the end of this MTFP period based on current assumptions and scenario planning (current future years indicative budget gap deficits are included).

6.5 Legislation does not prescribe how much the minimum level of reserves should be. The Section 151 officer is tasked with recommending the minimum level of reserves required as part of the budget setting process having regard to elements of risk in the Authority’s finances. Section 25 of the Local Government Act 2003 requires the

S151 officer to report on the adequacy of the Council's financial resources on an annual basis.

- 6.6 Earmarked reserves are working balances, and many are ringfenced as they represent external match funding. These balances will naturally fluctuate between years. The current MTFP has been put together using cautious assumptions and our reserves risk assessed as normal. Even though years two and three are currently forecast to be in deficit, if there is no future increase in NPG, the position is considered will need to be made by undertaking further cost cutting, service reduction or restructuring.
- 6.7 The General (unallocated) Reserve balance was increased in 2019 to £500,000 in order to maintain this reserve at approximately 12% of the net budget. This amount does still maintain a reserve of 12% of the 2023/24 budget which is deemed sufficient.

## 7 Risk Analysis

- 7.1 It should be noted that the first year of the MTFP i.e. the 2023/24 budget is normally the most robust and accurate financial plan of the three year period; it is inevitable that future years' financial plans can change for all sorts of reasons and influences, internal and external. However, as, at the time of writing, NPG has not been confirmed for 2023/24 (and beyond) there is a degree of uncertainty and there is a risk that the 2023/24 budget may have to be re-visited. The Authority continues to actively manage its financial and non-financial risks and therefore makes allowances for them by promoting a culture of flexibility and agility to militate against threats, to be proactive and to embrace opportunities as they arise.
- 7.2 The budget and MTFP contains a number of assumptions that may or may not prove to be accurate. In addition, events may occur that have the potential to affect the Authority's underlying finances. We must therefore consider for ongoing risks and uncertainties such as:

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigating Factors</b>
Brexit	High	Unknown	At the date of this report, there still remains a number of uncertainties associated with Brexit and which may have a positive or negative outcome for the Authority. Positive outcomes may include additional funding for ELMS. Uncertainties which might be either positive or negative include the economic performance of the wider economy, and its impact on government funding or on investment markets (and therefore on Pension funding), and changes in tourism patterns.
NPG – no increase	High	High	Level of reserves held. NPG has not yet been notified at time of writing this report. Budgets may have to be revised.

Staff costs in excess of budget	Medium	High	Beyond 2023/24, annual inflation-related pay awards are assumed to continue at the rate of 4.0% in 2024/25 and 3% for 2025/26. This assumption is used for modelling purposes only. Higher rates of national pay award may be agreed (as the local government pay continues to lag behind inflation); this would also have a knock-on effect on employer pension contributions. Provision (short term) made in reserves. Some notice will be provided which will enable a timely response.
Economic situation could deteriorate. Run-away inflation affecting expenditure and income.	High	High	MTFP constructed on 3-year timescale with annual review. Budgetary control arrangements are in place to monitor income and expenditure. Reserves provision (short-term) made to manage immediate pressures.
Liabilities related to property estate	Medium	Medium	A contingency fund established in reserves. On-going maintenance programme and not all property costs need to be met immediately.
Failure to deliver Business Plan objectives	Low	High	Closely managed process, with regular in-year review. Where additional spending is required to achieve delivery, budget can be made available from the General Reserve or – if necessary - from redirecting resources from lower priority programmes.
External grant income reduced	High	Medium	We have an active programme of developing new project ideas, but external funding sources are extremely competitive; time and capacity to bid has to be carefully factored in
The Landscapes (Glover) Review	High	Medium	Published in Autumn 2019, the report contains recommendations that would place additional demands on NPAs if we are asked to implement them. Costs associated with such actions would require additional funding from Defra, without which we would be obliged to reduce budgets for our existing programmes and priorities.

## 8 Equality & Sustainability Impact

- 8.1 Consideration is given when deciding which areas of expenditure should be supported of the impact on under-represented groups, and the need to promote

equal opportunities both as an employer and in respect of the services provided. Our Climate and Environmental Emergency declaration does feature within the MTFP; however, our ability to deliver significant projects could be hampered due to lack of resources (funding).

## **9 Conclusions**

- 9.1 The Authority's cost base is increasing at a faster rate than its underlying funding and there are one-off and ongoing costs that need to be met. A MTFP has been produced bringing together sensible assumptions over the future direction of income and expenses. However, the reality will inevitably be different, and we need to be prepared for less favourable scenarios. In particular, NPG not increasing with inflation; especially as the ONS are forecasting inflation to continue to be above targeted rate for the next two years. The uncertainty over staff costs with regards to the pay award, which are currently unknown for this and future years.
- 9.2 This is very much a one-year budget whilst we wait until we have a clearer view of longer-term prospects. At the time of writing, we do not know our NPG settlement for 2023/24 let alone for 2024/25 and 2025/26. The results may be positive, in which case any action taken now would be unnecessary and potentially damaging. Indeed, accurate financial planning and budgeting continues to be incredibly challenging given the current uncertainty.
- 9.3 Clause 25 of part 2 of the Local Government Act 2003 requires the Chief Financial Officer (section 151 Officer) to report to Members, when calculating the net budget requirement, on the robustness of estimates made including the overall public sector financing climate. The 2023/24 budget is "balanced" and is robust and realistic, but there has been a need to use reserves. There may be a need to draw on the reserves for the future years, which means that reserves balances may have to be depleted at a faster rate than in previous years.
- 9.4 A continued period of austerity will threaten our ability to deliver National Park purposes, contribute to the targets in the 25 Year Environment Plan, meet our publicly stated objectives around climate change and the Government's commitment to the Landscapes Review.

ANGELA STIRLAND

**Attachments:** Appendices 1, 2 & 3 – 2023/24, 2024/25 & 2025/26 Revenue Budgets  
Appendix 4 – Reserves risk-based analysis  
Appendix 5 – Reserve balances

20230303 AS 2023/24 Budget & MTFP

BUDGET 2023/24	Salaries	Travel	Transport	Premises	Projects: Supplies & Services	GROSS EXPENDITURE	Grants	Treasury	Fees & Charges	Sales	Rents & Other	INCOME	NET EXPENDITURE
	£	£	£	£	£	£	£	£	£	£	£	£	£
BIO-DIVERSITY	87,242	1,050			67,532	155,824				(15,792)		(15,792)	140,032
LAND MANAGEMENT	34,455	675			4,808	39,938			(3,176)			(3,176)	36,762
WOODLANDS					6,500	6,500						0	6,500
DARTMOOR HEADWATERS PROJECT	192,373				37	192,410	(165,560)					(165,560)	26,850
PEATLANDS	173,669				37	173,706	(173,706)					(173,706)	0
FARMING IN PROTECTED LANDSCAPES	93,000				503,635	596,635	(596,635)					(596,635)	0
HILL FARM PROJECT	106,347				37	106,384	(91,738)					(91,738)	14,646
<b>NATURAL ENVIRONMENT</b>	<b>687,086</b>	<b>1,725</b>	<b>0</b>	<b>0</b>	<b>582,586</b>	<b>1,271,397</b>	<b>(1,027,639)</b>	<b>0</b>	<b>(3,176)</b>	<b>(15,792)</b>	<b>0</b>	<b>(1,046,607)</b>	<b>224,790</b>
ARCHAEOLOGY	133,921	1,100			40,574	175,595	(49,372)		(2,000)			(51,372)	124,223
BUILT ENVIRONMENT	47,062	200				47,262						0	47,262
UPPACOTT				19,614		19,614			(1,000)		0	(1,000)	18,614
<b>CULTURAL HERITAGE</b>	<b>180,983</b>	<b>1,300</b>	<b>0</b>	<b>19,614</b>	<b>40,574</b>	<b>242,471</b>	<b>(49,372)</b>	<b>0</b>	<b>(3,000)</b>	<b>0</b>	<b>0</b>	<b>(52,372)</b>	<b>190,099</b>
VISITOR FACILITIES	57,126	250		14,916	139,339	211,631			(151,000)			(151,000)	60,631
ACCESS & RECREATION	98,396	450			22,566	121,412						0	121,412
PROW	106,732				48,854	155,586	(43,000)					(43,000)	112,586
SUSTAINABLE TOURISM & TRANSPORT					4,400	4,400						0	4,400
<b>RECREATION MANAGEMENT</b>	<b>262,254</b>	<b>700</b>	<b>0</b>	<b>14,916</b>	<b>215,159</b>	<b>493,029</b>	<b>(43,000)</b>	<b>0</b>	<b>(151,000)</b>	<b>0</b>	<b>0</b>	<b>(194,000)</b>	<b>299,029</b>
VISITOR CENTRES	179,560	1,150		31,850	3,630	216,190						0	216,190
RETAIL	21,157				89,300	110,457			(147,000)			(147,000)	(36,543)
COMMUNICATIONS	167,086	550			44,777	212,413			(21,000)			(21,000)	191,413
EDUCATION	123,170	1,100	1,718		13,247	139,235			(4,500)			(4,500)	134,735
<b>PROMOTING UNDERSTANDING</b>	<b>490,973</b>	<b>2,800</b>	<b>1,718</b>	<b>31,850</b>	<b>150,954</b>	<b>678,295</b>	<b>0</b>	<b>0</b>	<b>(25,500)</b>	<b>(147,000)</b>	<b>0</b>	<b>(172,500)</b>	<b>505,795</b>
RANGERS	408,615		31,750	3,650	20,504	464,519						0	464,519
CONSERVATION WORKS SERVICE	118,331		13,900	16,875	7,550	156,656						0	156,656
<b>RANGERS, ESTATES &amp; VOLUNTEERS</b>	<b>526,946</b>	<b>0</b>	<b>45,650</b>	<b>20,525</b>	<b>28,054</b>	<b>621,175</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>621,175</b>
DEVELOPMENT MANAGEMENT	580,474	3,075			42,637	626,186	0		(192,000)			(192,000)	434,186
<b>DEVELOPMENT MANAGEMENT</b>	<b>580,474</b>	<b>3,075</b>	<b>0</b>	<b>0</b>	<b>42,637</b>	<b>626,186</b>	<b>0</b>	<b>0</b>	<b>(192,000)</b>	<b>0</b>	<b>0</b>	<b>(192,000)</b>	<b>434,186</b>
FORWARD PLANNING & COMMUNITY	181,341	750			5,149	187,240	0					0	187,240
<b>FORWARD PLANNING</b>	<b>181,341</b>	<b>750</b>	<b>0</b>	<b>0</b>	<b>5,149</b>	<b>187,240</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>187,240</b>
CORPORATE CENTRE	224,570	3,550			147,070	375,190		(20,000)				(20,000)	355,190
<b>CORPORATE &amp; DEMOCRATIC CORE</b>	<b>224,570</b>	<b>3,550</b>	<b>0</b>	<b>0</b>	<b>147,070</b>	<b>375,190</b>	<b>0</b>	<b>(20,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(20,000)</b>	<b>355,190</b>
INFORMATION TECHNOLOGY	172,698	700			42,835	216,233			(3,537)			(3,537)	212,696
CORPORATE OPERATING COSTS			15,540		123,826	139,366						0	139,366
ADMINISTRATION AND FINANCE	188,594				11,558	200,152						0	200,152
LEGAL					75,000	75,000						0	75,000
HUMAN RESOURCES	155,265	200			38,619	194,084						0	194,084
OFFICE ACCOMMODATION (PARKE)	16,416			134,010		150,426						0	150,426
OFFICE ACCOMMODATION (PRINCETOWN)				87,248		87,248					(24,329)	(24,329)	62,919
<b>CORPORATE SERVICES</b>	<b>532,973</b>	<b>900</b>	<b>15,540</b>	<b>221,258</b>	<b>291,838</b>	<b>1,062,509</b>	<b>0</b>	<b>0</b>	<b>(3,537)</b>	<b>0</b>	<b>(24,329)</b>	<b>(27,866)</b>	<b>1,034,643</b>
PROJECT FUND					75,000	75,000						0	75,000
<b>OTHER</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>75,000</b>	<b>75,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>75,000</b>
<b>TOTAL</b>	<b>3,667,600</b>	<b>14,800</b>	<b>62,908</b>	<b>308,163</b>	<b>1,579,021</b>	<b>5,632,492</b>	<b>(1,120,011)</b>	<b>(20,000)</b>	<b>(378,213)</b>	<b>(162,792)</b>	<b>(24,329)</b>	<b>(1,705,345)</b>	<b>3,927,147</b>

## Summary:

Gross Expenditure	5,632,492
Reserves	(101,282)
Income	(1,705,345)
<b>Net Budget</b>	<b>3,825,865</b>
National Park Grant	(3,825,865)
<b>Deficit / (Surplus)</b>	<b>0</b>



BUDGET 2024/25	Salaries	Travel	Transport	Premises	Projects: Supplies & Services	GROSS EXPENDITURE	Grants	Treasury	Fees & Charges	Sales	Rents & Other	INCOME	NET EXPENDITURE
	£	£	£	£	£	£	£	£	£	£	£	£	£
BIO-DIVERSITY	91,094	1,050			48,482	140,626				(10,760)		(10,760)	129,866
LAND MANAGEMENT	46,575	675			4,808	52,058			(176)			(176)	51,882
WOODLANDS					6,500	6,500						0	6,500
DARTMOOR HEADWATERS PROJECT	201,626				38	201,664	(173,715)					(173,715)	27,949
PEATLANDS	184,161				38	184,199	(184,199)					(184,199)	0
FARMING IN PROTECTED LANDSCAPES	0				0	0	0					0	0
HILL FARM PROJECT	112,222				38	112,260	(91,638)					(91,638)	20,622
<b>NATURAL ENVIRONMENT</b>	<b>635,678</b>	<b>1,725</b>	<b>0</b>	<b>0</b>	<b>59,904</b>	<b>697,307</b>	<b>(449,552)</b>	<b>0</b>	<b>(176)</b>	<b>(10,760)</b>	<b>0</b>	<b>(460,488)</b>	<b>236,819</b>
ARCHAEOLOGY	139,728	1,100			40,772	181,600	(49,935)		(2,000)			(51,935)	129,665
BUILT ENVIRONMENT	48,994	200				49,194						0	49,194
UPPACOTT				13,404		13,404			(1,000)		0	(1,000)	12,404
<b>CULTURAL HERITAGE</b>	<b>188,722</b>	<b>1,300</b>	<b>0</b>	<b>13,404</b>	<b>40,772</b>	<b>244,198</b>	<b>(49,935)</b>	<b>0</b>	<b>(3,000)</b>	<b>0</b>	<b>0</b>	<b>(52,935)</b>	<b>191,263</b>
VISITOR FACILITIES	50,734	250		15,956	106,611	173,551			(151,000)			(151,000)	22,551
ACCESS & RECREATION	104,010	450			20,869	125,329						0	125,329
PROW	111,888				49,088	160,976	(43,000)					(43,000)	117,976
SUSTAINABLE TOURISM & TRANSPORT					4,400	4,400						0	4,400
<b>RECREATION MANAGEMENT</b>	<b>266,632</b>	<b>700</b>	<b>0</b>	<b>15,956</b>	<b>180,968</b>	<b>464,256</b>	<b>(43,000)</b>	<b>0</b>	<b>(151,000)</b>	<b>0</b>	<b>0</b>	<b>(194,000)</b>	<b>270,256</b>
VISITOR CENTRES	125,003	1,150		23,786	5,398	155,337						0	155,337
RETAIL	22,929				55,844	78,773				(85,000)		(85,000)	(6,227)
COMMUNICATIONS	145,755	550			44,268	190,573			(17,000)			(17,000)	173,573
EDUCATION	128,621	1,100	1,718		15,471	146,910			(4,875)			(4,875)	142,035
<b>PROMOTING UNDERSTANDING</b>	<b>422,308</b>	<b>2,800</b>	<b>1,718</b>	<b>23,786</b>	<b>120,981</b>	<b>571,593</b>	<b>0</b>	<b>0</b>	<b>(21,875)</b>	<b>(85,000)</b>	<b>0</b>	<b>(106,875)</b>	<b>464,718</b>
RANGERS	427,938		32,750	4,150	19,861	484,699						0	484,699
CONSERVATION WORKS SERVICE	123,428		13,900	15,811	7,550	160,689						0	160,689
<b>RANGERS, ESTATES &amp; VOLUNTEERS</b>	<b>551,366</b>	<b>0</b>	<b>46,650</b>	<b>19,961</b>	<b>27,411</b>	<b>645,388</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>645,388</b>
DEVELOPMENT MANAGEMENT	610,472	3,075			41,815	655,362			(207,000)			(207,000)	448,362
<b>DEVELOPMENT MANAGEMENT</b>	<b>610,472</b>	<b>3,075</b>	<b>0</b>	<b>0</b>	<b>41,815</b>	<b>655,362</b>	<b>0</b>	<b>0</b>	<b>(207,000)</b>	<b>0</b>	<b>0</b>	<b>(207,000)</b>	<b>448,362</b>
FORWARD PLANNING & COMMUNITY	193,316	750			5,153	199,219						0	199,219
<b>FORWARD PLANNING</b>	<b>193,316</b>	<b>750</b>	<b>0</b>	<b>0</b>	<b>5,153</b>	<b>199,219</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>199,219</b>
CORPORATE CENTRE	235,102	3,550			177,985	416,637		(21,000)				(21,000)	395,637
<b>CORPORATE &amp; DEMOCRATIC CORE</b>	<b>235,102</b>	<b>3,550</b>	<b>0</b>	<b>0</b>	<b>177,985</b>	<b>416,637</b>	<b>0</b>	<b>(21,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(21,000)</b>	<b>395,637</b>
INFORMATION TECHNOLOGY	183,674	700			53,183	237,557			(3,837)			(3,837)	233,720
CORPORATE OPERATING COSTS			15,140		131,991	147,131						0	147,131
ADMINISTRATION AND FINANCE	198,698				12,171	210,869						0	210,869
LEGAL					75,000	75,000						0	75,000
HUMAN RESOURCES	166,078	200			40,755	207,033						0	207,033
OFFICE ACCOMMODATION (PARKE)	17,098			131,988		149,086						0	149,086
OFFICE ACCOMMODATION (PRINCETOWN)				77,600		77,600					(26,229)	(26,229)	51,371
<b>CORPORATE SERVICES</b>	<b>565,548</b>	<b>900</b>	<b>15,140</b>	<b>209,588</b>	<b>313,100</b>	<b>1,104,276</b>	<b>0</b>	<b>0</b>	<b>(3,837)</b>	<b>0</b>	<b>(26,229)</b>	<b>(30,066)</b>	<b>1,074,210</b>
PROJECT FUND					75,000	75,000						0	75,000
<b>OTHER</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>75,000</b>	<b>75,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>75,000</b>
<b>TOTAL</b>	<b>3,669,144</b>	<b>14,800</b>	<b>63,508</b>	<b>282,695</b>	<b>1,043,089</b>	<b>5,073,236</b>	<b>(542,487)</b>	<b>(21,000)</b>	<b>(386,888)</b>	<b>(95,760)</b>	<b>(26,229)</b>	<b>(1,072,364)</b>	<b>4,000,872</b>

## Summary:

Gross Expenditure	5,073,236
Reserves	0
Income	(1,072,364)
Net Budget	4,000,872
National Park Grant	(3,825,865)
Deficit / (Surplus)	175,007

BUDGET 2025/26	Salaries	Travel	Transport	Premises	Projects: Supplies & Services	GROSS EXPENDITURE	Grants	Treasury	Fees & Charges	Sales	Rents & Other	INCOME	NET EXPENDITURE
	£	£	£	£	£	£	£	£	£	£	£	£	£
BIO-DIVERSITY	93,886	1,050			47,599	142,535				(8,891)		(8,891)	133,644
LAND MANAGEMENT	48,604	675			4,809	54,088			(176)			(176)	53,912
WOODLANDS					6,500	6,500						0	6,500
DARTMOOR HEADWATERS PROJECT	207,862				40	207,902	(179,096)					(179,096)	28,806
PEATLANDS	192,784				0	192,784	(192,784)					(192,784)	0
HILL FARM PROJECT	116,243				40	116,283	(94,208)					(94,208)	22,075
<b>NATURAL ENVIRONMENT</b>	<b>659,379</b>	<b>1,725</b>	<b>0</b>	<b>0</b>	<b>58,988</b>	<b>720,092</b>	<b>(466,088)</b>	<b>0</b>	<b>(176)</b>	<b>(8,891)</b>	<b>0</b>	<b>(475,155)</b>	<b>244,937</b>
ARCHAEOLOGY	144,045	1,100			40,929	186,074	(20,000)		(2,000)			(22,000)	164,074
BUILT ENVIRONMENT	50,502	200				50,702						0	50,702
UPPACOTT				19,174		19,174			(1,000)			(1,000)	18,174
<b>CULTURAL HERITAGE</b>	<b>194,547</b>	<b>1,300</b>	<b>0</b>	<b>19,174</b>	<b>40,929</b>	<b>255,950</b>	<b>(20,000)</b>	<b>0</b>	<b>(3,000)</b>	<b>0</b>	<b>0</b>	<b>(23,000)</b>	<b>232,950</b>
VISITOR FACILITIES	52,328	250		16,866	108,384	177,828			(151,000)			(151,000)	26,828
ACCESS & RECREATION	107,199	450			20,872	128,521						0	128,521
PROW	115,668				49,270	164,938	(43,000)					(43,000)	121,938
SUSTAINABLE TOURISM & TRANSPORT					4,400	4,400						0	4,400
<b>RECREATION MANAGEMENT</b>	<b>275,195</b>	<b>700</b>	<b>0</b>	<b>16,866</b>	<b>182,926</b>	<b>475,687</b>	<b>(43,000)</b>	<b>0</b>	<b>(151,000)</b>	<b>0</b>	<b>0</b>	<b>(194,000)</b>	<b>281,687</b>
VISITOR CENTRES	128,704	1,150		25,162	3,756	158,772						0	158,772
RETAIL	24,118				55,911	80,029				(85,000)		(85,000)	(4,971)
COMMUNICATIONS	152,292	550			44,742	197,584			(17,000)			(17,000)	180,584
EDUCATION	132,739	1,100	1,718		16,515	152,072			(4,875)			(4,875)	147,197
<b>PROMOTING UNDERSTANDING</b>	<b>437,853</b>	<b>2,800</b>	<b>1,718</b>	<b>25,162</b>	<b>120,924</b>	<b>588,457</b>	<b>0</b>	<b>0</b>	<b>(21,875)</b>	<b>(85,000)</b>	<b>0</b>	<b>(106,875)</b>	<b>481,582</b>
RANGERS	442,463		33,250	4,650	19,999	500,362						0	500,362
CONSERVATION WORKS SERVICE	127,351		13,900	16,281	7,550	165,082						0	165,082
<b>RANGERS, ESTATES &amp; VOLUNTEERS</b>	<b>569,814</b>	<b>0</b>	<b>47,150</b>	<b>20,931</b>	<b>27,549</b>	<b>665,444</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>665,444</b>
DEVELOPMENT MANAGEMENT	630,681	3,075			41,955	675,711	0		(207,000)			(207,000)	468,711
<b>DEVELOPMENT MANAGEMENT</b>	<b>630,681</b>	<b>3,075</b>	<b>0</b>	<b>0</b>	<b>41,955</b>	<b>675,711</b>	<b>0</b>	<b>0</b>	<b>(207,000)</b>	<b>0</b>	<b>0</b>	<b>(207,000)</b>	<b>468,711</b>
FORWARD PLANNING & COMMUNITY	201,366	750			5,160	207,276	0					0	207,276
<b>FORWARD PLANNING</b>	<b>201,366</b>	<b>750</b>	<b>0</b>	<b>0</b>	<b>5,160</b>	<b>207,276</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>207,276</b>
CORPORATE CENTRE	242,233	3,550			179,261	425,044		(22,000)				(22,000)	403,044
<b>CORPORATE &amp; DEMOCRATIC CORE</b>	<b>242,233</b>	<b>3,550</b>	<b>0</b>	<b>0</b>	<b>179,261</b>	<b>425,044</b>	<b>0</b>	<b>(22,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(22,000)</b>	<b>403,044</b>
INFORMATION TECHNOLOGY	195,556	750			44,686	240,992			(3,337)			(3,337)	237,655
CORPORATE OPERATING COSTS			15,140		136,610	151,750						0	151,750
ADMINISTRATION AND FINANCE	208,534				12,660	221,194						0	221,194
LEGAL					75,000	75,000						0	75,000
HUMAN RESOURCES	171,819	200			41,440	213,459						0	213,459
OFFICE ACCOMMODATION (PARKE)	17,629			134,104		151,733						0	151,733
OFFICE ACCOMMODATION (PRINCETOWN)				63,749		63,749					(28,179)	(28,179)	35,570
<b>CORPORATE SERVICES</b>	<b>593,538</b>	<b>950</b>	<b>15,140</b>	<b>197,853</b>	<b>310,396</b>	<b>1,117,877</b>	<b>0</b>	<b>0</b>	<b>(3,337)</b>	<b>0</b>	<b>(28,179)</b>	<b>(31,516)</b>	<b>1,086,361</b>
PROJECT FUND					75,000	75,000						0	75,000
<b>OTHER</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>75,000</b>	<b>75,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>75,000</b>
<b>TOTAL</b>	<b>3,804,606</b>	<b>14,850</b>	<b>64,008</b>	<b>279,986</b>	<b>1,043,088</b>	<b>5,206,538</b>	<b>(529,088)</b>	<b>(22,000)</b>	<b>(386,388)</b>	<b>(93,891)</b>	<b>(28,179)</b>	<b>(1,059,546)</b>	<b>4,146,992</b>

Summary:	
Gross Expenditure	5,206,538
Reserves	0
Income	(1,059,546)
<b>Net Budget</b>	<b>4,146,992</b>
National Park Grant	(3,902,382)
<b>Deficit / (Surplus)</b>	<b>244,610</b>

<b>2023/24 RESERVES: RISK BASED ANALYSIS</b>	<b>Risk Level</b>	<b>Rate</b>	<b>2023/24 Opening Balance</b> <b>£'000</b>
<b>Grants &amp; Contributions with Restrictions carried forward:</b>	N/A	Actual	(322)
<b>Budget Management Fund:</b>			
Employees - Maternity / Paternity Cover / Pay Awards	Medium	Est.	(117)
Costs & Awards: Appeals / Public Enquiries / Litigation	High	Est.	(180)
Invest to Save Fund	N/A	Actual	(34)
Loss of Income, Inflation or Price Increases	Medium	Est	(34)
Climate Change - Action Plan projects	N/A	Actual	(30)
2020/21 Outturn - to manage future budget deficits	N/A	Est.	(328)
<b>Capital</b>			
Property: Repairs & Maintenance (sinking fund)	Medium	Est.	(105)
Vehicles: Provision for future replacement of vehicles (sinking fund)	High	Actual	(127)
Capital Receipts Unapplied	N/A	Actual	(21)
<b>Known Commitments/Contracts</b>			
National Park Management Plan	Low	Est.	(26)
<b>Match Funding Reserve</b>			
Cash Flow management for externally funded projects	Medium	Actual	(176)
Dartmoor Foundation	Low	Est.	(200)
South West Peatland Partnership	Low	Est.	(125)
Dynamic Dartmoor Landscapes	Low	Actual	(100)
Unallocated fund balance	N/A	Actual	(174)
<b>General Reserve - Minimum amount to cover unanticipated costs / emergencies</b>	N/A	Actual	(500)
<b>Total Reserve Balance</b>			<b>(2,599)</b>

**GENERAL FUND RESERVE BALANCES**

Appendix 5 to Report No. NPA/23/010

GENERAL FUND RESERVE BALANCES	2022/23 Opening Balance	2022/23 Transfers Out	2022/23 Transfers within	2022/23 Transfers In	2022/23 Forecast Movements	2023/24 Forecast Movements	2024/25 Forecast Movements	2025/26 Forecast Movements	2025/26 Forecast Closing Balance	Notes
	£	£	£	£	£	£	£		£	
<b>Ringfenced External Grants &amp; Contributions with Restrictions</b>										
Hill Farm Project (Princes Countryside Fund)	(55,970)	55,970			0				0	Cash balances are carried forward at each year end as allocated to expenditure
Farming in protected landscapes	(11,084)	11,084			0				0	
Communities Fund Grant (from District Councils)	(95,567)				(95,567)				(95,567)	Cash balances are carried forward at each year end as allocated to expenditure
DCLG - Neighbourhood Planning Grant	(10,000)				(10,000)				(10,000)	Community planning referendums
DCLG - Unringfenced Grants	(84,940)				(84,940)				(84,940)	Planning support
Beacon Park affordable housing	0			(102,200)	(102,200)				(102,200)	
Donate for Dartmoor Balances (public donations)	(37,086)	26,500		(14,520)	(25,106)	25,106			0	Cash balances are carried forward at each year end as allocated to expenditure
Peatland Partnership	(98,755)		98,755		0				0	
Cave Shrimp (Glendinnings)	(6,000)	1,500			(4,500)	1,500	1,500	1,500	0	
Dartmoor Headwaters Project (Environment Agency)	0				0				0	Cash balances are carried forward at each year end as allocated to expenditure
Green Recovery Challenge Fund	(87,599)	87,599			0				0	
Moor Medieval book sales	(3,027)	3,027			0				0	
Natural England - Ground Truthing	(5,500)	5,500			0				0	
Defence infrastructure - River Tavey bridge feasibility	(5,000)	5,000			0				0	
<b>Budget Management Fund - Provisions (risk based)</b>										
Employees	(52,000)	33,411	(98,755)		(117,344)				(117,344)	See risk assessment for breakdown - pay award
Costs and Awards: Appeals/Public Enquiries/Litigation	(250,000)	70,000			(180,000)	60,000			(120,000)	See risk assessment for breakdown. Potential legal costs for backpack camping appeal.
Loss of Income and Inflation	(34,500)				(34,500)				(34,500)	See risk assessment for breakdown
Business Review transaction costs	0	33,000	(33,000)		0				0	
Invest to Save and / or Generate Projects	(33,733)				(33,733)				(33,733)	
Climate Change /Emergency Declaration	(50,000)	20,000			(30,000)				(30,000)	NPA/19/020
Annual Revenue Outturn and MTFP budget gaps	(360,523)		33,000		(327,523)	101,282	175,007	51,234	0	Budget gaps in years 2 & 3 to be met from savings or other unallocated balances if no increase NPG
<b>Capital Expenditure Fund</b>										
Vehicles - Sinking Fund - Replacement	(127,321)				(127,321)	11,920	15,689	26,553	(73,159)	CWT vehicle in 2023/24. Planned replacement of Ranger vehicles
Property - Sinking Fund - Repairs & Maintenance	(200,000)	94,895			(105,105)				(105,105)	Princetown repairs in 2022/23
<b>Known Commitments</b>										
National Park Management Plan	(25,590)				(25,590)				(25,590)	C/Fwd to be used as required
Conservation Volunteers - DNPA Commitment	(5,000)		5,000		0				0	C/fwd from 2019/20 to be used as match funding
Carbon Toolkit	(20,000)		20,000		0				0	
2021/22 Commitments to carry forward	(62,708)	62,708			0				0	C/fwd from 2021/22
<b>Capital Receipts Unapplied</b>	(20,769)				(20,769)	20,769			0	CWT vehicle in 2022/23
<b>Match Funding Reserve</b>										
Cash Flow management of external funding bids	(236,500)		60,000		(176,500)				(176,500)	To cover cash flow delay when claiming in arrears
Dartmoor Foundation	(120,000)		(80,000)		(200,000)	100,000	50,000	50,000	0	
South West Peatland Partnership	(125,000)				(125,000)				(125,000)	NPA/21/020
Green Recovery Challenge Fund - Changing Lives, Nurturing Nature	(22,000)	22,000			0				0	NPA/21/016
Dartmoor Dynamic Landscapes	0	22,500	(122,500)		(100,000)	100,000			0	
Unallocated fund balance	(291,570)		117,500		(174,070)			155,117	(18,953)	To cover MTFP year three gap
<b>Total Earmarked Reserves</b>	<b>(2,537,742)</b>	<b>554,694</b>	<b>0</b>	<b>(116,720)</b>	<b>(2,099,768)</b>	<b>420,577</b>	<b>242,196</b>	<b>284,404</b>	<b>(1,152,591)</b>	
<b>General Reserve (unallocated emergency reserve)</b>	<b>(500,000)</b>				<b>(500,000)</b>				<b>(500,000)</b>	
<b>Total General Fund Balance</b>	<b>(3,037,742)</b>	<b>554,694</b>	<b>0</b>	<b>(116,720)</b>	<b>(2,599,768)</b>	<b>420,577</b>	<b>242,196</b>	<b>284,404</b>	<b>(1,652,591)</b>	



NPA/23/011

## Dartmoor National Park Authority

3 March 2023

### Treasury Management and Investment Strategy 2023/24

#### Report of the Head of Business Support

**Recommendation: That the Authority approves and adopts the 2023/24 Treasury Management & Investment Strategy (Appendix 1)**

#### **1 Introduction**

- 1.1 In December 2021, the Chartered Institute of Public Finance and Accountancy (CIPFA) published a revised Code of Practice for Treasury Management and a revised Prudential Code. As a result, a revised Treasury Management Policy Statement together with a revised statement of 'Treasury Management Practices' (TMPs) was agreed by the Authority in March 2022. No changes are proposed to these policies for 2023/24.
- 1.2 The policy requires the Authority to consider a treasury strategy report, setting out the strategy and plans to be followed in the coming year, as part of the budget process. The Treasury Management Strategy for 2023/24 is set out at Appendix 1.

#### **2 Treasury Management and Investment Strategy – Key Points**

- 2.1 The Treasury Management and Investment Strategy sets out the minimum revenue provision (MRP) policy, capital expenditure funding, prudential indicators, the current treasury position, debt, and investments; prospects for interest rates; the borrowing strategy; and the investment strategy.
- 2.2 The key issues for 2023/24 are set out in the Treasury Management and Investment Strategy Overview section. These include:
  - a) Consideration of the need for prudent management of the Authority's cash resources in order to support the capital strategy and meet the Authority's strategic priorities.
  - b) The potential for higher investment income resulting from the increased level of interest rates.
- 2.3 In general, the strategy remains broadly similar to that for 2022/23, with no changes, for example, to the MRP policy, or approved counterparty criteria.

### **3 Conclusion**

- 3.1 The Authority's arrangements for treasury management continue to be maintained at a high standard. The Head of Business Support continues to consult with Devon County Council's Assistant County Treasury (Investments and Treasury Management) to investigate opportunities to maximise the Authority's investment income and will bring a report to the Authority for approval if changes to our practices are proposed.

ANGELA STIRLAND

**Attachments: Appendix 1 – Treasury Management and Investment Strategy**

20230303 AS Treasury Management

## **TREASURY MANAGEMENT AND INVESTMENT STRATEGY 2022/23**

### **1. Introduction**

The Authority has adopted the CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management in the Public Services. A revised Code of Practice was published by CIPFA in December 2021 and requires the Authority to approve a Treasury Management Policy Statement together with a statement of its 'Treasury Management Practices' (TMPs). No changes are proposed to these policies for 2023/24.

The policy requires the Authority to consider a treasury strategy report, setting out the strategy and plans to be followed in the coming year, as part of the budget process.

The Treasury Management Strategy sets out the Authority's policies in relation to:

- the management of the Authority's cashflows, its banking transactions;
- borrowing and investment strategies;
- monitoring of the level of debt and funding of the capital programme.

The Treasury Management Strategy should be read in conjunction with the Capital Strategy.

The Authority is required to monitor its overall level of debt in line with the national code of practice drawn up by CIPFA. Part of this code requires consideration of a set of "prudential indicators" in order to form a judgement about the affordable, prudent and sustainable level of debt.

The prudential indicators, treasury management strategy and the annual investment strategy have been reviewed in line with the Capital Programme 2023/24 – 2025/26, and the Capital Strategy.

This Treasury Management Strategy document sets out:

- Minimum revenue provision;
- Capital expenditure funding;
- Prudential indicators on the impact of capital financing and monitoring of the level and make-up of debt;
- The current treasury position, debt and investments;
- Prospects for interest rates;
- The borrowing strategy; and
- The investment strategy.

### **2. Treasury Management and Investment Strategy Overview**

The Treasury Management and Investment Strategy sets out the MRP policy, capital expenditure funding, prudential indicators, the current treasury position, debt and investments; prospects for interest rates; the borrowing strategy; and the investment strategy.

### 3. External Borrowing

The Authority has always followed a policy of containing the capital programme and not taking out external borrowing. Capital expenditure new starts are limited to those that are financed from sources other than external borrowing. To meet the need for capital expenditure, the highest priority schemes across the Authority are funded from capital receipts and internal borrowing over the capital programme timescale. As the Authority is debt free it has no plans to borrow.

### 4. Target Rates for Investment

For the 2023/24 financial year it has been assumed that the average interest rate earned on lending to banks and building societies will be 3.0% p.a. The target rate takes into account the significant increases in the Bank of England's base rate during 2022, but also reflects the forecast lower existing investments at lower rates that will continue into the 2023/24 financial year.

### 5. Minimum Revenue Provision

Minimum Revenue Provision (MRP) is a charge to the Authority's revenue accounts to make provision for the repayment of external debt and internal borrowing. The Authority has a statutory obligation to charge the revenue account an annual amount of MRP. Although the Authority has no external debt or borrowing.

### 6. Capital Expenditure

The Authority rarely has a capital programme; capital spend is commonly of a small-scale nature such as related to the acquisition of vehicles or IT. For any larger schemes, the Authority receives a specific report to support the decision making. The Authority's capital programme for the current MTFP period is set out below:

<b>Project</b>	<b>2023/24 £</b>	<b>2024/25 £</b>	<b>2025/26 £</b>
Replacement Vehicles (CWT)	23,000	0	0
<b>Total</b>	<b>23,000</b>	<b>0</b>	<b>0</b>

<b>Funded From</b>	<b>£</b>	<b>£</b>	<b>£</b>
Capital Receipts	23,000	0	0
<b>Total</b>	<b>23,000</b>	<b>0</b>	<b>0</b>

### 7. Prudential Indicators

**Capital Financing Requirement** - this represents the Authority's underlying debt position, showing how the previous and future spend for capital purposes has been or will be financed by borrowing or entering into other long-term liabilities.

**Authorised Limit** for total external debt - this represents the level at which the Authority is able to borrow and enter into long term liabilities. Additional borrowing beyond this limit is prohibited without Authority approval. The Authorised limit is currently set to £500,000.



**Operational Boundary** - this is based on the anticipated level of external debt needed during the year. Variations in cash flow may lead to occasional, short term breaches of the operational boundary that are acceptable. Sustained breaches would be an indication that there may be a danger of exceeding authorised limits. The Operational Boundary is currently set at £500,000.

**Underlying Borrowing Requirement to Gross Debt** - the Authority needs to ensure that its gross debt does not, except in the short term, exceed the Capital Financing Requirement.

**Liability Benchmark** – This takes the capital financing requirement, and the forecast level of reserves and balances, and assumes that cash and investment balances should be kept to a minimum level at each year end to maintain sufficient liquidity but minimise credit risk. As the Authority currently has no capital finance requirements this is not required.

**Ratio of Financing Costs to Net Revenue Stream** - this shows the relationship between Capital Financing Costs and the net Revenue Stream.

## 8. Treasury Management Prudential Indicators

These relate to the fixed and variable rates of interest on loans and borrowings. As the Authority does not have any external borrowing, these indicators do not apply.

## 9. Monitoring the Indicators

It is important to monitor performance against forward looking indicators and the requirement that borrowing should only be for capital purposes. If we had borrowing, it would be monitored daily against the operational boundary and authorised limit. If these limits were to be breached, a report would be brought to the Authority outlining what action would be necessary to prevent borrowing exceeding the limit and the impact on the revenue budget. The indicators for capital expenditure, capital financing requirement, capital costs and the treasury management indicators are monitored monthly if they apply. Any significant variations would be reported to the Authority.

## 10. Analysis of Long Term Debt

The Authority has no long term debt.

## 11. Schedule of Investments

At the time of writing this report all the Authority's working capital was being held in its bank accounts and in a Barclays Treasury Deposit Account. The Authority's fixed rate investments as at 31st January are:

Bank	Maturing in	Current 31.01.23	Interest Rate %
Barclays – term deposits	< 365 days	£1,500,000	0.90

The annual investment returns history and current position is set out below.

<b>2015/16 Actual</b>	<b>2016/17 Actual</b>	<b>2017/18 Actual</b>	<b>2018/19 Actual</b>	<b>2019/20 Actual</b>	<b>2020/21 Actual</b>	<b>2021/22 Actual</b>	<b>2022/23 Forecast</b>
£19,162	£17,950	£10,616	£23,505	£23,726	£5,488	£386	£14,400

The Authority's cash balance available for investment varies during the year, with the balance building up on a quarterly basis when we receive National Park Grant; it then tapers down at the end of each quarter and towards the end of the financial year. It is anticipated that long term cash balances available for investment on 31 March 2023 will be circa £2 million.

The recent investment performance of the Authority's cash has improved as a result of rising interest rates, as the Bank of England has sought to contain inflation. The Bank of England has raised base rates from 0.25% at the beginning of 2022 to 3.5% in December, the highest level for 14 years. This has had an impact on the rates available for investment, which have gradually increased over the period since December 2021.

The average rate achieved on investments has therefore improved during the year as Term deposits carried forward from earlier periods have matured and been reinvested at higher rates, where cashflow has allowed.

## **12. Prospects for Interest Rates**

Forecasting future interest rate movements even one year ahead is always difficult, and the current economic environment and recent volatility in rates has exacerbated this. The factors affecting interest rate movements are clearly outside the Authority's control. Whilst short term rates are influenced by the Bank of England's Base Rate, long-term rates are determined by other factors, e.g. the market in Gilts.

Global instability and rising inflation have resulted in a significant increase in interest rates during 2022. The Bank of England has increased the Bank Rate on 8 occasions during 2022 taking it from 0.25% at the beginning of the year to 3.5% in December.

Market expectations are that rates will continue to increase during 2023, with the Bank of England seeking to achieve a sustainable return of inflation to target levels. The expectation is that the base rate will peak at a level of between 4.5% and 5%. The Bank of England also forecasts negative growth of -1.5% in 2023 and -1% in 2024, representing a long and deep recession. Therefore, once inflation has been brought under control the expectation is that rates will then fall to encourage growth.

The following table outlines current expectations for movements in the base rates. These rates can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment, particularly given the uncertain times we are currently experiencing. Such volatility could occur at any time during the forecast period.

<b>Base Rate forecasts</b>	<b>Dec (act) 2022</b>	<b>March 2023</b>	<b>June 2023</b>	<b>Sep 2023</b>	<b>Dec 2023</b>	<b>March 2024</b>	<b>June 2024</b>	<b>Sep 2024</b>
Link Asset Service	3.50%	4.25%	4.50%	4.50%	4.50%	4.00%	3.75%	3.50%
Capital Economics	3.50%	4.50%	4.50%	4.50%	4.50%	4.25%	4.00%	3.50%

When budgeting for interest receipts a prudent approach has been adopted to ensure that, as far as is possible, the budget will be achieved.

### **13. Borrowing and Debt Management Strategy 2023/24 – 2025/26**

As the Authority is debt free and has no current plans to borrow, there is nothing to report under this heading.

### **14. Investment Strategy 2023/24 – 2025/26**

The Authority continues to adopt a very prudent approach to its investments. The investments will be “Specified Investments” as defined by the Department for Levelling Up, Housing and Communities (DLUHC). The lending policy is kept under constant review with reference to strict criteria for inclusion in the counterparty list. The Treasury Management Strategy will continue to be set to ensure a prudent and secure approach.

The Authority is required under the guidance in the CIPFA Treasury Management Code of Practice to approve an Annual Investment Strategy. The overall aims of the Authority’s strategy continue to be to:

- Limit the risk to the loss of capital;
- Ensure that funds are always available to meet cash flow requirements;
- Maximise investment returns, consistent with the first two aims; and
- Review new investment instruments as they come to the Local Authority market, and to assess whether they could be a useful part of our investment process.

**The overriding objective will be to invest prudently, with priority being given to security and liquidity before yield.**

Under the Markets in Financial Instruments (MiFID II) directive, local authorities are now classed as retail clients by the Financial Conducts Authority (FCA). This has implications for the range of investments that are available to local authorities. While bank and building society deposits are unaffected by the regulations, some banks have determined that they will only take term deposits from professional clients and a range of alternative forms of investments are only available to professional clients. However, if the local authority meets the criteria set by the FCA, then it can apply to be “opted up”. The Authority does not meet the criteria to do so.

## Specified Investments

Specified Investments will be those that meet the criteria in the MHCLG Guidance i.e. the investment:

- Is sterling denominated;
- Has a maximum maturity of 1 year;
- Meets the “high credit quality” as determined by the Authority or is made with the UK government or is made with a local authority in England, Scotland, Wales or Northern Ireland or a parish or community council;
- The making of which is not defined as capital expenditure under section 25(1)(d) in SI 2003 No 3146 (i.e. the investment is not loan capital or share capital in a body corporate).

Specified investments will include bank and building society deposits. Security is achieved by the creation of an ‘Approved list of Counterparties’. These are the banks, building societies, money market funds and other public bodies with whom we are prepared to deposit funds. In preparing the list, a number of criteria will be used not only to determine who is on the list, but also to set limits as to how much money can be placed with them, and how long that money can be placed for.

Banks are expected to have a high credit rating. The Authority uses the ratings issued by all three of the major credit rating agencies, Fitch, Moody’s and Standard & Poor’s, made available to the Authority via Devon County Council’s Assistant County Treasurer (Investments and Treasury Management), who monitors them daily and advises the Authority accordingly.

The lowest rating published by any of the agencies is used to decide whether an institution is eligible for inclusion. Where the counterparty is only rated by two of the major ratings agencies, the lowest rating published by either of the two is used. This rating also determines the maximum amount which can be loaned to an individual counterparty. Overseas banks that meet the criteria are included from countries with an ‘AAA’ Sovereign rating. The time length of all deposits with financial institutions will be managed prudently, taking account of the latest advice from Devon County Council’s Assistant County Treasurer (Investments and Treasury Management). The Authority’s investments will continue to be in bank deposits.

The ‘Approved List of Counterparties’ specifies individual institutions and is formally reviewed at least monthly. Notification of credit rating downgrades (or other market intelligence) is acted upon immediately, resulting in any further lending being suspended.

## Counterparty Approved List criteria

Counterparty Type		Fitch	Moody’s	Standard & Poor’s
UK Banks	Not below	A- & F1	A3 & P-1	A- & A-1
UK Building Societies	Not below	A- & F1	A3 & P-1	A- & A-1
Overseas Banks	Sovereign rating of	AAA	Aaa	AAA
	And not below	A- & F1	A3 & P-1	A- & A-1
Other Local Authorities		N/A	N/A	N/A

Where the short term rating of a counterparty is one notch below the stated criteria, but the counterparty meets the long-term rating criteria, they may still be used, subject to the advice provided by Devon County Council, who will take into account a range of other metrics in arriving at their advice. The credit ratings shown in the table for banks and building societies allow for greater sensitivity in recognising counterparty risk. Liquidity in investments is the second key factor in determining our strategy. Funds may be earmarked for specific purposes or may be general balances and this will be a consideration in determining the period over which the investment will be made. All known short-term commitments are covered before lending for over 1 month. Where cash is expected to be available long-term (up to a year) the Authority will maximise the length of time for the deposit to obtain the best interest rate possible.

### **Non-Specified Investments**

Non-specified investments are those that do not meet the criteria detailed above, but are intended to be a longer-term investment, generating a higher yield, but with a slightly higher degree of risk e.g. investment in commercial property. The Authority has no non-specified investments.

### **Interest Rate Targets**

For the 2023/24 financial year it has been assumed that the average interest rate earned on short-term lending (to the bank) will be 1.70% p.a. The target rate takes into account the significant increases in the Bank of England base rate announced during 2022, but also reflects existing investments at lower rates that will continue into the 2023/24 financial year.

The expectation is that interest rates are likely to increase further during 2023, but are then likely to fall back once inflation is under control.

### **Investments that are not part of Treasury Management**

The revised Code requires the Authority to report on investments in financial assets and property that are not part of treasury management activity, but where those investments are made primarily to achieve a financial return. The Authority does not currently have a policy of making commercial investments outside of its treasury management activity, for both financial and legal reasons. Any capital investment made or held is for the purposes of delivering operational services and must be in accordance with National Park Purposes.

### **Performance**

The primary aim of the Treasury Management Strategy is to maximise interest receipts over the long term, whilst achieving annual budgets, without taking any undue risk.