



YORKSHIRE DALES
National Park Authority

YORKSHIRE DALES NATIONAL PARK AUTHORITY

STATEMENT OF ACCOUNTS

2014/2015

STATEMENT OF ACCOUNTS


Explanatory Foreword

INTRODUCTION

1. The Yorkshire Dales National Park Authority (the Authority) was constituted on 1 April 1997 under the Environment Act 1995, and took over the responsibilities previously undertaken by North Yorkshire County Council through its Yorkshire Dales National Park Committee.
2. The Authority's role is clearly defined in Parliament by two statutory purposes:
 - To conserve and enhance the natural beauty, wildlife and cultural heritage of the National Park, and
 - To promote opportunities for the understanding and enjoyment of the special qualities of the area by the public.
3. In performing the above the Authority is also required to foster the economic and social well-being of local communities within the National Park.
4. The management and direction of the Authority is determined by the National Park Management Plan which is developed along with partner organisations within the Park on a five year cycle. It can be found on our website under:

www.yorkshiredales.org.uk – 'About us', 'Looking After', 'Management Plan'.

5. The Corporate Plan is developed from the National Park Management Plan to implement the objectives in the latter; and then further into an annual action plan. Both documents can be found on our website under:

www.yorkshiredales.org.uk – 'About us', Click on the arrow ▼ to the left of the blue box  and select 'How We Work', scroll down and click on 'Corporate Plan Published'

6. The Authority's achievements against objectives are reported annually. Reports for 2014/15 will be available shortly and will be found on our website under:

Paper: NPMP Annual Progress Report

www.yorkshiredales.org.uk – go to: 'About us', 'Committee Meetings', 'National Park Authority', search for the appropriate year and the above report will be in the June papers.

Paper: Review of Authority Performance

www.yorkshiredales.org.uk – go to: 'About us', 'Committee Meetings', 'Audit and Review Committee', search for the appropriate year and the above report will be in the July papers.

7. The membership of the Yorkshire Dales National Park Authority is set out in legislation (Environment Act 1995). The overall role of the twenty two Members is to ensure the Authority fulfils National Park Purposes and does so in a way that best reflects the special qualities of the Park.

Members have a duty to achieve the efficient, effective and accountable governance of the organisation in the best interests of the National Park, and to provide leadership, scrutiny and direction in pursuing the aim of sustainable development – balancing and integrating environmental, social and economic considerations.

- Twelve Members are appointed from the local County Councils (North Yorkshire and Cumbria) and District Councils (Craven, Richmondshire and South Lakeland)
- Ten Members are appointed by the Secretary of State, of these ten, six are 'national' appointments, in recognition of the national status of the area, and four represent the parishes in the National Park.

Details about our Members can be found on our website under:

- www.yorkshiredales.org.uk – go to: 'About us', 'Meet the Members'

8. Details of our various committees and reports from those committees can be found on our website under:

- www.yorkshiredales.org.uk – go to: 'About us', 'Committee Meetings'

9. In 2014/15 the Authority employed 127 full and part time staff (75 female and 52 male)

10. Included in the above staff numbers were 5 Directors or Senior Managers, (2 females and 3 males)

11. The Authority's accounts for the year ended 31 March 2015 are presented in the format laid down in the Code of Practice on Local Authority Accounting in the United Kingdom: 2014/15 ('The Code') by the Chartered Institute of Public Finance and Accountancy (CIPFA) and approved by the Accounting Standards Board.

The Statements included in the accounts are as follows:

- a) Explanatory Foreword** – the purpose of this is to indicate the most significant matters impacting on the Authority's financial position. In particular it shows the Authority's performance against budget for the financial year and the resources used.
- b) Movement in Reserves Statement** – this shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' and other reserves. The Surplus on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. The net increase/decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance

before any discretionary transfers to or from earmarked reserves undertaken by the Authority.

- c) **Comprehensive Income and Expenditure Statement** - which shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices. It shows income receivable and expenditure incurred in the year by the Authority in order to undertake its activities and services. It includes gains or losses which do not arise out of the operation of the Authority's activities and includes adjustments relating to the revaluation of assets or actuarial valuation of the pension fund assets and liabilities.
- d) **Balance Sheet** – this shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories, the first being usable reserves that may be used to provide services subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second being reserves that cannot be used to provide services. This includes reserves that hold unrealised gains and losses (such as the revaluation reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement of Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.
- e) **Cash Flow Statement** – this shows the change in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generated and used cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of grant income or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery.

12. These accounts are supported by a statement of Accounting Policies detailing the basis upon which the accounts have been prepared, estimation techniques used and supplementary notes which provide further information on the figures stated in the accounting statements.

13. The tables in this document are prepared in spread sheets and are rounded to one decimal place; this can cause slight rounding differences in the table totals.

14. **Annual Governance Statement** – the statement sets out the framework for financial control and corporate governance which the Authority has in place to ensure that its business is conducted in accordance with the law and proper standards and that public money is safeguarded. It is provided at the end of this document but does not form part of the Statement of Accounts.

15. The Authority is an admitted body to the North Yorkshire Pension Fund.

Change in net position on the Local Government Pension Scheme (LGPS)

Members' attention is drawn to Note 17, which discloses the status of the Authority's overall liability in relation to its participation in the LGPS. As at 31 March 2015, the net liability (assets minus liabilities) stood at **£4.996m**, an increase in the liability of **£2.217m** on the previous year's value (£2.779m).

There are a number of reasons why the deficit has increased:

- Assets increased in real terms by £3.058m, exceeding the Actuary's expected return of £2.064m. This was due to the strength of financial markets, supplemented by outperformance of the Fund's investment managers;
- Liabilities increased by £5.275m, which includes £4.144m due to changes in financial assumptions. Bond yields are used to value liabilities, and a lower yield as at 31 March 2015 compared to the previous year has resulted in a significantly higher liability valuation;
- Other factors such as inflation and life expectancy also affect the value of liabilities but the effect this year has been relatively small;
- Although the organisation's pension liabilities will be paid out over many years into the future, accounting rules require that the value is based on bond yields on the last day of the financial year. Yields have been very volatile recently, and have fallen to historically low levels.

SUMMARY OF REVENUE SPENDING

16. The main components of the budget for 2014/15 and a comparison with the actual position are set out overleaf. These figures are prior to the reallocation of corporate costs as required by the Service Reporting Code of Practice for Local Authorities (SERCOP) and charges for the use of assets. The figures reconcile to the annual outturn. A segmental analysis is included in Note 19 reconciling the Outturn to the Comprehensive Income and Expenditure Statement.

Outturn Summary of Revenue Spending

	2014/15 Budget £000	2014/15 Actual £000	2014/15 Variance £000
Expenditure			
Conservation of Natural Environment	584.8	593.2	(8.5)
Conservation of Cultural Heritage	220.0	182.4	37.6
Recreation Management	1467.7	1313.1	154.6
Promoting Understanding	1158.8	1134.9	23.9
Rangers, Estate Services & Volunteers	368.7	364.3	4.5
Development Control	524.4	535.2	(10.8)
Forward Planning	315.2	179.2	136.0
Corporate Management	1453.1	1409.2	43.9
	<hr/>	<hr/>	<hr/>
Total Expenditure	6092.7	5711.5	381.3
Income			
Conservation of Natural Environment	31.4	50.7	(19.3)
Conservation of Cultural Heritage	87.9	77.4	10.5
Recreation Management	941.7	843.0	98.7
Promoting Understanding	344.3	381.2	(36.9)
Rangers, Estate Services & Volunteers	10.4	8.9	1.4
Development Control	174.0	149.0	25.0
Forward Planning	12.0	12.0	0.0
Corporate Management	181.6	178.7	2.9
	<hr/>	<hr/>	<hr/>
Total Income	1783.2	1700.9	82.4
	<hr/>	<hr/>	<hr/>
Net Expenditure	4309.5	4010.6	298.9
Financed By:			
National Park Grant	4142.4	4142.4	0.0
Balance (from)/to reserves	167.1	(131.8)	(298.9)
	<hr/>	<hr/>	<hr/>
	4309.5	4010.6	(298.9)

The Authority has reported an apparent net favourable variance against budget of **£299k** in 2014/15. However, this is in part a product of accounting treatment, the most notable point being that a number of projects, totalling (**£276k**), will be carried forward for completion in 2015/16.

Further movements of items not reflected above at 31/3/15 are outlined in the reconciliation within the 'Segment Reporting' note on page 43.

The useable reserves balance stands at **£2002.3k** and consists of **£275.5k** Carry Forward Budgets; **£140.0k** Opportunities Fund for 2015/16; **£415.0k** provisionally allocated to 2016/17 and 2017/18 & 2018/19 Opportunities Funds; **£150.0k** Operational Risk Reserve; **£130.0k** Property Reserve; **£161.8k** Future Years Reserve (of which £74k will be used against 2015/16 budgets); **£441.0k** Reorganisation Reserve, and **£289k** Strategic Reserve which will potentially be used against budgets in 2016/17 to 2018/19.

17. Revenue Working Balance: The Authority seeks to maintain a permanent balance sheet reserve as a contingency against unexpected events, in line with advice from the Audit Commission. At present, the Authority has a target objective for the level of this contingency reserve to be no lower than 5% of the DEFRA Core Grant, which is met by the current level of the contingency reserve (**£204.0k**).

18. The Authority transfers any unallocated surpluses on its projects or programmes during the year to reserves; out of these reserves £200.0k was allocated to the Opportunities Fund which is used to fund additional project or programme costs, or to provide a source of matched funding for new externally funded projects.

19. Current Economic Climate: The Authority is funded mainly by a DEFRA Core Grant. Grant for 2015/16 has been confirmed but with an interim budget due in July 2015 the expected grant could potentially be reduced in year. We have no indicative grant figures as yet from DEFRA for any period beyond 2015/16. The following table shows the impact of the reduction from 2010/11 (when the budget reductions started) and to future funding **in cash terms**; ignoring inflation.

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	£000	£000	£000	£000	£000	£000
DEFRA Core Grant Allocation	5,472	5,108	4,818	4,528	4,238	4,070
Sustainable Development Fund	200	0	0	0	0	0
Cumulative Reduction £	(274)	(564)	(854)	(1,144)	(1,434)	(1,602)
Cumulative Reduction %	5.0%	9.9%	15.1%	20.2%	25.3%	28.2%

The Authority met the reduced central funding in 2014/15 by:

- paring back further on project and overhead spending;
- pursuing grant income, sponsorship and fees income from other sources;
- Renewable Heat Incentive and Feed in Tariff income created by the solar panels and biomass boilers;

Reserves are held by the Authority, and are used for capital works, and to provide an Opportunities Fund. The current reserves are adequate for an organisation of this size, and are high enough to withstand the short term volatility of our projected income deficits. Long term the Authority will not be able to maintain the current programmes using the reserves to top up the shortfall so will be dependant on our ability to attract external income.

The Authority does not currently require any borrowing to finance its capital works.

20. Future Funding: The Authority is taking a more commercial approach to raising funds to continue the project work within the Park. In 2014/15 the Authority made savings and brought in additional income of £161.3k; this is an approach the Authority has purposely adopted in the light of reduced central funding from DEFRA.

21. Major Capital Investments:

- The Dales Countryside Museum refurbishments project which was started in 2013/14 continued on into the early part of 2014/15 and is now complete.

22. Provisions and Contingencies:

- Swaledale Barns and Walls Legacy (**105.9k**); this provision has been earmarked to be spent in 2015/16 to 2017/18 if matched funding can be found externally.

CHANGES IN ACCOUNTING POLICIES AND PRESENTATION OF THE ACCOUNTS

23. The policies are set out formally in the Statement of Accounting Policies. The policies adopted in 2014/15 are compliant with the Code of Practice on Local Authority Accounting in the United Kingdom: 2014/15.

24. There have been no changes in policy, but there is a restatement of the revaluation reserve which can be found in note 13. This restatement reflects what the revaluation reserve would have been at 31 March 2014 using the calculations in the 2014/15 model. Revaluations were understated by £484k in 2013/14, being a balance of £1423.5k against a reported balance of £939.9k. There is no 'cash' impact on the Authority; it is merely a book calculation which is reversed out of the Income and Expenditure Statement into the Capital Adjustment Account, with a corresponding entry in the Revaluation Reserve in the Balance Sheet.

RICHARD BURNETT

TREASURER TO THE YORKSHIRE DALES NATIONAL PARK AUTHORITY

Finance Department, Yorkshire Dales National Park Authority, Yoredale, Bainbridge, Leyburn, North Yorkshire, DL8 3EL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YORKSHIRE DALES NATIONAL PARK AUTHORITY

Opinion on the Authority financial statements

We have audited the financial statements of Yorkshire Dales National Park Authority for the year ended 31 March 2015 under the Audit Commission Act 1998. The financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 30. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

This report is made solely to the members of Yorkshire Dales National Park Authority in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 48 of the Statement of Responsibilities of Auditors and of Audited Bodies published by the Audit Commission in March 2010. Our audit work has been undertaken so that we might state to the Authority those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Treasurer and auditor

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the Treasurer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Treasurer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the explanatory foreword to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of Yorkshire Dales National Park Authority as at 31 March 2015 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

Opinion on other matters

In our opinion, the information given in the explanatory foreword for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007;
- we issue a report in the public interest under section 8 of the Audit Commission Act 1998;
- we designate under section 11 of the Audit Commission Act 1998 any recommendation as one that requires the Authority to consider it at a public meeting and to decide what action to take in response; or
- we exercise any other special powers of the auditor under the Audit Commission Act 1998.

We have nothing to report in these respects

Conclusion on Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources

Respective responsibilities of the Authority and the auditor

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

We report if significant matters have come to our attention which prevent us from concluding that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our audit in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria, published by the Audit Commission on 13 October 2014, as to whether the Authority has proper arrangements for:

- securing financial resilience; and
- challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2015.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Conclusion

On the basis of our work, having regard to the guidance on the specified criteria published by the Audit Commission on 13 October 2014, we are satisfied that, in all significant respects, Yorkshire Dales National Park Authority put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2015.

Certificate

We certify that we have completed the audit of the accounts of Yorkshire Dales National Park Authority in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.



Christopher Powell FCA (Engagement Lead)
For an on behalf of Deloitte LLP
Appointed Auditor
Leeds, United Kingdom
29 September 2015

Statement of Responsibilities for the Statement of Accounts

The Authority is required:

- a) to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. For the Authority, that officer is the S151 Treasurer.
- b) to manage its affairs to secure the economic, efficient and effective use of resources and to safeguard its assets; and
- c) to approve the Statement of Accounts.

The S151 Treasurer is responsible for the preparation of the Authority's Statement of Accounts, in accordance with proper practices set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code of Practice').

In preparing the statement of accounts, the S151 Treasurer has:

- a) selected suitable accounting policies and applied them consistently;
- b) made judgements and estimates that were reasonable and prudent, and;
- c) complied with the Code

The S151 Treasurer has also:

- a) kept proper accounting records that were up to date; and
- b) taken reasonable steps for the prevention and detection of fraud and other irregularities

CERTIFICATE OF THE S151 TREASURER

I certify that the Statement of Accounts presents a true and fair view of the financial position of the Yorkshire Dales National Park Authority at the accounting date and the income and expenditure for the year ended 31 March 2015.



R Burnett
S151 Treasurer
Yorkshire Dales National Park Authority

29 September 2015

Notes to the Accounts

1. General

The Statement of Accounts summarises the Authority's transactions for the 2014/15 financial year and its position at the year end of 31 March 2015. It has been prepared in accordance with the statutory framework established for England by the 'Accounts and Audit (England) Regulations 2011', which require accounts to be prepared with proper accounting practices. These practices comprise the 'Code of Practice on Local Authority Accounting in the United Kingdom 2014/15' and 'Service Reporting Code of Practice 2014/15' supported by International Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2011 Act.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non current assets and financial instruments.

2. Accruals of Income and Expenditure

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

- Revenue from sales of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Supplies are recorded as expenditure when they are consumed; where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received are recorded as expenditure when the services are received rather than when the payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

3. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

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

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

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

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

5. Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year:

- depreciation attributable to the assets used by the relevant service; and
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which losses can be written off.
- Revaluation gains are credited to the Revaluation Reserve except where there has been a previous loss written off

Depreciation, revaluation and impairment losses are replaced by the contribution in the General Fund Balance by way of an adjusting transaction within the Capital Adjustment Account in the Movement in Reserves Statement. This is the Minimum Revenue Provision.

6. Employee Benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include benefits such as salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An

accrual is made for the cost of any type of leave entitlements earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but is then reversed out through the Movement in Reserves Statement so that such benefits are charged to revenue in the financial year in which such absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the service lines in the Comprehensive Income and Expenditure Statement when the Authority is demonstrably committed to the termination of the employment of an officer or group.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the pensions reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at year-end.

7. Post Employment Benefits

Employees, subject to certain qualifying criteria, are eligible to join the North Yorkshire Local Government Pension Scheme, administered by North Yorkshire County Council, which provides Members with defined benefits earned as employees working for the Authority.

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- The liabilities of the pension fund attributable to the Authority are included in the balance sheet on an actuarial basis using the projected unit method - i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc., and projections of earnings for current employees.
- The assets are included in the Balance Sheet at fair value;
 - quoted securities at current bid price;
 - unquoted securities at professional estimate;
 - unitised securities at current bid price;
 - property at market value;

- The change in the net pensions liability is analysed into seven components;
 - current service cost – the increase in liabilities as a result of years of service earned this year, allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
 - past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years, debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;
 - interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
 - expected return on assets – the annual investment return on the fund assets attributable to the Authority, based on an average of the expected long-term return, credited to the Financing & Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
 - gains or losses on settlements and curtailments – the results of actions to relieve the Authority of liabilities or events that reduce the expected future service or accrual of benefits of employees, debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;
 - actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions, debited to the Pensions Reserve; and
 - contributions paid to the North Yorkshire Local Government Pension Scheme – cash paid as employers contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

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

8. Financial Instruments

Financial Instruments are formally defined within The Code as contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The term financial instrument covers both financial assets and financial liabilities and covers both the most straightforward financial

assets and liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives.

Accounting policies have been applied in line with The Code for Financial Instruments.

Treasury Management

The Authority has an arrangement with North Yorkshire County Council whereby the balance of the Authority's bank account is merged each day with the balances of the County Council and several other organisations. These balances are then invested by North Yorkshire County Council and interest is paid to the Authority based on the actual overall rate achieved.

9. Grants

Grants are assistance in the form of transfers of resources to the Authority in return for past or future compliance with certain conditions relating to the operation of activities. Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is a reasonable assurance that:

- the Authority has complied with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Authority are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contributions have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet. When conditions are satisfied, the grant or contribution is credited to the relevant service line or Non Specific Grant Income in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

10. Inventories

Inventories are included in the Balance Sheet at the lower of cost price and net realisable value.

11. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

The leases are assessed on the length and value of the lease, the responsibilities for maintenance and insurance, and the ability to purchase the asset at a reduced value at the end of the lease. All Authority leases have been classed as operating leases under the rules in IFRS standards on Leasing –IAS 17.

The Authority as a Lessee

The Authority has entered into leasing arrangements that are defined by The Code as operating leases. In these cases the rentals payable are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight line basis over the life of the lease.

The Authority as a Lessor

Where the Authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight line basis over the life of the lease.

12. Overheads and Support Services

The costs of overheads and support services are charged to those service lines that benefit from the supply or service in accordance with the costing principles of the CIPFA Service Reporting Code of Practice (SERCOP). The total absorption costing principle is used, in which the full cost of overheads and support services are shared between users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core – costs relating to the Authority’s status as a multi-functional, democratic organisation.
- Non-Distributed Costs – past employment retirements costs and impairment losses chargeable on Assets Held for Sale.

These two cost categories are defined in the SERCOP and accounted for as separate headings in the Comprehensive Income & Expenditure Statement, as part of Net Expenditure on Continuing Services.

13. Property Plant & Equipment

Assets that have a physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably.

Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential, i.e. repairs and maintenance, is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising;

- the purchase price; and
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The cost of an asset acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have a commercial substance. Where the asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority.

Donated assets are initially valued at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the balance sheet at depreciated historical cost or existing use value.

Property Plant and Equipment is valued on the basis required by CIPFA in accordance with the Statements of Asset Valuation Principles and Guidance notes issued by The Royal Institution of Chartered Surveyors (RICS). Bruton Knowles valued the Authority's land and buildings as at 31 March 2013; a full revaluation is required at least every five years.

A desktop valuation was carried out by Bruton Knowles as at 31 March 2015, and the change in asset values was under the materiality value so land and buildings are deemed to be held at fair value.

Assets are classified into the groupings required by the 2014/15 Code of Practice on Local Authority Accounting in the United Kingdom.

- Land, operational properties and other operational assets are included in the balance sheet at the lower of the net current replacement cost or existing use value, net of depreciation.

Assets included in the Balance Sheet at fair value are re-valued where there have been any material changes in the value, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of an impairment loss previously charged to the revenue account.

On an annual basis all assets are reviewed for evidence of impairment (a decline in their realisable value due to specific events) by suitably qualified property professionals in line with the guidance in The Code. Where impairment is identified as part of this review or as a result of a valuation exercise, this is accounted for as follows:

- Where attributable to the clear consumption of economic benefits – the loss is charged to the Comprehensive Income and Expenditure Statement: or
- Otherwise – written off against any revaluation gains attributable to the relevant asset in the Revaluation Reserve, with any excess charged to the Comprehensive Income and Expenditure Statement

Impairments on revalued assets are recognised in the Revaluation Reserve to the extent that the impairment does not exceed the amount in the Revaluation Reserve for the same asset and thereafter in the Comprehensive Income and Expenditure Statement.

De-Minimus

Single assets below the value of £1k will not be recorded in the asset register and will be expensed in the Comprehensive Income and Expenditure Statement in the appropriate service line unless the terms of a grant require it to be applied to capital expenditure. A separate asset directory is maintained recording all assets over £100 or of a portable nature, excluding stationery, retail inventory, and consumables.

Depreciation

Depreciation is provided for on all assets with a finite useful life (which can be determined at the time of acquisition or revaluation) according to the following policy:

- Buildings (but not the land on which they stand) are depreciated over their remaining useful lives depending on the state of repair of the building.
- Vehicles, plant, furniture and equipment are depreciated over their remaining useful lives depending on the nature of the asset. Assets which will not become impaired are not depreciated.

Remaining useful lives are periodically reviewed and the charge to revenue adjusted if appropriate.

Depreciation is calculated using the straight line method with no residual value at disposal. Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Components

Where an asset has components whose cost is significant in relation to the total cost of the item (30% or more), or with a difference in economic life of 10 years or more, the components are depreciated separately. Items will be assessed under the above criteria when new assets are acquired, or existing assets are revalued.

Disposal of Property Plant & Equipment

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposal are also credited to the same line in the Comprehensive Income and Expenditure Statement. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received on disposals in excess of £10k are categorised as capital receipts and the balance credited to the Usable Capital Receipts Reserve, and will only be used to finance new capital investment or set aside to reduce the Authority's underlying need to borrow. Receipts are appropriated to the General Fund Balance in the Movement in Reserves Statement.

Revaluation Reserve

This reserve is used solely to account for changes in asset values (either upwards or downwards) following revaluation.

The Capital Adjustment Account represents amounts set aside from revenue resources to finance expenditure on fixed assets and certain other capital transactions.

14. Heritage Assets

Heritage Assets are carried on Balance Sheet. Heritage Assets are non current assets that are intended to be preserved in trust for future generations because of their historical, artistic, scientific, technological, geophysical or environmental qualities. They are held and maintained principally for their contribution to knowledge and culture.

The Authority has conducted a full review to identify any relevant Heritage Assets. The Authority holds Heritage Assets in the Dales Countryside Museum.

Heritage Assets are measured at valuation where available and the asset is recognised within the Balance Sheet. Valuations are reviewed with sufficient frequency to ensure measurement remains current.

Heritage Assets are not subject to depreciation as they are considered to have indefinite lives.

Heritage Assets below the Authority's normal de-minimus value of £1k are not capitalised.

The assets are viewed on a daily basis by visitors, items of value are held in specially designed glass security cabinets, and the building is alarmed.

15. Provisions and Contingent Liabilities

Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Authority becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account the relevant risks and uncertainties.

Where payments are then made, they are charged to the provision carried in the Balance Sheet. The provisions are reviewed on an annual basis.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but it is either not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably. The Authority has not identified any such contingent liabilities as at 31 March 2015.

16. Critical Judgements in Applying Accounting Policy

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

- There is a degree of uncertainty about future levels of funding for local government. However, the Authority had determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be impaired as a result of a need to close facilities and reduce levels of service provision further to that already planned in the comprehensive annual budget review.

17. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Authority's Balance Sheet at 31 March 2015 for which there is a significant risk of material adjustment in the forthcoming financial year as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate at which the salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets	The effects on the net pension's liability of changes in individual assumptions can be measured. A 0.1% p.a. change in the discount rate assumption would result in an approximate net change of £545k plus or minus. A 0.1% p.a. change in salary inflation would result in a net change of £156k plus or minus. A 1 year addition to members' life expectancy would increase the net liability by £345k.
Buildings	Repairs and maintenance are provided by the Authority to buildings; with the cut back in Government funding there is a potential that buildings will not be maintained to the same standard and the value could be impaired	If the useful lives of the buildings are reduced, depreciation charges will increase and the carrying amount of the asset will fall. It is estimated that for every year that the useful life of the asset is reduced, the effect on the accounts is that the annual depreciation charge will increase by £3.5k.
Buildings	Restructuring the Authority may lead to the sale of land and buildings, outside those planned and expected	The value of the assets in the balance sheet could be reduced as the assets would be sold and the Comprehensive Income and Expenditure Account could be affected if the sales did not bring in the market value of the assets
Provisions	Restructuring the Authority may lead to unexpected redundancy costs, outside those planned and expected	There is potential that there could be additional costs which are currently unquantifiable.

18. Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement.

Certain reserves are kept to manage the accounting process for non-current assets, financial instruments, and retirement and employee benefits and do not represent usable resources for the Authority.

19. Presentation of Accounting Statements

The accounts are presented in the format required by the Service Reporting Code of Practice, in accordance with the Service Expenditure Analysis developed specifically for National Park Authorities.

20. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

21. Events after the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Chief Financial Officer on 29 September 2015. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2015, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of the information.

There were no significant events after the balance sheet date.

22. Going Concern

These accounts are prepared on a going concern basis, although there has been a reduction in grant funding from Central Government, a comprehensive plan of measures are in place to deal with the shortfall including a reduction of facilities and services, commercial income generation, and a comprehensive budget strategy has been approved to 2017/18.

23. Accounting Standards that have been issued but have not yet been adopted

Amendments to the 2015/16 Code have been reviewed and are not considered to be relevant or are immaterial to the Authority.

CORE FINANCIAL STATEMENTS

Movement in Reserves Statement

	Notes	General Fund Balance £000	Earmarked General Fund Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
Balance at 31 March 2013		(1,921.4)	(274.0)	0.0	(2,195.4)	16.1	(2,179.3)
Deficit on the provision of services	P 27	522.0	0.0	0.0	522.0	0.0	522.0
Other Comprehensive Income and Expenditure	17	0.0	0.0	0.0	0.0	(4,687.0)	(4,687.0)
Total Comprehensive Income and Expenditure		522.0	0.0	0.0	522.0	(4,687.0)	(4,165.0)
Adjustment between accounting basis and funding basis under regulations	2	(401.1)	0.0	0.0	(401.1)	401.1	0.0
Net increase before transfers to Earmarked Reserves		121.0	0.0	0.0	121.0	(4,285.9)	(4,165.0)
Transfers to/from Earmarked Reserves	3	0.0	0.0	0.0	0.0	0.0	0.0
Transfers to/from Revaluation Reserve	15	0.0	0.0	0.0	0.0	0.0	0.0
Increase in 2013/14		121.0	0.0	0.0	121.0	(4,285.9)	(4,165.0)
Balance at 31 March 2014		(1,800.4)	(274.0)	0.0	(2,074.4)	(4,269.8)	(6,344.2)
Restated Deficit	P 27	522.0	0.0	0.0	522.0	0.0	522.0
Other Comprehensive Income and Expenditure	17	0.0	0.0	0.0	0.0	(4,687.0)	(4,687.0)
Total Comprehensive Income and Expenditure		522.0	0.0	0.0	522.0	(4,687.0)	(4,165.0)
Adjustment between accounting basis and funding basis under regulations	2	(884.6)	0.0	0.0	(884.6)	884.6	0.0
Net increase before transfers to Earmarked Reserves		(362.6)	0.0	0.0	(362.6)	(3,802.4)	(4,165.0)
Transfers to/from Earmarked Reserves	3	0.0	0.0	0.0	0.0	0.0	0.0
Transfers to/from Revaluation Reserve	15	483.6	0.0	0.0	483.6	(483.6)	0.0
Increase in 2013/14		121.0	0.0	0.0	121.0	(4,285.9)	(4,165.0)
Balance at 31 March 2014		(1,800.4)	(274.0)	0.0	(2,074.4)	(4,269.8)	(6,344.2)
Deficit on the provision of services	P 27	152.3	0.0	0.0	152.3	0.0	152.3
Other Comprehensive Income and Expenditure	17	0.0	0.0	0.0	0.0	2,080.0	2,080.0
Total Comprehensive Income and Expenditure		152.3	0.0	0.0	152.3	2,080.0	2,232.3
Adjustment between accounting basis and funding basis under regulations	2	(284.2)	0.0	0.0	(284.2)	284.2	0.0
Net increase before transfers to Earmarked Reserves		(131.8)	0.0	0.0	(131.8)	2,364.1	2,232.3
Transfers to/from Earmarked Reserves	3	(70.0)	70.0	0.0	0.0	0.0	0.0
Transfers to/from Revaluation Reserve	15	0.0	0.0	0.0	0.0	0.0	0.0
Increase in 2014/15		(201.9)	0.0	0.0	(131.9)	2,364.2	2,232.3
Balance at 31 March 2015		(2,002.3)	(204.0)	0.0	(2,206.3)	(1,905.6)	(4,111.9)

Comprehensive Income and Expenditure Statement

For the year ending 31 March 2015

2013/14			2014/15				
Gross Expenditure	Income	Net Expenditure	Heading	Notes	Gross Expenditure	Income	Net Expenditure
£000	£000	£000			£000	£000	£000
799.8	(104.5)	695.3	Conservation of the Natural Environment	19	728.3	(50.7)	677.6
278.5	(50.4)	228.1	Conservation of Cultural Heritage Recreation Management and Transport	19	255.3	(77.4)	177.9
1,546.2	(675.1)	871.1	Promoting Understanding Rangers, Estate Services and Volunteers	19	1,759.2	(843.0)	916.3
1,523.0	(295.6)	1,227.4	Development Control	19	1,439.6	(381.2)	1,058.4
467.4	(8.8)	458.6	Forward Planning	19	464.6	(8.9)	455.7
736.0	(150.7)	585.3	Corporate and Democratic Core	19	756.7	(149.0)	607.7
419.0	0.0	419.0	Non Distributed Costs	19	220.6	(12.0)	208.6
343.8	(52.2)	291.6		19	267.4	(178.7)	88.7
10.0	0.0	10.0		27	10.0	0.0	10.0
6,123.7	(1,337.3)	4,786.3	Cost of Services		5,901.7	(1,700.9)	4,200.9
		0.0	Net Loss on disposals of Fixed Assets				0.0
		(23.3)	Interest and Investment Income	10			(17.1)
		287.0	Pension Interest Cost and Expected Return on Pension Assets	27			111.0
		263.7	Financing and Investing Income and Expenditure				93.9
		5,050.0	Net Operating Expenditure				4,294.7
		(4,528.0)	National Park Grant				(4,142.4)
		522.0	Net Deficit on Provision of Services				152.3
		(4,687.0)	Actuarial losses/(gains) on pension assets and liabilities	17			2,080.0
		(4,687.0)	Other Comprehensive Income and Expenditure				2,080.0
		(4,165.0)	Total Comprehensive Income and Expenditure				2,232.3

Balance Sheet
As at 31 March 2015

31 March 2014 £000	Restated 31 March 2014 £000		Notes	31 March 2015 £000
7,079.4	7,079.4	Property Plant and Equipment	5	6,928.2
6.5	6.5	Heritage Assets	6	6.5
		Intangibles		
7,085.9	7,085.9	Long Term Assets		6,934.7
117.5	117.5	Inventories	8	131.1
372.1	372.1	Short term Debtors	9	697.3
2,162.6	2,162.6	Cash and Cash Equivalents	10	1,778.9
2,652.2	2,652.2	Current Assets		2,607.4
(161.7)	(161.7)	Short Term Provisions	12	(34.5)
(347.2)	(347.2)	Short Term Creditors	11	(293.7)
(509.0)	(509.0)	Current Liabilities		(328.3)
(105.9)	(105.9)	Long Term Provisions	12	(105.9)
(2,779.0)	(2,779.0)	Pension Liability	27	(4,996.0)
(2,884.9)	(2,884.9)	Long Term Liabilities		(5,101.9)
6,344.2	6,344.2	NET ASSETS		4,111.9
274.0	274.0	Earmarked Reserves	3	204.0
1,800.4	1,800.4	General Fund Balance	Page 26	2,002.3
2,074.4	2,074.4	Usable Reserves		2,206.3
939.9	1,423.5	Revaluation Reserve	15	1,421.2
6,144.9	5,661.3	Capital Adjustment Account	16	5,512.5
(2,779.0)	(2,779.0)	Pension Reserve	17	(4,996.0)
(36.0)	(36.0)	Accumulated Absences Account	18	(32.0)
4,269.8	4,269.8	Unusable Reserves		1,905.7
6,344.2	6,344.2	TOTAL RESERVES		4,111.9

I confirm that these accounts were approved by the Yorkshire Dales National Park Authority on 29 September 2015.

Signed on behalf of the Yorkshire Dales National Park Authority



Chair of the Authority

Cash Flow Statement

Year Ended 31 March 2015

31 March 2014 £000		31 March 2015 £000
	Operating Activities	
(522.0)	Net Surplus on provision of services	(152.3)
182.0	Depreciation	168.2
14.2	(Decrease)/Increase in creditors	(53.5)
247.3	Decrease/(Increase) in debtors	(325.2)
(1.2)	Decrease/(Increase) in inventories	(13.6)
380.0	Pension Liability (Note 27)	137.0
(39.2)	(Decrease)/Increase in provisions	(127.2)
<hr/>		<hr/>
783.2	Adjustment to net surplus on the provision of services for non-cash movements	(214.3)
0.0	Adjustments for items included in the net surplus on the provision of services that are investing and financing activities	0.0
261.1	Net Cashflows from Operating Activities	(366.6)
	Investing Activities	
<hr/> (153.2)	Purchase of property, plant and equipment (Note 5)	<hr/> (17.1)
(153.2)	Net Cashflows from Investing Activities	(17.1)
0.0	Net Cashflows from Financing Activities	0.0
<hr/> 107.9	Net increase in cash and cash equivalent	<hr/> (383.7)
2,054.7	Cash or cash equivalents at the beginning of the reporting period	2,162.6
<hr/> 2,162.6	Cash or cash equivalents at the end of the reporting period	<hr/> 1,778.9

Notes to the Core Financial Statements

1. IAS8, Accounting Policies, Changes in Accounting Estimates and Errors

Fixed asset revaluation reserve has been adjusted and restated in 2013/14.

2. Adjustments Between Accounting Basis and Funding Basis Under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

2014/15	Usable Reserves			Movement in Unusable Reserves
	General Fund Balance	Capital Receipts Reserve	Capital grants Unapplied	
	£000	£000	£000	
Adjustments involving the Capital Adjustment Account				
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure statement:</u>				
Charges for depreciation	(168.3)	0.0	0.0	168.3
Revaluation Loss on Property Plant and Equipment	0.0	0.0	0.0	0.0
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>				
Capital Expenditure charged against the General Fund	17.1	0.0	0.0	(17.1)
<u>Adjustments primarily involving the Capital Receipts Reserve:</u>				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see note 27)	(601.0)	0.0	0.0	601.0
Employers Pension Contributions and direct payments to pensioners payable in the year	464.0	0.0	0.0	(464.0)
<u>Adjustments primarily involving the Accumulated Absences Account:</u>				
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from the remuneration chargeable in the year in accordance with statutory requirements	4.0	0.0	0.0	(4.0)
Total Adjustments	(284.2)	0.0	0.0	284.2

2013/14

Adjustments involving the Capital Adjustment Account
Reversal of items debited or credited to the Comprehensive Income and Expenditure statement:

Charges for depreciation

Revaluation Loss on Property Plant and Equipment

Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:

Capital Expenditure charged against the General Fund

Adjustments primarily involving the Capital Receipts Reserve:

Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (note 27)

Employers Pension Contributions and direct payments to pensioners payable in the year

Adjustments primarily involving the Accumulated Absences Account:

Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from the remuneration chargeable in the year in accordance with statutory requirements

Total Adjustments

Usable Reserves				Usable Reserves Restated			
General Fund Balance	Capital Receipts Reserve	Capital grants Unapplied	Movement in Unusable Reserves	General Fund Balance	Capital Receipts Reserve	Capital grants Unapplied	Movement in Unusable Reserves Restated
£000	£000	£000	£000	£000	£000	£000	£000
(182.0)	0.0	0.0	182.0	(182.0)	0.0	0.0	182.0
	0.0	0.0		(483.6)	0.0	0.0	483.6
153.2	0.0	0.0	(153.2)	153.2	0.0	0.0	(153.2)
(837.0)	0.0	0.0	837.0	(837.0)	0.0	0.0	837.0
457.0	0.0	0.0	(457.0)	457.0	0.0	0.0	(457.0)
7.7	0.0	0.0	(7.7)	7.7	0.0	0.0	(7.7)
(401.1)	0.0	0.0	401.1	(884.6)	0.0	0.0	884.6

3. Transfers To/From Earmarked Reserves

This note sets out the amounts set aside from the General Fund in earmarked reserves to meet General Fund expenditure in 2014/15. The Contingency Reserve must be at least 5% of the DEFRA grant income in year.

	31 March 2014 £000	31 March 2015 £000
Contingency Reserve		
Opening Balance	274.0	274.0
Movement	0.0	(70.0)
Closing Balance	274.0	204.0

4. Grant Income

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2014/15.

	31 March 2014 £000	31 March 2015 £000
Credited to Non Specific Grant Income		
National Park Grant	4,534.0	4,142.4
	<u>4,534.0</u>	<u>4,142.4</u>
Credited to Services		
Natural England	178.5	293.9
English Heritage	112.1	67.1
Other		157.9
Total	<u>290.6</u>	<u>518.8</u>

5. Property, Plant and Equipment

Movements in 2014/15	Land and Buildings	Vehicles, Plant & Equipment	Total Assets
Cost or Valuation	£000	£000	£000
At 1 April 2014	6,912.6	497.7	7,410.3
Additions	0.0	17.1	17.1
Disposals	0.0	(77.9)	(77.9)
At 31 March 2015	<u>6,912.6</u>	<u>436.9</u>	<u>7,349.5</u>
Accumulated Depreciation and Impairment			
At 1 April 2014	125.3	205.6	330.9
Depreciation Charge	125.3	42.9	168.2
Disposals	0.0	(77.9)	(77.9)
At 31 March 2015	<u>250.6</u>	<u>170.6</u>	<u>421.3</u>
<u>Net Book Value</u>			
At 31 March 2014	6,787.3	292.1	7,079.4
At 31 March 2015	6,662.0	266.2	6,928.2

Movements in 2013/14	Land and Buildings	Vehicles, Plant & Equipment	Total Assets
Cost or Valuation	£000	£000	£000
At 1 April 2013	6,912.6	385.5	7,298.1
Additions	0.0	153.2	153.2
Disposals	0.0	(41.0)	(41.0)
At 31 March 2014	6,912.6	497.7	7410.3
Accumulated Depreciation and Impairment			
At 1 April 2013	0.0	190.0	190.0
Depreciation Charge	125.3	56.7	182.0
Disposals	0.0	(41.0)	(41.0)
At 31 March 2014	125.3	205.6	330.9
<u>Net Book Value</u>			
At 31 March 2013	6,912.6	195.5	7,108.1
At 31 March 2014	6,787.3	292.1	7,079.4

Heritage asset are presented separately (Note 6).

Property, Plant and Equipment

Depreciation

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

- Buildings (but not the land they stand on) – between 45 and 50 years apart from the Dales Countryside Museum which is 30 years.
- IT Equipment - 4 years or relevant estimated useful lives if different.
- Other Plant and Equipment is depreciated over their various estimated useful lives.

Revaluations

The Authority carries out a programme at least every 5 years that ensures all Property, Plant and Equipment that is required to be measured at fair value is revalued.

Land and Buildings were revalued fully as at 31 March 2013 by external consultants Bruton Knowles (FRICS). This revaluation followed CIPFA requirements and was incorporated into the Statement of Final Accounts in

2012/13. A desktop revaluation was undertaken by Bruton Knowles as at 31st March 2015 and there was no material change in value. An impairment review was carried out by Paul Drake MRICS of YDNPA as at 31 March 2015 and there was no material change in value since the last valuation.

The capital expenditure of £17.1k on Fixed Assets was financed by revenue.

Major Capital Schemes

The Authority installed a Biomass Boiler into the Dales Countryside Museum, and also started major restructure works and interpretation within the Museum.

Analysis of Fixed Assets

The list below gives an indication of the significant fixed assets of the Authority:

	31 March 2014	31 March 2015
Buildings	Number	Number
National Park Centres	3	3
Museum/National Park Centre	1	1
Public Conveniences	11	11
Administrative Building	2	2
Total	17	17

The Authority operates five National Park Centres, but the National Park Centre at Reeth is housed in a shared building not owned by the Authority.

6. Heritage Assets

Movements in 2014/15	10th Century Gold Viking Ring
Cost or Valuation	£000
At 1 April 2014	6.5
At 31 March 2015	6.5
Accumulated Depreciation and Impairment	
At 1 April 2014	0.0
Depreciation Charge	0.0
At 31 March 2015	0.0
Net Book Value	
At 31 March 2014	6.5
At 31 March 2015	6.5

This item was purchased on the open market in December 2010; it is valued at cost which is considered to be its fair market value.

7. Financial Instruments

(a) Financial Assets: Cash, loans and receivables

The Authority cash balance includes cash held with North Yorkshire County Council (NYCC), as well as cash held in a bank account in the name of the Authority. Cash held by the Authority is swept over to the account held by NYCC each evening and money in this account is available to the Authority within one day.

Financial Instruments are formally defined as contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. For the Authority, this definition covers the instruments used in Treasury Management activity, in the lending of money for investment purposes.

The Authority's Treasury Management is defined by the CIPFA Code of Practice on Treasury Management. The code sets out a framework of operating procedures to reduce treasury risk and improve understanding and accountability regarding the Treasury position of the Authority.

The CIPFA Code of Practice on Treasury Management requires:

- A Treasury Management Policy Statement (TMPS) stating the Authority's policies and objectives for its treasury management activities; and
- A framework of Treasury Management Practices (TMPs) setting out the manner in which the Authority will seek to achieve the policies and objectives set out above and prescribing how it will manage and control those activities.

The twelve recommended Treasury Management Practices are reviewed and updated as and when necessary in the light of regulatory and/or local policy changes and cover the following areas:-

- Risk management;
- Performance measurement;
- Decision making and analysis;
- Approved instruments, methods and techniques;
- Organisation, clarity and segregation of responsibilities and dealing arrangements;
- Reporting requirements and management information arrangements;
- Budgeting, accounting and audit arrangements;
- Cash and cash flow management;
- Money laundering;
- Training and qualifications;
- Use of external service providers; and
- Corporate governance

(b) Financial Instruments Balances

	31 March 2014	31 March 2015
	£000	£000
Loans and Receivables Less than 1 year		
North Yorkshire County Council Treasury		
Balance	2,181.7	1,996.6
Yorkshire Wildlife Loan (Repaid May 2015)	100.0	450.0
	<u>2,281.7</u>	<u>2,446.6</u>

The financial instruments balance figures shown consist of the nominal value of loans plus any accrued interest at that date. This complies with the requirements for financial instruments in accordance with The Code.

(c) Fair Value of Assets and Liabilities carried at Amortised Cost

The fair value can be assessed by calculating the present value of cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- For loans receivable, the prevailing benchmark market rates have been used to provide fair value;
- Where an instrument (loan/investment) will mature in the next 12 months, the carrying amount is assumed to approximate fair value;
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The carrying amount and fair value of the 'loan' to NYCC is £1,996.6k (£2,181.7k 2013/14), the carrying amount and fair value of the loan to Yorkshire Wildlife Trust is £450.0k (£100.0k 2013/14).

(d) Disclosure of nature and extent of risk arising from Financial Instruments

The Authority's activities expose it to a variety of financial risks, the key risks being:

- Credit Risk – the possibility that other parties may fail to pay amounts due to the Authority, including the Authority's cash balances held by NYCC;
- Liquidity Risk – the possibility that the Authority might not have funds available to meet its commitments to make payments;
- Market Risk – the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rate movements.

(e) Procedures for Managing Risk

The Authority complies with the CIPFA Prudential Code, the CIPFA Treasury Management in the Public Services Code of Practice and the Investment Guide issued through the Local Government Act 2003. Risk is managed in the following ways:

- By adopting the requirements of the code of practice; and
- By approving in advance, prudential indicator limits for the following three years;

- The Authority's overall borrowing limits
- Its maximum and minimum exposures to fixed and variable interest rates
- Its maximum annual exposures to investments maturing beyond a year.
- A legal agreement was signed by the Yorkshire Wildlife Trust in regard to the short term loan and its security and repayment

Credit Risk

Credit risk arises from deposits with banks and financial institutions as well as exposures to the Authority's customers. Deposits are managed through the contract with NYCC. Sales of goods are predominantly on a cash basis, and services are not completed unless there is a signed legal grant agreement in place. The Authority receives income predominantly from other Government Bodies so reducing commercial risk. Payment terms are 30 days from invoice.

The debtors past due but not impaired amount to £8.3k, (£0.9k being bad debt).

Days Past Due	30	60	90	180	181+
	£000	£000	£000	£000	£000
Debtors Due	4.5	1.9	0.0	0.9	1.0

Liquidity Risk

The Authority has next day access to investments and is funded centrally by DEFRA, grant funding is known in advance so working balances can be managed, and funding is received quarterly in advance. The Authority does not have any borrowing.

Market Risk

The Authority is exposed to interest rate movements on its investments. Movements in interest rates have a complex impact on the Authority, depending on how variable and fixed interest rates move across differing financial instrument periods. As the Authority has no borrowings the risk is a loss of earnings on interest income.

8. Inventories

The movement in inventories recorded on the balance sheet can be analysed as follows:

	2013/14			2014/15		
	Resale Stock £000	Footpath Stock £000	Total £000	Resale Stock £000	Footpath Stock £000	Total £000
Opening Balance	105.0	11.4	116.4	106.3	11.2	117.5
Purchases	134.5	23.3	157.8	179.5	24.3	203.8
Recognised as an expense in year	(133.1)	(23.5)	(156.6)	(169.0)	(21.0)	(190.1)
Written off balances	(0.1)	0.0	(0.1)	(0.1)	0.0	(0.1)
Closing Balance	106.3	11.2	117.5	116.7	14.4	131.1

9. Debtors

The debtors which are under 1 year are recorded as current assets on the balance sheet, and are analysed as follows:

	31 March 2014 £000	31 March 2015 £000
Central Government Bodies	121.4	148.2
Other Local Authorities	28.3	16.2
Public Corporations and trading funds	-	-
Other Entities and individuals	222.3	532.9
Total Debtors	<u>372.1</u>	<u>697.3</u>
 Including Prepayments of	 64.6	 54.1

Provision for Doubtful Debt

A provision has not been provided for doubtful debts, as debtors past due are not considered to be doubtful debts and we are confident these will be paid apart from £0.9k, which has been written off for a debt from a local farmer. Although this debt has been successfully pursued in court, the individual does not have assets to settle the debt at this time; we can pursue this again if sufficient assets are available in the future.

The Authority has no long term debtors or borrowings that would be classified as Financial Instruments and require separate disclosure.

10. Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is made up of the following elements:

	31 March 2014 £000	31 March 2015 £000
Cash held by the Authority	1.5	1.5
Bank Current Account	(20.6)	(219.1)
Short Term Deposit with NYCC Treasury	2,181.7	1,996.6
Total Cash and Cash Equivalents	<u>2,162.6</u>	<u>1,778.9</u>

Interest received from the deposit with NYCC Treasury in 2014/15 was £17.1k (£23.3k 2013/14).

11. Creditors

The creditors which are due in less than 1 year; and are recorded as current liabilities on the balance sheet, can be analysed as follows:

	31 March 2014 £000	31 March 2015 £000
Central Government Bodies	8.8	60.2
Other Local Authorities	101.8	33.2
Other Entities and individuals	222.4	200.7
Capital Creditors	14.3	0.0
Total Creditors	<u>347.2</u>	<u>294.1</u>
 Including Income in Advance	 30.4	 63.9

12. Provisions

The provisions recorded on the balance sheet can be analysed as follows:

	Sustainable Development Fund £000	Section 106 Provisions £000	Legacies £000	Redundancy Provision £000	Accumulated Absences £000	Total £000
Balance At 31 March 2013	138.6	18.6	105.9	0.0	43.6	306.7
Additional Provisions Made in 2013/14	180.0	0.0	0.0	0.0	36.0	216.0
Amounts used in 2013/14	(211.5)	0.0	0.0	0.0	(43.6)	(255.1)
Unused amounts reversed in 2013/14	0.0	0.0	0.0	0.0	0.0	0.0
Balance At 31 March 2014	<u>107.1</u>	<u>18.6</u>	<u>105.9</u>	<u>0.0</u>	<u>36.0</u>	<u>267.6</u>
Short Term Provision 2013/14	107.1	18.6	0.0	0.0	36.0	161.7
Long term Provision 2013/14	0.0	0.0	105.9	0.0	0.0	105.9
Additional Provisions Made in 2014/15	0.0	0.0	0.0	0.0	32.0	32.0
Amounts used in 2014/15	(85.7)	(16.1)	0.0	0.0	(36.0)	(137.8)
Unused amounts reversed in 2014/15	(21.4)	0.0	0.0	0.0	0.0	(21.4)
Balance At 31 March 2015	<u>(0.0)</u>	<u>2.5</u>	<u>105.9</u>	<u>0.0</u>	<u>32.0</u>	<u>140.4</u>
Short Term Provision 2014/15	(0.0)	2.5	0.0	0.0	32.0	34.5
Long term Provision 2014/15	0.0	0.0	105.9	0.0	0.0	105.9

Sustainable Development Fund

Prior to 2014/15 the Sustainable Development Fund was managed in conjunction with Yorkshire Dales Millennium Trust (YDMT). This fund is now managed in house, and the remaining provision at 31 March 2014 has been utilised in 2014/15 apart from a balance of £21k which has been returned to reserves.

Legacies and Section 106 Agreements

Section 106 payments are used to fund particular projects linked to planning applications and as such are carried as a provision until the obligations are fully satisfied. Legacy payments with specific work requests are held as provisions until suitable projects meeting the requirements of the legacy are completed. The Legacy for £105.9 has been earmarked for a project in the Swaledale area on barns and walls, and matched funding is being sought. It is unlikely the project will start within the 2015/16 financial year and as such is still classed as a long term provision.

Redundancy Provision

Known redundancies for future years are provided for in the Redundancy Provision; there are no planned redundancy payments in 2015/16.

Accumulated Absences

Staff can carry over 5 days leave and up to 10 hours flexi time from one year to the next, the balance reflects the cost of the carried time valued using the hourly rate for 2015/16 being the year the benefit will be taken.

13. Usable Reserves

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement.

14. Unusable Reserves

Movements in the Authority's unusable reserves are detailed on the face of the Balance Sheet.

15. Revaluation Reserve

The Code requires that the Revaluation Reserve reflects only changes that have arisen since 1 April 2007. On 31 March 2015 the Fixed Assets were revalued by Bruton Knowles using a desktop exercise and the change in asset values is under the materiality limit so is not reflected in the accounts for 2014/15.

The revaluation reserve has been adjusted for a previous error and now any revaluation losses are matched against prior increases credited in the Comprehensive Income and Expenditure Account, and vice versa. Adjusting the error increased the revaluation reserve by £483.6k, and decreased the Capital Adjustment Account by the same amount, which does not affect the balance sheet asset values as it is not a 'cash' movement, and both accounts are unusable reserves.

16. Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement. The account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

The account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007.

As in the note above there has been an adjustment of £483.6k in 2014/15.

31 March 2014 £000	Restated 31 March 2014 £000		31 March 2015 £000
6,143.2	6,143.2	Balance brought forward	5,661.3
		<u>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:</u>	
		Charges for depreciation and impairment of non current assets	(168.2)
(182.0)	(182.0)	Revaluation losses on Property, Plant and Equipment	0.0
0.0	(483.6)		0.0
5,961.2	5,477.7		5,493.1
		Adjusting amounts written out of the Revaluation Reserve	2.3
30.4	30.4	Net written out amount of the cost of non-current assets consumed in year	5,495.4
5,991.6	5,508.1	<u>Capital Funding applied in the year:</u>	
		Capital expenditure charged against the General Fund	17.1
153.2	153.2		17.1
6,144.9	5,661.3	Balance carried forward	5,512.5

17. Pension Reserve

The Pension reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post employment benefits in its Comprehensive Income and Expenditure

Statements as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

However, statutory arrangements require that benefits earned are financed as the Authority makes Employer's contributions to the pension fund, or eventually pays any pensions for which it is directly responsible.

The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

The Authority participates in the North Yorkshire Pension Fund.

2013/14 £000		2014/15 £000
(7,086.0)	Balance at 1 April	(2,779.0)
4,687.0	Actuarial gains/(losses) on pensions assets and liabilities	(2,080.0)
(837.0)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of services in the Comprehensive Income and Expenditure Statement	(601.0)
457.0	Employers pensions contributions and direct payments to pensioners payable in the year	464.0
<u>(2,779.0)</u>	Balance at 31 March	<u>(4,996.0)</u>

18. Accumulated Absences Account

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

2013/14 £000		2014/15 £000
43.7	Balance at 1 April	36.0
(43.7)	Settlement or cancellation of accrual made at the end of the preceding year	(36.0)
36.0	Amounts accrued at the end of the current financial year	32.0
(7.7)	Amount by which Officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(4.0)
<u>36.0</u>	Balance at 31 March	<u>32.0</u>

19. Segment Reporting

Reconciliation from the outturn to the Final Accounts

	Outturn figures	IFRS Adjustments IAS19	Accumulated Absences Account	Capital and Depreciation Adjust.	Recharges	Interest & Technical Adjustment	Net Expenditure in Final Accounts
2014/15	£000	£000	£000	£000	£000	£000	£000
Conservation of the Natural Environment	542.5	1.5	(0.1)	0.0	133.7	0.0	677.6
Conservation of Cultural Heritage	105.0	0.4	(0.0)	(2.0)	74.5	0.0	177.9
Recreation Management and Transport	470.1	2.1	(1.1)	64.1	381.2	0.0	916.3
Promoting Understanding Rangers, Estate Services and Volunteers	753.6	2.0	(1.2)	57.5	246.5	0.0	1,058.4
Development Control	355.4	1.1	(0.5)	0.0	99.8	0.0	455.7
Forward Planning	386.2	1.7	0.4	0.0	219.4	0.0	607.7
Corporate and Democratic Core	167.2	0.5	0.2	0.0	40.7	0.0	208.6
Non Distributed Costs	1,230.5	6.9	(1.6)	31.6	(1,195.8)	17.1	88.7
	0.0	10.0	0.0	0.0	0.0	0.0	10.0
Cost of Services	4,010.6	26.0	(4.0)	151.1	0.0	17.1	4,200.9
Interest Received						(17.1)	(17.1)
Pension Interest Cost and Expected Return on Pension Assets (Note 27)		111.0					111.0
National Park Grant	(4,142.4)						(4,142.4)
Net (Surplus) on Provision of Services	(131.8)						152.3
Actuarial gains on pension assets and liabilities		2,080.0					2,080.0
Total Comprehensive Income and Expenditure							2,232.3

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Statement is that specified by the Service Reporting Code of Practice. This is the same basis used to make decisions about resource allocation, which are taken by the Members of the Authority. However, the outturn reports are prepared on a different basis from the accounting policies used in the financial statements. In particular:

No charges are made in relation to capital expenditure (whereas depreciation, revaluation and impairment losses in excess of the balance on the Revaluation Reserve and amortisations are charged in the Comprehensive Income and Expenditure Statement).

Actual capital expenditure and income is included in committee reports but taken out of the Comprehensive Income and Expenditure Statement, which just shows revenue.

The cost of retirement benefits is based on cash flows (payment of employer's pension contributions) rather than current service cost of benefits accrued in the year.

The outturn position reported to committee is summarised in the Foreword under Summary of Revenue Spending on page 7, and therefore the detailed report is not included here. A reconciliation to explain the differences is shown above.

Recharges: In line with SERCOP requirements, central costs are allocated to service lines using a reallocation basis relevant to the type of cost. Accounting Policy 12 indicates the costs that are excluded from the reallocation.

20. Members' Allowances

The Authority paid the following amounts to Members of the Authority during the year; Member allowances were increased by 1% in line with the employee pay settlement. Full details of the Authority's Member Allowance Scheme, and of allowances paid to individual Members, are available on the Authority's website at www.yorkshiredales.org.uk

	2013/14 £000	2014/15 £000
Allowances	72.6	73.3
Expenses	13.3	9.0
Total	85.9	82.3

21. Agency Services

In 2014/15 the Authority had contracts with North Yorkshire County Council to provide personnel, IT, Investment, legal and other services. Charges for those services in 2014/15 amounted to £8.6k (£4.5k in 2013/14).

22. External Audit Costs

The Authority incurred £12.1k expenditure in relation to the audit of the Statement of Accounts by Deloitte LLP in 2014/15 (£12.1k in 2013/14).

23. Officers' Remuneration

Regulations require the Authority to disclose the number of staff receiving payments, including taxable benefits, of more than £50k in the relevant financial year. The number of employees who receive remuneration of over £50k are as follows:

Remuneration Band	2013/14 No of staff	2014/15 No of staff
£50,000 - £54,999	1	1
£55,000 - £59,999	0	0
£60,000 - £64,999	2	3
£65,000 - £69,999	0	0
£70,000 - £74,999	0	0
£75,000 - £79,999	0	0
£80,000 - £84,999	0	0
£85,000 - £89,999	0	0
£90,000 - £94,999	1	1

The Regulations also require the Authority to disclose the individual remuneration details of senior employees, under the following categories:

- salary, fees and allowances; bonuses; expenses allowance; compensation for loss of employment; employer's pension contribution, and any other emoluments.

The regulations also require that persons whose basic salary is in excess of £150k per annum must be identified by name, and that certain senior employees whose basic salary is £50k or more per year but less than £150k, must be listed individually by way of job title. Unless otherwise stated, none of the senior officers received fees, bonuses or compensation for loss of employment or any other emoluments in 2013/14 or 2014/15.

The code states that staff on a part time basis must be shown if their full time equivalent salary exceeds £50k. The current part time (22.5 hours) Solicitor/Monitoring Officer falls into this bracket and the salary is shown as the actual pay received. This post started on 27th January 2014, so the amounts only relate to a two month period in 2013/14.

	2013/14 £	2014/15 £
Chief Executive		
Basic Salary	81,448	81,855
Pension	9,529	10,969
Total	<u>90,977</u>	<u>92,824</u>
Director of Conservation & Communities		
Basic Salary	54,633	54,933
Pension	6,392	7,361
Total	<u>61,025</u>	<u>62,295</u>
Director of Corporate Services		
Basic Salary	54,577	54,877
Pension	6,386	7,354
Total	<u>60,963</u>	<u>62,231</u>
Director of Park Services		
Basic Salary	43,859	45,017
Pension	5,132	6,032
Total	<u>48,991</u>	<u>51,050</u>
Solicitor/Monitoring Officer (P/T)		
Basic Salary	6,064	32,751
Pension	710	4,389
Total	<u>6,774</u>	<u>37,140</u>

24. Related Parties

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

Members of the Authority have direct control over the Authority's financial and operating policies. The total of members allowances paid in 2014/15 is shown in note 20. The Register of Members' Interests (which the Authority is required to maintain, in accordance with the National Park Authority Members Code of Conduct) and any disclosures of direct or indirect pecuniary interests made in accordance with section 94 of the Local Government Act 1972, were examined.

Many of the Authority's Members are also Members of parish, district and county councils and other organisations whose activities may or may be seen to affect those of the Authority. A number of Members are trustees of the Yorkshire Dales Millennium Trust and Hudson House Limited with which the Authority has close working relationships.

Officers have day-to-day control of the running of the Authority's affairs. No material related party transactions have occurred with officers in 2014/15.

Related Parties 2014/15:

	Payments	Receipts	O/S Creditors	O/S Debtors
	£000	£000	31 March 2015	31 March 2015
			£000	£000
Related Parties Other				
Hudson House Ltd	9.1			
Yorkshire Dales Millennium Trust (Operating)	42.1	(25.9)		(2.0)
Yorkshire Dales Millennium Trust (SDF)	6.1			
Local Government				
Craven District Council	78.0	(15.9)	0.2	(0.4)
Cumbria County Council	0.0	(1.4)		(1.7)
Dent Parish Council		(3.0)		(3.0)
Derbyshire County Council	21.3			
Durham County Council	9.4			
Lancashire County Council	40.2			
National Parks UK	10.0			
North York Moors National Park Authority		(0.7)		(0.4)
North Yorkshire County Council	61.5	(56.9)	7.7	
North Yorkshire Pension Fund	345.1			
Northumberland County Council	1.4		1.4	
Northumberland National Park Authority	2.4		2.2	
Peak District National Park Authority	35.4		19.5	
Richmondshire District Council	69.5	(2.5)		(0.7)
Sedbergh Parish Council	3.4			
South Lakeland District Council		(0.7)		
West Yorkshire Combined Authority		(37.7)		
Central Government				
Natural England	35.4	(288.3)		(111.6)
The Environment Agency	0.4	(5.8)		
English Heritage/Historic England		(63.1)		
	770.7	(502.0)	31.0	(119.8)

Comparative Data 2012/13:

	Payments £000	Receipts £000	O/S Creditors 31 March 2014 £000	O/S Debtors 31 March 2014 £000
Related Parties Other				
Hudson House Ltd	8.8			
Yorkshire Dales Millennium Trust (Operating)	25.1			
Yorkshire Dales Millennium Trust (SDF)	217.3		(49.3)	
Local Government				
Craven District Council	79.8	(16.2)	(1.7)	0.7
Dent Parish Council		(3.0)		3.0
Cumbria County Council	8.7			
Linton Parish Council	3.5			
National Parks UK	26.5	(3.0)	(8.4)	
North Yorkshire County Council	31.7	(38.9)	(11.0)	
North Yorkshire Pension Fund	456.0		(51.5)	
Richmondshire District Council	75.1	(2.7)		0.4
South Lakeland District Council		(1.2)		0.3
Central Government				
Natural England	6.0	(178.5)		92.8
Forestry Commission		(37.6)		13.8
The Environment Agency	0.3			
English Heritage		(32.0)		
	<u>938.8</u>	<u>(313.1)</u>	<u>(121.8)</u>	<u>110.9</u>

25. Leases

Under the Code, leases are classified as either operating or financing leases using the substance over form tests to assess if the asset is essentially 'owned'; if a lease is classified as a finance lease the asset is transferred to the Balance Sheet and a corresponding Finance Lease Liability is created. All current leases have been tested, and have been found to be correctly classified as operating leases, therefore there is no change to the accounting treatment or changes to the 2014/15 financial statements.

The Authority as a Lessee

The Authority has operating leases, as follows:

Assets	Section Charged in the Comprehensive Income & Expenditure Statement	Paid in 2013/14 £000	Paid in 2014/15 £000
Vehicles	Recreational Management	59.7	59.7
Photocopiers	Apportioned to sections	4.2	3.3
Triple Kiln Centre	Promoting Understanding	1.0	1.0
	Promoting Understanding	8.7	8.8
Ranger Base	Recreational Management	11.5	10.8
		<u>85.1</u>	<u>83.5</u>

The future minimum lease payments due under non-cancellable leases in future years are:

	2013/14	2014/15
	£000	£000
Leases due within next 12 months	74.4	71.8
Leases due between one and five years	93.5	73.2
Leases due later than 5 years	0.0	0.0
	<u>167.9</u>	<u>145.0</u>

The Authority as Lessor

The Authority has operating leases, as follows:

Assets	Section Revenue taken in the Comprehensive Income & Expenditure Statement	Received in 2013/14	Received in 2014/15
		£000	£000
Land	Park management	3.4	3.5
Car Park & Toilets	Park management	3.0	3.0
Bowling Green	Park management	0.4	0.7
Centre Café	Prom. Understanding	7.2	7.2
Office	Prom. Understanding	7.0	3.0
		<u>21.0</u>	<u>17.4</u>

The future minimum lease payments due under non-cancellable leases in future years are:

	2013/14	2014/15
	£000	£000
Leases due within next 12 months	14.0	17.9
Leases due between one and five years	28.5	63.8
Leases due later than 5 years	320.4	440.9
	<u>362.9</u>	<u>522.6</u>

All the above leases are operated by a signed agreement where the rental income is fixed for a period of time and payable in instalments. No leases give the option to buy at a reduced rate and the Authority retains ownership and responsibility for the assets. Tenant leases include terms for responsibilities to upkeep the assets.

26. Termination Benefits

There were no redundancies in 2014/15.

Exit package cost band £000	No of compulsory redundancies		No of other agreed departures		Total No of exit packages by cost band		Total Cost of exit packages by cost band	
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15
1-20			0	1	0	1	0	7.5
Total	0	0	0	1	0	1	0	7.5

27. Defined Benefit Pension Scheme

As part of the terms and conditions of employment of its officers, the Authority makes contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until employees retire, the Authority has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The Authority participates in the Local Government Pension Scheme administered by North Yorkshire Pension Fund; this is a funded defined benefit final salary scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

The Authority recognises the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. The charge we are required to make is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement.

The actuarial gains and losses recognised in the Comprehensive Income and Expenditure Statement to the 31 March 2015 is a loss of £2681.0k.

2013/14 £000	Comprehensive Income and Expenditure Statement	2014/15 £000
	Cost of Service	
540.0	Current Service Cost	480.0
	Past Service Costs	
10.0	Admin Costs	10.0
	Effect of curtailments and settlements	
550.0		490.0

2013/14 £000		2014/15 £000
	Financing and Investment Income and Expenditure	
287.0	Net Interest Expense	111.0
0.0	Expected return on Assets in the Scheme	0.0
<u>287.0</u>		<u>111.0</u>
<u>837.0</u>	Total Post Employment Benefit Charged to the surplus or deficit on the provision of service	<u>601.0</u>
	Remeasurement of the net defined benefit liability comprising:	
(2,293.0)	Return/(Loss) on plan assets	(2,064.0)
(37.0)	Actuarial gains arising on changes in demographic assumptions	0.0
<u>(2,357.0)</u>	Actuarial (gain)/loss arising on changes in financial assumptions	<u>4,144.0</u>
<u>(3,850.0)</u>	Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	<u>2,681.0</u>

2013/14 £000	Movement in Reserves Statement	2014/15 £000
837.0	Reversal of net charges made to the surplus or deficit on the provision of services for post employment benefits in accordance with the code	601.0
(457.0)	Actual amount charged against the General Fund Balance for pensions in the year	(464.0)
<u>380.0</u>		<u>137.0</u>

Assets and Liabilities in Relation to Post-employment Benefits

<u>North Yorkshire Pension Fund</u>		
2013/14 £000		2014/15 £000
21,846.0	Benefit Obligation at beginning of period	21,117.0
540.0	Current Service Cost	480.0
910.0	Interest on Pension Liabilities	943.0
165.0	Member Contributions	170.0
0.0	Past Service Cost	0.0
507.0	Experience (Gain)/Loss	0.0
(2,357.0)	(Gain)/Loss on Financial Assumptions	4,144.0
(37.0)	(Gain)/Loss on Democratic Assumptions	0.0
0.0	Curtailments	0.0
<u>(457.0)</u>	Benefits/transfers paid	<u>(462.0)</u>
<u>21,117.0</u>		<u>26,392.0</u>

2013/14		2014/15
£000	Change in Plan Assets during period	£000
14,760.0	Fair Value of plan assets at beginning of the period	18,338.0
623.0	Interest on plan assets	832.0
2,800.0	Remeasurements (assets)	2,064.0
0.0	Expected return on plan assets	0.0
(10.0)	Administration expenses	(10.0)
0.0	Actuarial (Losses)/Gains on assets	0.0
457.0	Employer Contributions	464.0
165.0	Member Contributions	170.0
(457.0)	Benefits/transfers paid	(462.0)
18,338.0	Fair Value of the plan assets at the end of period	21,396.0

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date.

Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was £2896k (2013/14: £1733k).

Scheme History

	IFRS 2014/15 £000	IFRS 2013/14 £000	IFRS 2012/13 £000	IFRS 2011/12 £000	IFRS 2010/11 £000
Present value of liabilities:					
Fair value of assets in the Local Government Pension Scheme	21,396.0	18,338.0	14,760.0	12,490.0	12,153.0
(Surplus)/Deficit in the scheme:	4,996.0	2,779.0	7,086.0	5,513.0	4,099.0
Total	26,392.0	21,117.0	21,846.0	18,003.0	16,252.0

The liabilities show the underlying commitments that the Authority has in the long run to pay post employment benefits. The total liability of £4996k has a substantial impact on the net worth of the Authority as recorded in the Balance Sheet; however statutory arrangements for funding the deficit mean that the financial position of the Authority remains healthy:

- The deficit on the local governments scheme will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary.

The total contributions expected to be made to the Local Government Pension Scheme by the Authority in the year to 31 March 2016 is £463.0k (£464k Actual 2014/15).

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The

liabilities have been assessed by Mercer, an independent firm of actuaries, and the main assumptions used in their calculations are:

	31 March 2014	31 March 2015
Financial Assumptions	%	%
Rate of CPI Inflation	2.40	2.00
Rate of Increase in salaries	3.90	3.50
Rate of increase in pensions	2.40	2.00
Rate for discounting scheme liabilities	4.50	3.30
Mortality Assumptions		
Life expectancy of male (female)		
-future pensioner aged 65 in 20 years time	25.3 (27.8) years	25.4 (28) years
-current pensioner aged 65	23.0 (25.5) years	23.1 (25.6) years

	Long term expected rate of return 31 March 2014 %	Proportion 31 March 2014 %	Long term expected rate of return 31 March 2015 %	Proportion 31 March 2015 %
Equities	7.00	66.9	6.50	60.0
Government Bonds	3.40	12.4	2.20	16.9
Other Bonds	4.30	7.5	2.90	6.8
Property	6.20	4.8	5.90	6.5
Cash/Liquidity	0.50	0.5	0.50	1.2
Other	Varies	7.9	Varies	8.6
		<hr/> 100.0 <hr/>		<hr/> 100.0 <hr/>

History of Experience Gains and Losses

The actuarial gains identified as movements on the Pension Reserve in 2014/15 can be analysed into the following categories, measured as a percentage of assets or liabilities at 31 March 2015.

	Experience gains and (losses) on liabilities		Differences between the expected and actual return on assets		Actuarial gains and (losses) on liabilities		Actuarial gains and (losses)	
	£000	%	£000	%	£000	%	£000	%
2014/15	0.0		2,064.0	9.6	(4,144.0)	(15.7)	(2,080.0)	(22.2)
2013/14	(507.0)	2.4	2,800.0	15.3	2,394.0	11.4	4,687.0	11.4
2012/13	0.0		1,351.0	9.2	(2,717.0)	(12.4)	(1,366.0)	(6.3)
2011/12	0.0		(604.0)	(4.8)	(710.0)	(3.9)	(1,314.0)	(9.8)
2010/11	498.0	3.1	733.0	4.8	1,027.0	6.3	2,258.0	9.8

As at 31 March 2015, the Authority did not owe anything for March contributions to the North Yorkshire Pension Fund as it had been paid by BACS on 31 March 2015.

28. Contingent Liabilities

There are no contingent liabilities.

29. Soft Loans

A series of short term loans were granted in 2014/15, the outstanding balance of £450.0k is included in short term debtors at 31 March 2015, and was repaid in April 2015. The Yorkshire Dales National Park Authority and the Yorkshire Wildlife Trust entered into a collaborative agreement relating to the Yorkshire Peat Project, the aim of which is to restore the upland peat environment of North Yorkshire.

Due to a timing issue where contractors need to be paid before the grant funds are received from Natural England, the Yorkshire Dales National Park Authority agreed to fund the Yorkshire Wildlife Trust with short term loans up to a maximum of £450k, to enable them to participate in the project. The Authority considers that entering into this agreement will facilitate the conservation and enhancement of the natural beauty and wildlife of the Yorkshire Dales National Park. As this was a collaborative project the loans were granted interest free.

Entity		2013/14 £000	Repayment Date	2014/15 £000	Repayment Date
Yorkshire Wildlife Trust	1	200.0	29/01/2014	225.0	30/04/2015
Yorkshire Wildlife Trust	2	150.0	28/02/2014	225.0	30/04/2015
Yorkshire Wildlife Trust	3	100.0	02/05/2014		
		<u>450.0</u>		<u>450.0</u>	

30. Accounting Standards Issued But Not Yet Adopted

There are no standards issued but not adopted in 2014/15.

Annual Governance Statement

1.0 Scope of Responsibility

- 1.1 The Yorkshire Dales National Park Authority ('the Authority') is responsible for ensuring that its business is conducted in accordance with law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.
- 1.2 The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.3 In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions. These include arrangements for the management of risk.
- 1.4 The Authority has approved and adopted a Corporate Governance Policy and a set of principles which are consistent with the CIPFA/SOLACE Guidance note on *Delivering Good Governance in Local Government*. A copy of the policy is available on our website www.yorkshiredales.org.uk or it can be obtained from; the Monitoring Officer, Yorkshire Dales National Park Authority, Yoredale, Bainbridge, Leyburn, North Yorkshire DL8 3EL.
- 1.5 This Statement explains how the Authority has complied with the Code, and also complies with the Accounts and Audit (England) Regulations 2011, regulation 4(3), which requires all relevant bodies to prepare an annual governance statement.

2.0 The purpose of the governance framework

- 2.1 The governance framework comprises the systems, processes, culture and values, by which the Authority is directed and controlled and the activities through which it accounts to, engages with, and leads its stakeholders and the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether these objectives have led to the delivery of appropriate services and have ensured best use of resources and value for money, in pursuit of National Park purposes.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives, and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, evaluate the likelihood and potential impact of those risks being realised, and to manage those risks efficiently, effectively and economically.

2.3 The Authority's governance framework has been in place at the Authority for the year ended 31 March 2015 and up to the date of approval of the Statement of Accounts.

3.0 The governance framework

3.1 The Authority's corporate governance framework is set out in the Code of Corporate Governance, reported annually to the Audit and Review Committee and which helps us to ensure that the principles of good governance are embedded in all aspects of our work. The key elements of the systems and processes that comprise the Authority's governance arrangements include arrangements as follows.

3.2 The Authority's vision of its purpose and intended outcomes for service users is set out in the following documents:

- i. **The Yorkshire Dales National Park Management Plan (NPMP)** www.yorkshiredalesmanagementplan.org.uk developed with partners, this sets out the long term vision for the whole National Park. It contains the highest level of objectives which the Authority is committed to see achieved, working in partnership with stakeholders.
- ii. **The Yorkshire Dales National Park Authority Corporate Plan** provides an overview of the National Park Authority – its mission, core values and information on funding and priorities. The Corporate Plan sets out the medium term (usually 2 – 3 years) objectives of the National Park Authority. This includes relevant **Management Plan** objectives as well as objectives to ensure the organisation is efficient and effective.
- iii. **The Yorkshire Dales National Park Authority Annual Action Plan** sets out the annual targets for each Corporate Plan objective along with the actions which show what the Authority is going to do to achieve its objectives. This list of the key actions for the year is set out under the relevant Corporate Plan objectives and programme headings.

3.3 Maintaining a Local Code of Governance to compare the Authority's actual governance arrangements against the governance principles it has adopted, to monitor performance, and to identify any changes that need to be made.

4.0 Reviewing delivery of the Authority's vision

Translating that vision into objectives for the Authority and its partnerships, measuring the quality of services and ensuring they represent best use of resources and value for money.

4.1

- i. **The Yorkshire Dales National Park Management Plan (NPMP)**
The NPMP steering group, made up of 15 organisations, meets twice a year to monitor implementation of the plan. The Authority takes a lead on a number of the Management Plan objectives as well as supporting other organisations with implementation. A **NPMP progress report** giving an update against each objective in the Management Plan is produced annually – with inputs from the implementing organisations. This report is signed off by the NPMP steering group.

ii. **The Yorkshire Dales National Park Authority Corporate Plan**

The Corporate Plan translates the Authority's commitments in the NPMP into service specific objectives, with targets, performance indicators and financial plans. This forms an integral part of the Performance Management regime which aims to:

- Support a culture of consistently strong performance
- Provide an obvious 'line of sight' – so that individual staff can see how their work contributes to the Authority's (and National Park Management Plan) objectives
- Be appropriate to the size of the organisation,
- Flow smoothly from year to year,
- Be simple to understand
- Produce good quality, timely information about the Authority's performance

Progress towards achieving the Corporate Plan objectives is reported on a six monthly basis. The Authority's Audit and Review Committee and full Authority receive an **end of year report** on objectives.

iii. **The Yorkshire Dales National Park Authority Annual Action Plan** sets out the annual targets for each Corporate Plan objective along with the actions which show what the Authority is going to do to achieve its objectives. This list of the key actions for the year is set out under the relevant Corporate Plan objectives and programme headings.

Performance Management is applied consistently to the operations of the organisation and includes the national performance review process - National Park Authority Performance Assessment (NPAPA). Assessments take place every five years; the most recent was in 2010/11. They include issues such as service outcomes, use of resources and value for money. The process was being reviewed by NPAs and DEFRA during 2013 but was suspended until the results of the Comprehensive Spending Review were clear. A key aim of this review will be to reduce the burden of the process to make it fit for purpose at a time when the NPAs are greatly reduced in size.

Progress on the Actions is reported on a six monthly basis to the Senior Management Team and Audit and Review Committee.

4.2 Effective Partnership working.

Arrangements for the management of partnerships through which many of the outcomes in the NPMP are delivered are in place and are reviewed biennially by the Authority, most recently in March 2015. There are clear criteria as to whether the Authority should become or remain a member of a partnership which links the contribution of the partnership to the objectives set out in the NPMP. Work is done to seek to ensure the good governance of partnerships, as recommended by the Audit Commission.

5.0 Decision making

- 5.1 The Authority's decision making framework is set out in publicly available documents, including standing orders, a statement of the powers delegated to Committees and Officers, a description of the role of Authority Members in governance arrangements, and a protocol on Member – Officer relations. All such documents are kept up to date and reviewed when necessary (and at least once every five years).
- 5.2 The Authority and the four committees have distinct terms of reference. Meetings of the Authority are held in public (save for individual items of a sensitive nature properly considered in confidential session) with publicly available agendas and minutes, and members of the public may ask questions and make representations on relevant matters at meetings.
- 5.3 The Authority has adopted the 'Good Governance Standard for Public Services' published by the Independent Commission on Good Governance in Public Services and has produced guidance on the roles and responsibilities of members supported by job descriptions for Chairs, Members and the Member Champion initiative.
- 5.3 Officer responsibilities are defined through their job descriptions, supplemented by defined competencies for each role, and a clear set of core values and behaviours which staff are expected to follow. An officer code of conduct sets out minimum standards expected of all officers. Our performance system considers all aspects of an individual's performance, including delivery of objectives, values, behaviours and competencies.

6.0 Risk Management

- 6.1 Risk Management procedures link the process for identifying and managing risks explicitly to the achievement of the Authority's objectives. The Authority's Risk Management Policy applies a tiered approach involving:
- i. an **Annual Risk Management Plan**, to demonstrate to our 'Corporate Plan' audience that we are aware of, and have plans to manage, the risks that could otherwise defeat the delivery of our priorities;
 - ii. a **Strategic Risk Register**, to demonstrate to Members that there is an active process of identifying and managing truly strategic risks;
 - iii. an **Operational Risk Register** (designed to hold the details about how each risk, and its components, are controlled), to demonstrate to other audiences that we have a detailed but proportionate approach to all of the various components of risk. These 'other audiences' include the external and internal auditors, UNISON and our insurers.
- 6.2 No new strategic risks have been identified in the past year; this is to be distinguished from issues or events affecting the assessment or control of existing risks. Risk management processes are continuing to be further embedded within the Authority's work:

- i. The Senior Management Team has completed their scheduled reviews of the Operational Risk Register (in line with the Risk Management Policy; May and October 2014).
- ii. Directorate administrators have organised the service managers within their directorates to maintain appropriate risk logs of the specific risks facing their service.
- iii. Scheduled meetings are taking place with our insurance advisers, to make sure that we identify new risks as they emerge.
- iv. Strategic risks are reviewed by the Senior Management Team and reported to the Audit & Review Committee.

7.0 Developing, communicating and embedding codes of conduct defining the standards of behavior for members and staff:

- 7.1 The Authority maintains Codes of Conduct for Members and officers together with registers of interests.
- 7.2 The Authority adopted arrangements for dealing with complaints concerning the conduct of Members following the implementation of the Localism Act 2011 and has retained a Standards Committee. Induction training for new Members includes training on governance arrangements and in particular ethics, and the Standards Committee is reviewing its procedures for assessing code of conduct complaints.
- 7.3 The Member Employee Protocol has recently been updated.
- 7.4 The Annual Review letter received from the Ombudsman on complaints advised the Authority that there has been one referral of a complaint to the Ombudsman in the year to 31st March, but with the decision being that the case was not within jurisdiction.
- 7.5 The Authority has a Whistleblowing Policy, with confidential reporting arrangements in place to enable internal and external whistle-blowing.
- 7.6 The Complaints, Compliments and Comments Policy was fully reviewed in 2012.

8.0 Financial Accountability

- 8.1 The Medium Term Financial Strategy is established by the Authority's Budget Process, which is developed in accordance with the Priorities approved by the Authority, and prepared in line with requirements laid down by Government.
- 8.2 The Financial Management of the Authority is embedded in the systems for budget setting, and for controlling and monitoring expenditure, which are applied consistently across its operations. These include Financial Regulations and the Finance Handbook; both are kept up to date and regularly reviewed.

- 8.3 The Authority has approved its Treasury Management Strategy. Monitoring of the operational budget was conducted during the year and findings incorporated into the budget planning process for 2015/16.
- 8.4 Contract Standing Orders and Financial Regulations set out arrangements governing the award of contracts, to ensure that procurement processes are fair transparent and lawful, and that best value for money is being obtained. Payment of allowances to Members is made in accordance with the Local Authorities (Members' Allowances) (England) Regulations, 2003.
- 8.5 Internal Audit (provided by Veritau Ltd) provides an independent review of compliance with all of the above.
- 8.6 The Authority has an Anti-fraud and Corruption Policy in place to prevent fraud and procedures exist to ensure that staff are aware of what steps to follow should fraud be suspected. The Authority has recently reviewed its policies and procedures against the guidance published in October 2014 by CIPFA "Managing the risk of Fraud and Corruption" and is satisfied that, subject to the actions identified in the statement set out below the authority has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud.
- 9.0 **Sources of Assurance**
- 9.1 The main independent sources of assurance on the operation of the Corporate Governance Framework are the work of the Authority's Internal and External Auditors, whose work complements that of other external review bodies, for example the NPAPA peer review team, the Investors in People assessor and the Customer Service Excellence assessor.
- 9.2 The Chief Executive Officer is the Authority's Head of Paid Service, and advises the Authority on issues of policy, staffing and resources. The Authority also employs a Solicitor / Monitoring Officer, to advise on issues of ethical conduct and the lawfulness of decision making. Together with the Chief Financial Officer, they are responsible for ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.
- 9.3 The Authority is compliant with the CIPFA Statement on The Role of the Chief Financial Officer in Local Government (2010). The Authority's Chief Financial Officer (s151 Officer) is the Director of Corporate Services, who sits on the Senior Management Team, has direct access as required to the Chief Executive and Members of the National Park Authority, and is directly responsible for the facilitation of an internal finance function with suitably qualified staff.
- 9.4 **Audit arrangements**
The Authority's internal audit arrangements conform to the governance requirements of the CIPFA *Statement on the Role of the Head of Internal Audit* (2010). The role of Head of Internal Audit is currently provided by Veritau Ltd, a provider of internal audit services to the public sector, and reports directly to the Authority's Audit and Review Committee. This Committee undertakes the core functions of an Audit Committee identified in CIPFA's *Audit Committees: Practical Guidance for Local Authorities*. These functions include raising the profile of internal

control, risk management and financial reporting issues within the Authority, as well as providing a forum for the discussion of issues raised by internal and external auditors. The Committee also provides some scrutiny functions (noting that the guidance states that ideally, Audit Committees should be separate from such activity). However, the size of the Authority means that the current arrangements are fit for purpose.

9.5 Communications

The Authority establishes clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation by having a dedicated Communications Team who are responsible for coordinating communications with the wide variety of stakeholders who are affected by or have an interest in the work of the National Park Authority and the National Park more generally.

9.6 The Authority's website is a key communication tool for residents and visitors and other regular communication tools include the publication of two newspapers for Residents (twice a year) and Visitors (annually) and the use of social media (Twitter and Facebook). The Authority is in the process of developing its social media strategy.

Clear objectives have been set and include:

- Promoting YDNP as a tourism destination
- Highlighting and promoting the breadth and depth of the work YDNPA does
- Promoting YDNPA events
- Communicating the YDNPA view on issues and promoting campaigns
- Supporting and promoting local businesses
- Driving people to our other communications channels, particularly the website
- Being seen to be part of the "conversation" on all things YDNP

10.0 Review of Effectiveness

10.1 The Authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by Officers who have responsibility for the development and maintenance of the governance environment, the Internal Audit reports on the audits conducted throughout the year, and also by comments made by the external auditors and other review agencies and inspectorates.

10.2 This continuous review is based on our Local Code of Corporate Governance, and results in annual reports by the Monitoring Officer to Senior Management Team and to the Audit & Review Committee. This Annual Governance Statement is then drawn up by the Chief Executive Officer, the Monitoring Officer and the Chief Finance Officer, in consultation with the Chairman of the Authority and the Member Champion for Corporate Management.

10.3 Results of latest review

The review of effectiveness for the Financial Year identified the following key issues relating to 2014/15:

Reviews of a number of governance documents have been undertaken, either to address new issues or because the policies concerned were due for review. This included policies that are specific to particular work areas, as well as the following, of more general significance in relation to governance:

- Data Protection Policy
- Corporate Governance Policy
- Scheme of Delegation to Committee and Officers
- Protocol on Member and Officer Relations
- External Funding Strategy
- The Authority's Pensions discretions policies
- Personnel Policies in line with the People management Strategy (including Relocation Redundancy and Bar Criteria Guidance)
- Biodiversity Action Plan

10.4 The Authority has taken such action as was necessary to ;

- implement the requirements of the Data Transparency Code with particular reference to the Authority's Publication Scheme
- implement the recommendations from the review of Committee Services
- implement the recommendations from the audit of compliance with the Data Protection Act including delivering training to members and key officers.
- improve the accessibility of our websites for mobile devices.

10.5 The following reviews have been undertaken

- a fundamental review of the Authority's priorities
- the 3 year staff survey
- through NPUK, developed the arrangements for National Corporate sponsorship: specifically, produce the ethics policy to support this work;
- our programmes and priorities, to inform decisions about the Authority's future direction and work programme;
- the 2014 Residents survey, Landowners survey and Visitor survey to evaluate public perception of the Authority;
- the Authority's role in hosting the Grand Départ;
- the Public Participation Scheme in Planning introduced in 2013;
- Review of community consultation, focussing on the development of Parish Forums

10.6 In their Annual Audit Letter issued on 21st October 2014, the external auditors identified no issues with or weaknesses in the Authority's accounting records and systems, and consequently made no recommendations for improvements.

10.7 A total of 6 reports were received from the Authority's internal auditors: these contained assessments of Risk Management, Anti- Fraud Assessment, Accounting and Budget Management, Cash and Banking, Dales Countryside Museum, Payment card Industry Data Security Standard (PCI DSS). The report on Anti Fraud Assessment of high assurance made one recommendation that positive and appropriate training provision is made for all officers involved in key internal control systems. The CIPFA Code of Practice "managing the risk of fraud and corruption"

requires that where organisations are making a statement in their annual governance statement about adherence to the code it is required to approve one of two statements set out in the accompanying report. The recommendation from the review is incorporated into the statement set out below.

10.8 There were no findings by the Ombudsman of maladministration by the Authority during 2014/15

We have been advised by the Senior Management Team and the Audit and Review Committee on the implications of the result of the review of the effectiveness of the governance framework, and we are satisfied that the arrangements continue to be fit for purpose in accordance with the governance framework. The areas already addressed, and those to be specifically addressed with new actions planned are outlined below.

11.0 Significant Governance Issues

11.1 No significant governance issues have been identified. The review of effectiveness has identified the following areas to be addressed in 2015/16:

- i. A review of financial arrangements. The Authority is funded mainly by a DEFRA Core Grant. The indicative grant settlement for the year sees a further reduction in our grant, and this trend is expected to continue. Arrangements have been proposed to meet the reduction in central funding in 2015/16 and details were reported to the Authority in March. In relation to Future Funding, the Authority is taking a more commercial approach to raising funds to continue the project work within the Park. An Income Generation Group has been formed to formalise the Authority's approach to pursuing grants and sponsorship in the future;
- ii. The following documents policies and strategies are due for review :
 - Standing Orders
 - Equality Policy
 - Information and Technology Strategy
 - Enforcement Policy
 - Property Strategy
 - Volunteering Strategy
 - Interpretations Strategy
 - Special Qualities Special Experiences Strategy
 - Communications Strategy
 - People Management Strategy.
 - Finance handbook
- iii. Work on the preparation of the core strategy within the Local Development Framework was reported to the Authority in March 2014, establishing the Authority's key policies as local planning authority for the Yorkshire Dales National Park. By 2015 the Authority plans to prepare a new Local Plan that sets out how the local planning system will be used to seek positive opportunities for development to help achieve the vision and objectives in

NPMP. The Authority aims to publish a full final draft of the Local Plan by summer 2015.

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

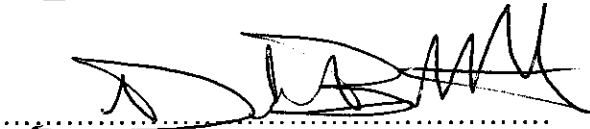
Having considered all the principles we are satisfied that subject to the actions identified below, the organisation has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain is vigilance to tackle fraud

Action	Responsibility	Target Date
That appropriate training is undertaken by those staff who are employed in areas where fraudulent activity could occur and by senior managers who are involved in policy and procedural approval.	Monitoring Officer	June 2015

Signed



Chairman



Chief Executive

Date: 29/9/15

On behalf of the Yorkshire Dales National Park Authority

