



Agenda

Meeting: Finance, Risk, Audit and Standards Committee

Venue: The Old Vicarage, Bondgate, Helmsley, YO62 5BP

Date: Monday 23 February 2026, 10am

Business

1. Livestreaming and recording – The Chair to inform members of the public that the meeting is livestreamed and recorded.
2. Emergency evacuation procedure – The Chair to inform members of the public of the emergency evacuation procedure.
3. Apologies for absence
4. Public minutes on the meeting held on 17 November 2025 (pg 2)
5. Members are reminded that it is their responsibility to declare the nature of any personal, prejudicial and/or disclosable interests relating to any agenda item immediately prior to its consideration and are encouraged to complete a written declaration using the form provided.
6. Exclusion of the public from the meeting during consideration of items 17 & 18 on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 1 & 2 of Part 1 of Schedule 12A to the Local Government Act 1972.
7. External Auditors – Final Audit report (pg 7)
8. External Funding and Project progress (pg 45)
9. Quarter 3 Finance update (pg 56)
10. Budget 2026/27 (pg 72)
11. Quarterly Performance scorecard (pg 86)
12. Proposed changes to the Authority’s “Making a Complaint about an Authority Member” guide (pg 105)
13. Organisational Development Plan (2023 – 27) progress report (pg 114)
14. Health and Safety update (pg 119)
15. Annual Treasury Management and the Prudential Code for Capital Finance (pg 123)
16. Such other business as, in the opinion of the Chair, should, by reason of special circumstances, be considered as a matter of urgency.

Private business - Minutes/reports circulated to Members only

17. Private minutes of the meeting held on 17 November 2025

18. Complaints and Compliments review

Tom Hind

Chief Executive (National Park Officer)

Press Contact: Nina Beadle, Media and Communications Officer, 01439 772700

Note:

- To ensure this Meeting is conducted in an open and transparent manner it will be live streamed to the public and recorded. A link will be published under the relevant Meeting heading of the Authority's website. The recording will be held in accordance with the Authority's retention policy.
- The Authority allows the videoing of public meetings but asks that any party wishing to do so informs the Authority in advance of the meeting. Videoing that disrupts the meeting is not allowed. Persons expressly refusing consent, children and vulnerable adults cannot be filmed or photographed. The existing rules relating to confidential and exempt information, defamation, Data Protection and Public Order apply. The Authority accepts no liability whatsoever for videoing carried out by other parties.
- Members are reminded to turn all electronic equipment to silent mode, including mobile phones, laptop computers and tablets. Please note that only information that is available to Members during the Committee meeting should be accessed from a computer in the interests of sound decision making.
- Tea and coffee will be available a quarter of an hour before the meeting.
- Judith Seaton should be notified of any apologies.
- Please ensure when parking in the car park that you have not caused an obstruction which could prevent emergency vehicles accessing the building.
- This agenda is available on the website www.northyorkmoors.org.uk
- This agenda is available in large print on request.

Finance, Risk, Audit and Standards Committee

Membership, including Ex-officio Chair and Deputy Chair of the Authority

-	Sec of State	Sec of State Parish	R&CBC	NYC
Names	Patrick James Christine Robertson Jane Harper	Colin Williamson		David Jeffels Clive Pearson Heather Moorhouse John Ritchie George Jabbour
Number of members	4		5	
Total membership	9			
Quorum	5 (includes at least one Sec of State and one Local Authority Member)			

North York Moors National Park Authority

Item 4, Public Minutes of the Finance, Risk, Audit and Standards Committee meeting held on 17 November 2025

Present:

Jim Bailey, Malcolm Bowes, Jane Harper, George Jabbour, David Jeffels, Heather Moorhouse, Clive Pearson, John Ritchie, Christine Robertson

Apologies:

Patrick James, Keith Wilkinson (Independent Person), Colin Williamson

Officers in attendance:

Tom Hind (Chief Executive), Pete Williams (Director of Corporate Services), Joel Brookfield (Director of Recreation and Wellbeing), Briony Fox (Director of Conservation and Climate Change), Ellen Cross (Funding Manager), Kate Clark (Performance Management Officer), Gavin Barker (Engagement Lead, Forvis Mazars)

Copies of all documents considered are in the minute book

43/25 Minutes

That the public minutes of the meeting held on 1 September 2025 having been printed and circulated, be taken as read and be confirmed and signed by the Chair as a correct record.

44/25 Members Interests

Members were reminded of their responsibility to declare any personal and prejudicial interests relating to any agenda item prior to its consideration.

45/25 Exclusion of the public

Resolved: That the public be excluded from the meeting during consideration of Items 17 & 18, on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 1 & 2 of Part 1 Schedule 12A to the Local Government Act 1972.

46/25 External Auditor verbal update – Gavin Barker from Forvis Mazars LLP

Considered:

The verbal report of the External Auditor.

Gavin Barker reported that everything is going to plan with the continued help and cooperation from the finance team and drafts will be circulated by end of November according to the new requirement. The pension assurance letter is still awaited but hopefully everything will be in place to sign everything off at 15 December Authority meeting. Members gave Gavin Barker best wishes for his upcoming retirement.

Resolved: That the Audit Completion Report summarising the statement of accounts for 2024/25 and draft Auditor's Annual Report including the value for money commentary will be taken to 15 December Authority meeting.

47/25 Draft Medium Term Financial Strategy

Considered:

The report of the Director of Corporate Services

Members commented

- 5% reduction is in as worst-case scenario, however Defra's own reductions are likely to be much more significant so we should be aware of and prepare to manage this. Other options to consider on capital spend - looking at capitalising salaries. If a greater cut of possibly 15% then would need strategic change and even if continued flat cash settlements it may be that radical decisions by Members may have to be taken.
- Value of outputs is important and performance and delivery of our NP Management Plan which will be discussed at NPA on 15 December. It is how we work in partnership with others, farmers, businesses, etc and how they deliver on our behalf – third pillar of the NP Strategy.
- Suggestion that a lower cost options should be considered when decisions on property are made.
- 3-year settlement from Defra gives the Authority time to plan for the future and consider reserve levels. Often delays in knowing what the grant figure will be and possibly January.
- Externally funded projects figure of £2.5 million is part of the Business Plan as agreed by Members and perhaps isn't ambitious enough.

Resolved: That Members comment on the Medium-Term Financial Strategy ahead of a final version at NPA in December.

48/25 Quarterly Performance Scorecard

Considered:

The report of the Performance Management Officer

Important that we can demonstrate our performance and outputs and the value of them. Scorecard reflects how we are doing as an organisation.

Resolved: That Members note the scorecard.

49/25 Quarter 2 Finance update 2025/26

Considered:

The report of the Director of Corporate Services

A discussion was held around getting best value for insurance perhaps using a broker.

Action: Explanation of why the Inspired by...gallery income is down to be provided to Members.

Resolved: That Members note the content of the report.

50/25 External Funding and Project progress

Considered:

The report of the External Funding Manager and the Project Development Manager

A discussion was held around the impact of the fire and funding to cover costs and staffing for now and in the future, if it possible to predict. Any funding can support our core services and align with our core work, for example species recovery is a wider project such as involving community engagement not just about the wildfire. Future indication would be useful of how much the wildfire impacts on officer time taken away from other work.

Suggestion that future reports indicate which are joint projects and how much is allocated to which partners.

Roseberry Topping delay on 2nd phase due to technical design company on the south side ascent unable to do the work for 3 months. National Trust has gone through significant restructure, but we have had several meetings now with them and confident that work will be happening hopefully during the summer 2026.

Thanks were expressed for all the work done by all officers on the externally funded bids.

Resolved: That Members note the content of the report and agree the current work being done to secure external funding and project development.

Monitor quarterly progress, especially for pending and opportunity funding, to ensure the Authority's Business Plan objectives are met.

51/25 NPA Carbon Accounting for Financial year 24/25

Considered:

The report of the Head of Climate Change and Carbon Reduction

Members discussed the effectiveness and performance of the solar panels at Sutton Bank National Park Centre with the battery and smart meters being key in calculating and reporting this. There is an app that gives real time generation to show they are working effectively.

Resolved: That Members note the work done to establish accurate carbon reporting for Authority emissions and identify methods to reduce Authority emissions.

52/25 Corporate Risk Register

Considered:

The report of the Director of Corporate Services

Resolved: That Members note the report.

53/25 Health and Safety update

Considered:

The report of the Director of Corporate Services

Discussion on the bike track as such a high-risk area, Dom Barry as a very experienced cyclist and the Ranger both regularly check the surfaces, vegetation and safety aspects. First aid training and the kits at Sutton Bank National Park Centre have been improved following on from previous incidents.

Lymes Disease is increasing in prevalence with the increase in ticks. It was confirmed that the importance of early treatment is communicated to staff and volunteers, also including the public on external communications.

Resolved: That Members note the report.

54/25 Mid-year Treasury update

Considered:

The report of the Director of Corporate Services

Resolved: That Members note the contents of this report.

55/25 Other business

George Jabbour highlighted a visit he had encountered from other National Parks officers and what a wonderful experience of sharing knowledge. This was the Learning and Engagement, Health and Wellbeing groups joint conference held in Helmsley, hosted by us, and accommodated at the Youth Hostel. There are several joint conferences held with officers' groups and it was suggested that an update for Members on these joint conferences/working would be interesting.

Action: A presentation and update for Members on joint National Park events.

.....(Chair)
23 February 2026

Public Summary of items considered "in private" at the meeting of the Finance, Risk, Audit and Standards Committee on 17 November 2025

Private minutes

Members agreed that the private minutes of the meeting held on 1 September, having been printed and circulated, be taken as read and be confirmed and signed by the Chair as a correct record.

Complaints and Compliments review.

North York Moors National Park Authority
Finance Risk and Audit Standards Committee

23 February 2026

Item 7, External Audit update – Final Audit Report

1. Purpose of the report

1.1 Forvis Mazars LLP to detail the conclusion of the 2024/25 audit for Members including an amendment to the fee.

2. Summary

2.1 Attached are a follow up letter to the previously presented Audit Completion Report, a letter detailing a fee adjustment to the figure previously mentioned in the Annual report and a final copy of the Auditor’s Annual Report for the 2024-25 audit. The Audit Director will also cover the transition of their role ahead of the 2025/26 audit.

3. Contribution to National Park Management Plan

3.1 External audit is a statutory requirement and an essential tool to provide assurance on the financial arrangements, sustainability and value for money of the Authority. The ability to deliver the outcomes of the management and business plan is dependent upon good financial management and an unqualified external audit and positive value for money opinion are key evidence of that.

4. Legal and sustainability implications

4.1 An annual external audit is a statutory requirement for the Authority.

5. Recommendation

5.1 That Members note the auditor reports.

Members of the North York Moors National Park Authority
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Direct line: +44 (0) 191 383 6300
 Email: gavin.barker@mazars.co.uk

Date: 6 January 2026

Dear Members

Follow-up on outstanding matters – Audit Completion Report 2024/25

Following on from our previous correspondence and as required by International Standards on Auditing (UK), we are writing to confirm matters arising that were marked as outstanding within our Audit Completion Report, dated 3 December 2025, and presented to the full Authority on 15 December 2025.

Although we had hoped to sign off the audit before Christmas, the PF auditor assurance letter was not received in time to achieve this.

The outstanding matters that we described in our Audit Completion Report and the conclusions reached are detailed below:

Outstanding Matter	Update and conclusion reached
<p>PPE Valuations (Including Heritage Assets) and Leases (including Right of Use Assets)</p> <p>Minor queries are outstanding.</p>	<p>No further reporting issues identified.</p>
<p>Defined Pension Benefit</p> <p>Awaiting assurance letter from the auditor of North Yorkshire Pension Fund at the time of preparing this report.</p>	<p>We received the final letter from the auditor of North Yorkshire Pension Fund on 23 December 2025. There was a net understatement of Pension Fund assets, but your share of this was only £97k which is not material, but has been reported as an unadjusted misstatement in the Appendix to this letter.</p> <p>The main purpose of this is to demonstrate that the potential adjustment (which is estimated) is not material and can consequently be left as unadjusted as the accounts are still materially true and fair.</p>

Outstanding Matter	Update and conclusion reached
<p>Journal Entry testing (Including Journal Completeness)</p> <p>We are finalising our work.</p>	<p>No further reporting issues identified.</p>
<p>Unusable reserves and grant income testing</p> <p>Minor queries are outstanding.</p>	<p>No further reporting issues identified.</p>
<p>Disclosure notes</p> <p>We are finalising our work in relation to the Expenditure and Funding Analysis, Capital Expenditure and Capital Financing note, Post Balance sheet events and Cash Flow statements.</p>	<p>No further reporting issues identified.</p>
<p>Completion procedures</p> <p>Completion procedures will continue up to the point where we receive the final signed set of financial statements and the signed letter of representation from management. These procedures include ongoing completion and review of our audit file, checking the final version of the financial statements and considering any events after the balance sheet date up to the point that we issue our audit opinion.</p>	<p>We have now finished our completion procedures. A full assessment of post balance sheet events was performed. There are no additional matters to report to you, noting our final closing procedures will continue up to and including when the formal opinion is signed.</p>
<p>Value for money arrangements</p> <p>We have completed our work, but we will continue to assess arrangements up to the point of issuing our audit opinion.</p>	<p>We did not identify any significant weaknesses in respect of arrangements for economy, efficiency and effectiveness in the use of resources for the year ended 31 March 2025.</p> <p>Our final VFM narrative will be included in our Auditor's Annual Report for 2024/25, which will be issued when we sign our audit opinion. A draft of our commentary was shared with Members before the end of November 2025 and is unchanged from that text.</p>

We plan to issue our independent auditor's report, including an unqualified opinion on the financial statements and no matters to report in relation to the arrangements for economy, efficiency and effectiveness in the use of resources as soon as we have received the final signed version of the financial statements (and Annual Governance Statement) and the signed letter of representation, expected to be within the next few days.

If you wish to discuss these or any other points, then please do not hesitate to contact me.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Gavin Barker', with a long horizontal stroke extending to the right.

Gavin Barker
Director, Forvis Mazars LLP

Appendix: Summary of Unadjusted misstatements

Unadjusted Misstatements

The table below shows the misstatements identified during the course of our audit which management has assessed as not being material either individually or in aggregate to the financial statements and have not been adjusted in the final version of the financial statements for 2024/25.

Description	CIES	CIES	Balance Sheet	Balance Sheet
	DR £000s	CR £000s	DR £000s	CR £000s
Dr. Pension Liabilities			97	
Cr. Pension Reserve				97
The Pension Fund auditor identified an unadjusted difference in asset values during their audit of the Pension Fund. The above is an estimation of the impact on the Authority's asset valuations based on the Authority's share of Pension Fund assets. This is an understatement of asset values and is not material.				
Aggregate effect of unadjusted misstatements	0	0	97	97

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2 February 2026

Dear Mr Williams,

North York Moors National Park Authority – Correction to Final Fee for the 2024/25 Audit

I have identified an error in the 2024/25 fee reported in the Auditor's Annual Report 2024/25 dated 7 January 2026.

The 2024/25 PSAA scale fee was cited as £48,845 when it should have been £48,056, meaning that the total fee was overstated by £789. I have set out the corrections in the table below:

Area of work	2024/25 fees (as per AAR)	2024/25 fees (corrected)
Code Audit Work (PSAA Scale Fee)	£48,845	£48,056
Additional fees in respect of 2024/25 audit for new accounting standard IFRS 16, Leases	£2,000	£2,000
Total fees	£50,845	£50,056

As you know, I am due to present the Auditor's Annual Report to the Finance, Risk, Audit and Standards Committee on 23 February 2026.

I therefore suggest that this letter is included in the agenda papers for the meeting along with the Auditor's Annual Report so that I can clarify the final position on audit fees in my presentation.

Also, just to remind you that all proposed fees are subject to approval by Public Sector Audit Appointments Limited.

I apologise for my error and for any inconvenience this has caused.

Yours sincerely

Gavin Barker

Gavin Barker
Director



Auditor's Annual Report
North York Moors National Park Authority – year ended 31 March 2025

7 January 2026

- 01 Introduction
 - 02 Audit of the financial statements
 - 03 Commentary on VFM arrangements
 - 04 Other reporting responsibilities
 - 05 Audit fees and other services
-
- A Appendix A: Further information on our audit of the Authority's financial statements

Our reports are prepared in the context of the 'Statement of Responsibilities of auditors and audited bodies' and the 'Appointing Person Terms of Appointment' issued by Public Sector Audit Appointments Limited.

Reports and letters prepared by appointed auditors and addressed to the Authority are prepared for the sole use of the Authority and we take no responsibility to any member or officer in their individual capacity or to any third party.

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01

Introduction

Purpose of the Auditor's Annual Report

Our Auditor's Annual Report (AAR) summarises the work we have undertaken as the auditor for North York Moors National Park Authority ('the Authority') for the year ended 31 March 2025. Although this report is addressed to the Authority, it is designed to be read by a wider audience including members of the public and other external stakeholders.

Our responsibilities are defined by the Local Audit and Accountability Act 2014 and the Code of Audit Practice ('the Code') issued by the National Audit Office ('the NAO'). The remaining sections of the AAR outline how we have discharged these responsibilities and the findings from our work. These are summarised below.



Opinion on the financial statements

We issued our audit report on 7 January 2026. Our opinion on the financial statements was unqualified.



Value for Money arrangements

We did not identify any significant weaknesses in the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources. Section 3 provides our commentary on the Authority's arrangements.

02

Audit of the financial statements

Our audit of the financial statements

Our audit was conducted in accordance with the requirements of the Code, and International Standards on Auditing (UK) (ISAs). The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. We do this by expressing an opinion on whether the statements are prepared, in all material respects, in line with the financial reporting framework applicable to the Authority and whether they give a true and fair view of the Authority's financial position as at 31 March 2025 and of its financial performance for the year then ended. Our audit report, issued on 7 January 2026 gave an unqualified opinion on the financial statements for the year ended 31 March 2025.

A summary of the significant risks we identified when undertaking our audit of the financial statements and the conclusions we reached on each of these is outlined in Appendix A. In this appendix we also outline the uncorrected misstatements we identified and any internal control recommendations we made.

Qualitative aspects of the Authority's accounting practices

We reviewed the Authority's accounting policies and disclosures and concluded they comply with the 2024/25 Code of Practice on Local Authority Accounting, appropriately tailored to the Authority's circumstances.

Significant difficulties during the audit

There were no significant difficulties noted during the audit. We received the full co-operation of management during the audit.

Other reporting responsibilities

Reporting responsibility	Outcome
Narrative Report	We did not identify any inconsistencies between the content of the annual report and our knowledge of the Authority.
Annual Governance Statement	We did not identify any matters where, in our opinion, the governance statement did not comply with the guidance issued by CIPFA/LASAAC Code of Practice on Local Authority Accounting.

03

Our work on Value for Money
arrangements

VFM arrangements

Overall Summary



Approach to Value for Money arrangements work

We are required to consider whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:



Financial sustainability - How the Authority plans and manages its resources to ensure it can continue to deliver its services.



Governance - How the Authority ensures that it makes informed decisions and properly manages its risks.



Improving economy, efficiency and effectiveness - How the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

Our work is carried out in three main phases.

Phase 1 - Planning and risk assessment

At the planning stage of the audit, we undertake work so we can understand the arrangements that the Authority has in place under each of the reporting criteria; as part of this work we may identify risks of significant weaknesses in those arrangements.

We obtain our understanding of arrangements for each of the specified reporting criteria using a variety of information sources which may include:

- NAO guidance and supporting information
- Information from internal and external sources, including regulators
- Knowledge from previous audits and other audit work undertaken in the year
- Interviews and discussions with officers

Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest there are further risks of significant weaknesses.

Phase 2 - Additional risk-based procedures and evaluation

Where we identify risks of significant weaknesses in arrangements, we design a programme of work to enable us to decide whether there are actual significant weaknesses in arrangements. We use our professional judgement and have regard to guidance issued by the NAO in determining the extent to which an identified weakness is significant.

We outline the risks that we have identified and the work we have done to address those risks on page 10.

Phase 3 - Reporting the outcomes of our work and our recommendations




We are required to provide a summary of the work we have undertaken and the judgments we have reached against each of the specified reporting criteria in this Auditor's Annual Report. We do this as part of our Commentary on VFM arrangements which we set out for each criteria later in this section.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Authority. We refer to two distinct types of recommendation through the remainder of this report:

- **Recommendations arising from significant weaknesses in arrangements** - we make these recommendations for improvement where we have identified a significant weakness in the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources. Where such significant weaknesses in arrangements are identified, we report these (and our associated recommendations) at any point during the course of the audit.
- **Other recommendations** - we make other recommendations when we identify areas for potential improvement or weaknesses in arrangements which we do not consider to be significant, but which still require action to be taken.

The table on the following page summarises the outcome of our work against each reporting criteria, including whether we have identified any significant weaknesses in arrangements, or made other recommendations.

Overall summary by reporting criteria

Reporting criteria	Commentary page reference	Identified risks of significant weakness?	Actual significant weaknesses identified?	Other recommendations made?
 Financial sustainability	11	No	No	No
 Governance	14	No	No	No
 Improving economy, efficiency and effectiveness	17	No	No	No

VFM arrangements

Financial Sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services



Risks of significant weaknesses in arrangements in relation to Financial Sustainability

We did not identify any risks of significant weaknesses in arrangements as part of our continuous planning procedures.

Overall commentary on Financial Sustainability

How the National Park Authority ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them

The Authority faces a challenging financial position, mainly caused by uncertainties over funding from the Department for Environment, Food and Rural Affairs (DEFRA), which have been for flat cash for a number of years UNTIL 2025/26 in a period of high inflation and significant cost pressures. The uncertainty has been exacerbated by annual funding settlements, which make medium-term financial planning more difficult, and for 2025/26 DEFRA was one of the Government Departments needing to make cuts overall and the implications for the Authority were unclear.

Once again, the Authority was forced to set its 2025/26 Budget before DEFRA funding was known. In the event, DEFRA revenue funding reduced to £4.0m, but significant additional capital funding was made available and was a total of £1.5m.

The financial position has been carefully managed and there has been diversification of income sources to reduce the reliance on DEFRA core grant. Core DEFRA grant was £4.9m in 2024/25, compared to total income of £15.4m.

The Authority sets an Annual Budget and 5 Year Medium-Term Financial Strategy. These are considered by the Finance, Risk, Audit and Standards Committee and then considered further and approved by the full Authority.

We have reviewed the Medium-Term Financial Strategy for recent years, and the Annual Budget for 2024/25 and the Annual Budget for 2025/26. These reports were comprehensive and set out all the challenges facing the Authority and included a range of reasonable assumptions, including the budget pressures faced by the Authority and the options available to it. Reserve levels enable the financial position to be managed over the medium term.

Both the 2024/25 Budget and 2025/26 Budget that were approved by the Authority were balanced.

The outturn for 2024/25 was a surplus of £381k against gross expenditure of £15m.

Usable reserves at 31 March 2025 were a total of £7.178m (up from £7.166m in the previous year) (including s106 and external funding income received in advance), with a general fund balance of £365k and earmarked reserves of £6.813m.

The latest 2025/26 financial monitoring indicates a projected deficit of £43k for the year.

2026/27 budgeting is well underway.

The financial position is very challenging, which will require difficult decisions to be taken by the Authority to deliver savings and efficiencies and improve the medium-term position.

Financial monitoring takes place monthly at a detailed level by management and is reported quarterly to the Finance, Risk, Audit and Standards Committee.

The Authority has no borrowing.

How the National Park Authority plans to bridge its funding gaps and identifies achievable savings

The financial position has been carefully managed and there has been diversification of income sources to reduce the reliance on DEFRA core grant. Core DEFRA grant was £4.9m in 2024/25, compared to total income of £15.4m.

There are two large s106 agreements with mining companies that operate in the area of the national park. Income in relation to these agreements was £4m in 2024/25, with underspends on projects relating to this income carried forward as balances to be utilised in the next financial year.

The approach of the Authority is increasingly project based so that it can switch its resources to and from projects as and when needed, and project funding can help support the core costs of the Authority.

Overall commentary on the Financial Sustainability reporting criteria – continued

How the National Park Authority plans to bridge its funding gaps and identifies achievable savings (continued)

Financial modelling considers various scenarios, but the Authority does have sufficient flexibility to manage its financial position if DEFRA funding is cut further. Reserve levels enable the financial position to be managed effectively over the medium term.

There is a constant drive for efficiencies; examples of projects include new systems, retail improvements, visitor centre investment programmes and increasing car park capacity. Many of the savings come from day-to-day management and improvement to services, but the Authority also have a commercial role to develop earned income improvement opportunities. Future mitigation includes procurement efficiency, use of vehicles and plant, moving more services into project funded delivery as well as increasing fees and tariffs.

How the National Park Authority plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities

The key corporate plans for the National Park Authority are its Management Plan, the current version being 2022 to 2027 and its Business Plan which underpins this. Every national park must have a Management Plan, which sets out how the Authority and its partners will work together to achieve shared objectives for the future management of the national park.

The Business Plan sets out how the future vision in the Management Plan will be achieved, including the key priorities and milestones that need to be achieved.

The Annual Budget and 5 Year Medium-Term Financial Strategy effectively shows how resources are allocated to the achievement of these priorities.

Conclusion

We have not identified a significant weakness in the Authority's arrangements in relation to the financial sustainability reporting criteria.

How the National Park Authority ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system

The Authority monitors performance against the Business Plan and the achievement of its objectives on a quarterly and annual basis, with formal reporting through the Finance, Risk, Audit and Standards Committee and the full Authority. The Annual Budget and 5 Year Medium-Term Financial Strategy effectively shows how resources are allocated to the achievement of these priorities.

We did not identify any significant inconsistencies in the Authority's plans.

How the National Park Authority identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans

The risk management process monitors and manages the risks to the achievement of the objectives set out in the Management Plan, Business Plan and the Annual Budget and 5-Year Medium-Term Financial Strategy.

Taken together, these arrangements provide a cohesive framework for the Authority to set, monitor and deliver its objectives within the resource constraints it faces.

VFM arrangements

Governance

How the body ensures that it makes informed decisions and properly manages its risks



Risks of significant weaknesses in arrangements in relation to Governance

We did not identify any risks of significant weaknesses in arrangements as part of our continuous planning procedures.

Overall commentary on Governance

How the National Park Authority monitors and assesses risk and how the National Park Authority gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

Financial risk is assessed in the Budget and 5 Year Medium-Term Financial Strategy. The Authority has a Corporate Risk Register which is updated annually, including support from North Yorkshire Council, and approved by the full Authority and then progress is reported on quarterly to the Finance, Risk, Audit and Standards Committee.

The risk management process uses a matrix to identify a risk score after any mitigating actions. The risk management process covers many risks including cyber, S106 agreements, financial risks, and health and safety.

An internal audit function is in place. An Internal Audit Plan is discussed with the Finance, Risk, Audit and Standards Committee and agreed each year, with progress reporting and an Annual Internal Audit Report. Veritau provide internal audit services, and their opinion in respect of 2024/25 was:

“The overall opinion of the Head of Internal Audit on the framework of governance, risk management and control operating in the Authority is that it provides Substantial Assurance. No reliance was placed on the work of other assurance providers in reaching this, and there are no significant control weaknesses which, in the opinion of the Head of Internal Audit, need to be considered for inclusion in the Annual Governance Statement.”

There are appropriate systems of internal control in place and an anti-fraud culture has been fostered.

There have been no instances of suspected or reported fraud during 2024/25 and up to the current date.

The Authority produces an Annual Governance Statement and this is reviewed by the Finance, Risk, Audit and Standards Committee and approved by the Full Authority. The statement provides an overview of the control systems in place to give a high level of assurance over the effective operation of internal controls.

How the National Park Authority approaches and carries out its annual budget setting process

The budget setting process begins when Directors meet prior to production of the 5 Year Medium-Term Financial Strategy. Year 2 of the previous 5 Year Medium-Term Financial Strategy is taken, updated for latest assumptions, any changes in payroll or any known in year amendments. Meetings are then held with budget managers and Directors to run through the figures and see if there are any amendments needed or concerns to explore. Budget managers are encouraged to own their budgets – so they are empowered to make changes with the approval of their Director. This is then pulled together to see what the bottom-line position is. There is then a short period if there is a deficit to come together and discuss the challenges, and as a group of Directors seek options for further mitigation.

There is a Staff meeting each year near Christmas to present the Authority’s financial position to ensure that staff are all aware of the pressures and the role that they all play in ensuring the financial sustainability of the Authority and understand the reasons for and nature of the strategy.

The Authority is required to deliver a balanced budget so the impact of the budget on reserves over the budget period is reviewed and mitigating actions taken if necessary. A budget report is taken to Finance, Risk, Audit and Standards Committee in February and scrutinised in detail. Any changes are taken on board and made before the budget report is taken to full Authority in March for further consideration and approval.

Overall commentary on the Governance reporting criteria - continued

How the National Park Authority ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed

Financial systems are in place, and there are appropriate Financial Regulations, that form the requirements of the Authority's system of internal control. A detailed monthly financial review is carried out by the Senior Leadership Team. Budget managers are involved in budget monitoring. The implementation of a new financial system is expected to improve the reporting functionality for budget reporting.

Financial monitoring is reported quarterly to the Finance, Risk, Audit and Standards Committee.

How the National Park Authority ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee

The Authority has a comprehensive set of Governance arrangements in place. The full Authority is the key decision maker. There are sub-committees including the Finance, Risk, Audit and Standards Committee and a Planning Committee.

Conclusion

We have not identified a significant weakness in the Authority's arrangements in relation to the governance reporting criteria.

The Authority has the full set of features of a Governance framework which we would expect to see including Codes of Conduct for officers and Members, Constitutional documents including appropriate standing orders for the conduct of the Authority's business, schemes of delegation and financial regulations.

Review of agenda papers and attendance at meetings have demonstrated to us that the reports presented are comprehensive so that informed decisions can be made, and that there is effective challenge provided by Members and appropriate accountability from management.

How the National Park Authority monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations / conflicts of interests)

Where reports are taken to the full Authority or other Committee meetings, reports consider the standards required of the Authority, including ensuring that the Authority meets its legislative / regulatory obligations.

The role of the three statutory positions of Head of Paid Service, Section 151 Chief Financial Officer and Monitoring Officer helps ensure that all matters that should be considered are properly considered by the Authority and evidenced when decisions are taken.

The Authority has a Code of Conduct that all staff are expected to adhere to. There were no significant issues relating to officer conduct in 2024/25 and up to the current date.

There is a Code of Conduct for Authority Members. There were no issues relating to Member conduct in 2024/25 up to the current date.

VFM arrangements

Improving Economy, Efficiency and Effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services



Risks of significant weaknesses in arrangements in relation to Improving Economy, Efficiency and Effectiveness

We did not identify any risks of significant weaknesses in arrangements as part of our continuous planning procedures.

Overall commentary on Improving Economy, Efficiency and Effectiveness

How financial and performance information has been used to assess performance to identify areas for improvement

The key corporate plans for the National Park Authority are its Management Plan, the current version being 2022 to 2027 and its Business Plan covering the same period. Every national park must have a Management Plan, which sets out how the Authority and its partners will work together to achieve shared objectives for the future management of the national park.

The business plan sets out the National Park Authority delivery which will help to achieve the future vision in the Management Plan, including the key priorities and milestones that need to be achieved.

The Authority monitors performance against the Business plan on an ongoing basis and the achievement of its objectives are reported on a regular basis.

The Annual Budget and 5 Year Medium-Term Financial Strategy effectively shows how resources are allocated to the achievement of these priorities.

The risk management process monitors and manages the risks to the achievement of these objectives.

Taken together, these arrangements provide a cohesive framework for the Authority to set, monitor and deliver its objectives within the constraints it faces. It also enables it to identify areas for improvement and reflect these in its plans and monitor the delivery of the improvements.

There is a full scorecard and Key Performance Indicator (KPI) reporting process to assess organisational performance including financial indicators – this is reported to Members and scrutinised by the Senior Leadership Team. All reports include consideration of financial implications where applicable – so this is a key part of the assessment on any business cases or issues.

Performance improvements are an ongoing process with a responsibility of everyone in the Authority to look for ways to deliver the best services possible. Financial deficits mean that all services are reviewed to identify improved ways of delivery. The Authority are now looking at systems and how they can help improve efficiency – an example being the replacement of the finance system which has taken place in 2025/26. The Authority have also worked strategically with other National Park Authorities including recruiting key expertise in areas such as performance monitoring. It continues to seek opportunities across a range of strategic areas.

How the National Park Authority ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve

The Authority has wide ranging partnerships including with DEFRA, local government and a range of other national and local bodies.

Working with partners and as a partner is one of the central pillars of the Authority's strategy. It is laid out in the Management Plan and Business Plan. The Management Plan is a document for the place which has been pulled together alongside a wide range of stakeholders and partners.

There is a twice-yearly Management Plan meeting with all stakeholders. In addition, there are many examples of meeting with stakeholder groups throughout the year, including parish forums, specific interest groups, other National Parks (including National Park England and the support that the Authority provides to it) and North Yorkshire Council and Redcar and Cleveland Borough Council.

In addition, within projects there are partnering funding bodies such as Yorkshire Water, Environment Agency, National Trust, etc. They are all parties collaborated with on project outcomes, and those working relationships at the project level including have led to improved performance and outcomes reporting. Other clear stakeholders are residents in the National Park; communications are through Moors Messenger as well as established communications channels. These channels are increasing in importance to tie in with brand and reputation which will enhance the Authority's working with partners.

Overall commentary on the Improving Economy, Efficiency and Effectiveness reporting criteria - continued

Where the National Park Authority commissions or procures services, how the National Park Authority ensures that this is done in accordance with relevant legislation, professional standards and internal policies, and how the National Park Authority assesses whether it is realising the expected benefits

The Authority has an appropriate system in place for procurement of services, with Financial Regulations incorporating the requirements for contracting and tendering, and the letting of contracts through a procurement portal.

Procurement governance is set out in the financial regulations. This has been done in conjunction with North Yorkshire Council to ensure this adheres to relevant legislation. The Authority uses the e-Tenders system for tender exercises.

In the last year the Authority have carried out procurement and contract training for staff – including how to ensure the right balance of quality and price to get to the right outcome.

Conclusion

We have not identified a significant weakness in the Authority's arrangements in relation to improving economy, efficiency and effectiveness reporting criteria.

Other reporting responsibilities

Matters we report by exception

The Local Audit and Accountability Act 2014 provides auditors with specific powers where matters come to our attention that, in their judgement, require specific reporting action to be taken. Auditors have the power to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to the law; and
- issue an advisory notice.

We have not exercised any of these statutory reporting powers.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. We did not receive any such objections or questions.

Reporting to the NAO in respect of Whole of Government Accounts consolidation data

The NAO, as group auditor, normally requires external auditors to complete a WGA Assurance Statement in respect of the Authority's consolidation data.

However, the Authority is exempt from making a submission of WGA consolidation data as it has Minor Body Status. As a result of this, we do not need to complete a WGA Assurance Statement.

05

Audit fees and other services

Fees for our work as the Authority's auditor

We reported our proposed fees for the delivery of our work under the Code of Audit Practice in our Audit Strategy Memorandum, dated 14 August 2025, and presented to the Finance, Risk, Audit and Standards Committee on 1 September 2025. Having completed our work for the 2024/25 financial year, we can confirm that our fees are as follows, noting that all additional fees require approval by Public Sector Audit Appointments (PSAA) Limited:

Area of work	2024/25 fees	2023/24 fees
Code Audit Work (PSAA Scale Fee)	£48,845	£41,766
Additional fees in respect of ISA 315 (risks of material misstatement) and ISA 240 (auditor's responsibilities relating to fraud)	£0	£4,710
Additional fees in respect of review of the impact of the Authority not completing the revaluation of land and buildings within a five-year period and the consequences for our audit reporting	-	£3,500
Additional fees in respect of 2024/25 audit for new accounting standard IFRS 16, Leases	£2,000	-
Total fees	£50,845	£ 49,976

Fees for other work

We confirm that we have not undertaken any non-audit services for the Authority in the year.

Appendices

Appendix A: Further information on our audit of the Authority's financial statements

Significant risks and audit findings

As part of our audit of the Authority, we identified significant risks to our opinion on the financial statements during our risk assessment. The table below summarises these risks, how we responded and our findings.

Risk	Our audit response and findings
<p>Management override of controls This is a mandatory significant risk on all audits due to the unpredictable way in which such override could occur.</p> <p>Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits. You should assess this risk as part of your oversight of the financial reporting process.</p>	<p>We did not identify any significant issues to report.</p>
<p>Net defined benefit liability valuation The financial statements contain material pension entries in respect of retirement benefits. The calculation of these pension figures can be subject to significant volatility and includes estimates based upon a complex interaction of actuarial assumptions.</p> <p>There is a risk that the assumptions and methodology used in valuing the Authority's pension obligation are not reasonable or appropriate to the Authority's circumstances. This could have a material impact to the net pension liability in 2024/25.</p>	<p>We did not identify any significant issues to report.</p>
<p>Valuation of property, plant and equipment The financial statements contain material entries on the balance sheet as well as material disclosure notes in relation to the Authority's holding of Property, Plant and Equipment (PPE).</p> <p>The Authority employs a valuation expert to provide information on valuations, however there remains a high degree of estimation uncertainty associated with the (re)valuations of PPE due to the significant judgements and number of variables involved.</p>	<p>We did not identify any significant issues to report.</p>

Appendix A: Further information on our audit of the Authority’s financial statements

Description	CIES	CIES	Balance Sheet	Balance Sheet
	DR £000s	CR £000s	DR £000s	CR £000s
Dr. Pension Liabilities			97	
Cr. Pension Reserve				97
The Pension Fund auditor identified an unadjusted difference in asset values during their audit of the Pension Fund. The above is an estimation of the impact on the Authority’s asset valuations based on the Authority’s share of Pension Fund assets. This is an understatement of asset values and is not material.				
Aggregate effect of unadjusted misstatements	0	0	97	97

Appendix A: Further information on our audit of the Authority’s financial statements

Related Parties – Declaration of Interest

Description of deficiency

Management was unable to provide the related party returns for 6 Members which are collated as part of the year end accounts process.

Potential effects

There is a risk that undisclosed relationships may lead to misstatement of the financial statements if related party transactions are not properly identified, classified and disclosed. This also limits our ability to verify the completeness of related party disclosures.

Recommendation

We recommend that all Members are reminded to comply with the year end related party process to ensure timely identification of related parties for all Members. This process should incorporate periodic reminders, and compliance monitoring, to ensure completeness of the disclosures.

Management response

It can prove challenging to get responses from Members to the Related Parties Questionnaire at year end. Of the 20 responses, only 6 were returned on the first request. A further 8 were returned following reminders or paper copies being supplied at meetings. 6 were not received despite multiple reminders. Management will work with Members to find a more workable solution and review best methods of communication to ensure questionnaires can be completed and returned.

Appendix A: Further information on our audit of the Authority’s financial statements

Disposal of Fixed assets

Description of deficiency

In a sample selected for the disposal of assets, management was unable to provide documentation to support the disposal of a car for £6k. The process followed was intended to maximise the receipt for the Authority but this was not carried out in accordance with the established process.

Potential effects

There is a risk that the accounts may be misstated, assets could be disposed of at less than their fair value, and it heightens the risk of misappropriation or unauthorised sales.

Recommendation

We recommended that the defined process is consistently followed.

Management response

There has been inconsistency in approach to the disposal of assets. Whilst management believe there is no risk to value for money being achieved in disposals, it would benefit from a more centrally controlled and regulated process, so we will write a clearer policy for this and ensure oversight of disposals greater than £5k from the Director of Corporate Services role.

Appendix A: Further information on our audit of the Authority's financial statements

Description of deficiency

The CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 requires a full revaluation of land and buildings to be undertaken at least every 5 years. A full revaluation was due to be undertaken for the 2023/24 accounts, but management had thought that the next review was due for the 2024/25 accounts. In mitigation, the Authority has undertaken an annual revaluation each year of its most significant assets which make up a large percentage of its overall portfolio. We held discussions with management and the Authority's external valuer to understand the implications for assets that had not been revalued since March 2019

Current year update:

Full Revaluation has been performed this year. We are pleased to report that the recommendations have been fully addressed and there are no residual matters outstanding.

Potential effects

This could result in a material misstatement of property, plant and equipment and heritage assets in the financial statements.

We had to carry out additional work to satisfy ourselves that property, plant and equipment and heritage assets were not materially impacted by this deficiency in the 2023/24 accounts. We obtained the assurance we needed in relation to this, but it is important that this issue is addressed in the preparation of the 2024/25 financial statements.

Recommendation

The Authority must ensure that a full revaluation of its land and buildings is undertaken for the 2024/25 financial statements.

The Authority should consider indexing valuations of those assets that are not subject to an annual revaluation each year to avoid the risk of creeping materiality. These assets can then be subject to a full revaluation process every 5 years.

Management response

The work to commission the valuer to carry out a full valuation of assets for 2024/25 has already started. In order to avoid the error in the future relating to the timing of the 5-year full valuation exercise, a line has been added to the closedown timetable to specifically check what valuation requirement is due at the point of commissioning the valuation work. In addition, whilst the desktop valuation process between full valuations was one agreed with previous auditors, there is merit at looking at the process ahead of 2025/26 in relation to either/or indexing assets in the intervening period or rotating the valued assets to ensure that the portfolio does receive full valuation on a sampling basis at least once over the 5 year period.

Appendix A: Further information on our audit of the Authority’s financial statements

Description of deficiency

The Accounts and Audit Regulations 2015 require the Annual Governance Statement to be published alongside the draft financial statements and subject to the public inspection requirements. Detailed guidance on the preparation of the Annual Governance Statement recognises that the Annual Governance Statement may not have been approved when the draft financial statements are published, but in these cases requires a draft Annual Governance Statement to be published at that stage which can then be updated when it has been approved. The Authority did not include a draft Annual Governance Statement in its draft financial statements for 2023/24 and a draft was only prepared later in the year

Current year update:

Management has published the draft Annual Governance Statement within the draft 2024/25 Financial statements. We are pleased to report that the recommendations have been fully addressed and there are no residual matters outstanding.

Potential effects

The Authority could be challenged in relation to meeting its statutory responsibilities under the Accounts and Audit Regulations 2015.

Recommendation

The Authority must ensure that a draft Annual Governance Statement is included in the draft 2024/25 financial statements when they are published and the public inspection period is initiated.

Management response

This will be brought in draft to May Finance, Risk, Audit and Standards Committee from now onwards so that it can be published in draft form alongside the financial statements.

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North York Moors National Park Authority

Finance, Risk, Audit and Standards Committee

23 February 2026

Item 8, External Funding and Project progress

1. Purpose of the report

1.1 To update Members on the work currently being undertaken to secure external funding for the Authority’s Business Plan priorities, and to provide an overview of quarterly project performance.

2. External funding position

2.1 Figure 1 below illustrates the total value of funding awarded each year to the end of Q3 2025/26. It is important to note that the figures represent the total funding awarded in that year, although the actual funding may be distributed over the duration of each project, as shown in Figure 2 (see paragraph 2.7). This provides an overview of the Authority's external funding performance, and the success achieved by teams involved in securing funding across the Authority. Since 2024/5, the focus has shifted towards developing longer-term strategic opportunities, and we continue to develop and curate a pipeline of projects for external funding when opportunities arise to deliver Management and Business plan objectives.

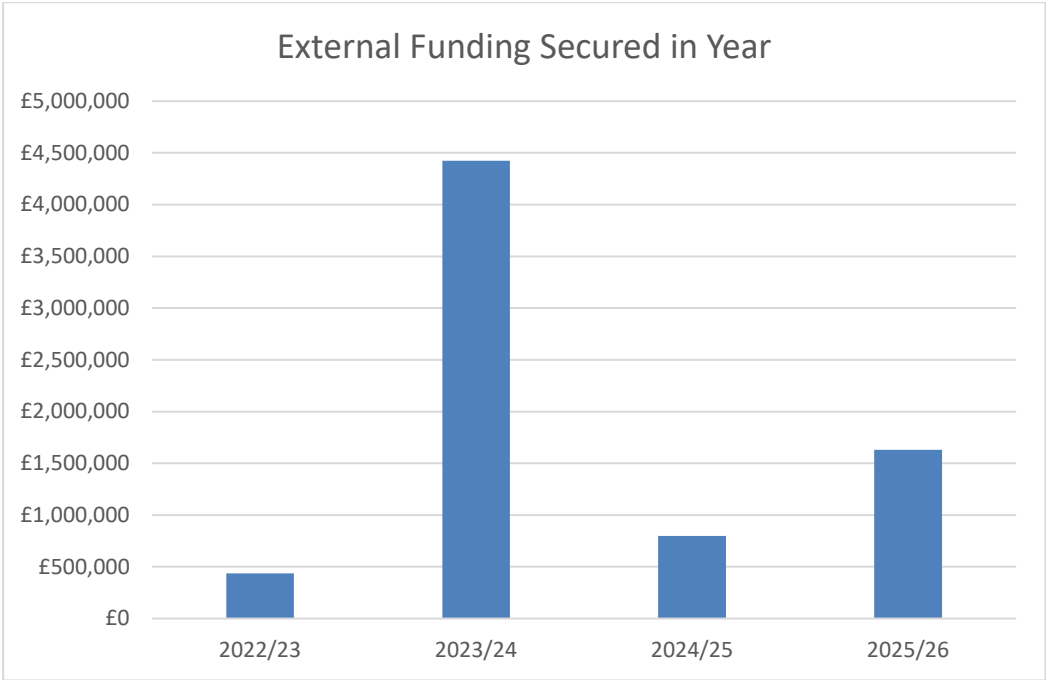


Figure 1

2.2 Langdale Forest and Fylingdales Moor wildfire recovery

Following the wildfire in August 2025, the Authority has continued to commit significant staff resources to the recovery of Langdale Forest and Fylingdales Moor. Over the last quarter, this work has progressed from immediate response into more structured recovery planning, including detailed assessment, partnership working, and the development of longer-term restoration and funding proposals. While this work has still required a degree of prioritisation and flexibility across teams, routine external funding and project development activities are now beginning to rebalance, with several paused or slowed initiatives being re-progressed alongside the ongoing wildfire recovery programme.

The following progress has been made on the funding streams:

- A grant secured from the York and North Yorkshire Combined Authority's Net Zero Fund to support emissions reduction and project coordination until the end of December 2026.
- Funding secured from Environment Agency's Local Water Environment Grant, Historic England's Regional Capacity Building programme and Natural England's Protected Landscapes Funding, for delivery until April 2026.
- A claim submitted to the Bellwin Scheme for the Authority's emergency response costs.
- Further bids in development to the Defra Nature for Climate Discovery Fund and corporate sponsorship, including Santander.

An expression of interest to Natural England's Species Recovery Programme was unsuccessful. Feedback suggested the competition for funding was very high and our proposed activity needed impact on a larger scale. Further feedback is being sought from Natural England to learn from the process. Discussions are ongoing with Defra regarding the extent to which additional government support may be made available to meet the costs for the reinstatement of firebreaks and wider moorland restoration.

These efforts are being coordinated with the York and North Yorkshire Local Resilience Forum's Economic Cell to ensure alignment, avoid duplication, and maximise impact. This work is expected to continue into 2026/7, with further funding opportunities being explored to support resilience and nature recovery across the affected areas.

2.3 Funding applications submitted to Q3 and awaiting a decision:

Project title	Description	Funder(s)	Partners	Staffing implications	Total grant value (£)	Status
Beacon of the arts	Increasing access to the arts across the NYM and surrounding area (May 2026 - June 2027).	Arts Council England	North York Moors National Park Arts and Culture Partnership	-	£37,328.89	Application submitted December 2025, outcome expected April 2026.
Beacon of the arts	Three new Seasonal Arts & Culture Festivals designed to re-energise tourism following the wildfire	Best of British Fund with Airbnb	North York Moors National Park Arts and Culture Partnership	-	£25,000	Applied November 2025 - outcome on or before 27th February 2026. If awarded both Airbnb and Arts Council England the project would be expanded to account for both budgets.
Wildfire recovery	Emergency response revenue activities 12 August - 26 September.	Bellwin Scheme - Ministry of Housing, Communities and Local Government	-	-	£11,921	Claim submitted October 2025.
Young Rangers	To employ 2 volunteers as assistants on the scheme from April to September 2026.	AMEX	-	-	£6,300	Application submitted August 2025, outcome soon.
Coast to Coast nature corridor – NPE lead body	Predevelopment phase grant – mapping and research. To develop the project to prepare for a full development and delivery phase project.	National Lottery Heritage Fund	4 Protected landscapes, National Trails UK and Local Authorities that the C2C National Trail passes through	-	£199,587. No allocation to NYMNPA in pre-development, but we will in the future delivery phase	Full application submitted December 2025. Accountable body will be the Lake District National Park Authority.

Project title	Description	Funder(s)	Partners	Staffing implications	Total grant value (£)	Status
Generation Green 3: Tomorrow's Stewards	Building on 2 previous projects – a UK wide programme to support children's connection to nature -May 2026 to July 2029.	National Lottery Heritage Fund	YHA (England and Wales), NPA's in England, Scotland and Wales, National Landscapes Association, Girlguiding, Scouts, Field Studies Council and The Outward Bound Trust	For the NYMNPA - Part time project officer and a part time trainee	£11.1m, allocation of £121,773 for NYMNPA.	Co-written by all UK National Parks and partners but project enquiry submitted by YHA – now through to full application stage for submission later in 2026. The Development Manager from YHA who was leading on the bid has now retired leaving uncertainty around who will continue the bid's development, either another partner or YHA. We are working through this with partners.

2.4 Speculative funding applications submitted to Q3, with long or uncertain decision timescales:

Project title	Description	Funder(s)	Partners	Staffing implications	Total grant value (£)	Status
Set of 10 new proposals Bransdale, Esk Valley, Dark Skies, Grubs Up, Holoscene, Bat, migratory fish species and nature recovery monitoring	Portfolio of projects that unlock opportunities for nature restoration by developing or testing new techniques or technologies, increasing the availability of data or building an evidence base. 12mth to 18mth delivery from late 2025.	NPP sponsors (possibly Estée Lauder Companies, Santander, Vodafone and Howdens)	Varied	-	Total value of the portfolio: £1,853,000	NPP have launched the campaign: National Parks Nature Catalyst: https://nationalparks.co.uk/partnership-type/nature-catalyst/ NYM projects are included and will be added to pitches with potential partners.
Bransdale Conservation Management Plan	Landscape scale restoration plan and targeted species action.	National Grid via National Parks Partnerships (NPP)	NT, FE, YWT, landowners	1 new Project Officer	£460,000	Currently delay in assessment process, change in National Grid strategy has led to a delay.

Project title	Description	Funder(s)	Partners	Staffing implications	Total grant value (£)	Status
Coast-to-Coast Green Link: Connecting Nature and Communities	Green bridge over the A19 coast to coast path for people and nature.	National Highways	NE, NYC, PLP, Defra, NTUK, landowners	Capital fund only	£6m-£10m	Project idea submitted December, assessment of bids delayed due to high level of applications, more information due 'from April onwards'.

2.5 Project proposals recently funded (total grant value over the Business Plan period shown).

Project title	Description	Funder(s)	Partners	Staffing implications	Total grant value 2022-2027 (£)
Enhancing Intertidal Habitats in Staithes	Film for P&D cinemas in 2026 and deliver project in 2026-2027 to create and monitor new coastal habitats in Staithes, by enhancing concrete walls and the harbour with artificial rock pools and increased texture.	Pearl & Dean	Yorkshire Marine Nature Partnership	-	£37,500
GrubsUp!	Extension to the project including Bransdale and Farndale (January 2026 - December 2026).	Levy	Landowners	-	£100,000
Digital Planning	The project aims for the NYMNP to become an active member of the Open Digital Planning community.	MHCLG Digital Planning Improvement Fund (DPIF) Round 4.2	-	-	£50,000
Wildfire recovery	Rapid assessment, erosion/runoff mitigation.	Environment Agency - Local Water Environment Grant	Yorkshire Peat Partnership	-	£30,000
Wildfire recovery	Firebreak reinstatement Research and Development.	Natural England - Protected Landscape Funding	-	-	£20,000
Freshwater Pearl Mussels	To build on the programme of work to date and help secure the future of the River Esk's critically endangered freshwater pearl mussel population.	Yorkshire Water	Esk and Coastal Streams Catchment Partnership	-	£300,000

Project title	Description	Funder(s)	Partners	Staffing implications	Total grant value 2022-2027 (£)
Wildfire recovery	Emissions reduction, peat stabilization, contractors, project manager/coordination of wildfire activities.	York and North Yorkshire Combined Authority Net Zero Underspend	-	To be determined	£292,144
The Bransdale Project	A community-driven partnership aimed at developing investor-ready low-carbon land use, farming and diversification plans for Bransdale. Guided by the area Conservation Management Plan Sept 2025 – March 2027.	York and North Yorkshire Combined Authority - Carbon Negative Challenge Fund – revenue fund	National Trust, Forestry England and Nawton Tower Estate	0.6 project officer	£86,092.88
The Raisdale Project	To explore how upland estates can support regional and national goals for climate change mitigation, nature recovery and sustainable farming livelihoods. Sept 2025 – Jan 2027	York and North Yorkshire Combined Authority - Carbon Negative Challenge Fund – revenue fund	Raisdale estate and three farm tenants on the estate	Contractor plus 11 days existing Project Manager time	£68,532.60
Moor to Restore (Shallow Peat)	To restore degraded peatlands through innovative rewetting and habitat recovery techniques Jan 2026-Sept 2027	York and North Yorkshire Combined Authority - Carbon Negative Challenge Fund – capital fund	Natural England, Land Managers and owners	FT Project Officer and 1 day week project manager	£184,086.85
GrubsUp	Extending project to Sinnington	NYC Locality Fund	Sinnington Parish Council	-	£500

2.6 Funding applications in development, with submission deadlines in Q4.

Funder	Project Description	Partners	Staffing implications	Indicative funding amount	Application Progress
Active Travel England	Active travel concept design projects including Scarborough to Pickering, Esk Valley Corridor, recruitment of member of staff to lead project work, Tees to the Topping corridor (April 2026 - Sept 2027).	NYC Highways. Raincliffe Woods Community Enterprise, Redcar and Cleveland Council, Whitby and Esk Valley Active Travel and the North York Moors Local Access Forum.	1 new Full Time Project Officer.	£200,000	Application deadline 9 January and outcome expected end of January.

Funder	Project Description	Partners	Staffing implications	Indicative funding amount	Application Progress
The National Lottery Heritage Fund – Landscape Connections	Moor Connected: This is a resubmission of the 2025 rejected application. Over 10 years the project will rebuild resilient ecological networks that connect habitats, reconnect people with nature, and connect communities together—particularly those most disconnected from the experience.	Buglife, Tees Valley Nature Partnership, National Trust, Yorkshire Marine Nature Partnership and Howardian Hills National Landscape, North York Moors Trust.	3 FTEs in 2-year development phase and multidisciplinary core team in 8-year delivery phase.	£10,000,000	Final draft expression of interest underway, aiming for submission by end of January. No deadline set by funder.
The National Lottery Community Fund – UK Fund	Over 2.5 years the project will scale up the Young Rangers and Youth Voice models which have been successful in some National Parks. Accountable body likely to be the Yorkshire Dales National Park.	Delivery Partnership of all 15 National Parks.	1 x FT Project Officer for each NP.	£4m overall with an allocation of circa £250,000 for NYMNP	Draft complete, final draft currently underway for submission at end of Jan. No deadline set by funder.
Natural England - Nature for Climate Peatland Grant Scheme	2026/27 - Fylingdales Moor Peatland Restoration – Wildfire Recovery. Also, Peatland surveys and restoration plan for 3 sections of moor in the North York Moors National Park: Bridestones, Thompson Rigg, and Allerston High Moor.	Yorkshire Peat Partnership and land managers.	Continuation of existing Project Manager and Project Officer.	£500,000	Draft complete, ready for final review and submission by 16 January 2026 deadline.
Ganton Education Trust	Explorer Volunteer Scheme- monthly outdoor learning and conservation sessions for children and their families aged 4–11 from areas of deprivation surrounding the National Park (including Scarborough). April 2026 to August 2026.	Northstead School Scarborough	PT Family Explorer post to continue	£5,000	Draft complete, ready for final review and submission by 31 January 2026 deadline.
Active Travel Fund – York and North Yorkshire Combined Authority	To improve access into the National Park including behavioural change activities. Potential match funding for the Active Travel England funded project.	Highways. Raincliffe Woods, Redcar and Cleveland Council, Whitby and Esk Valley Active Travel and the North York Moors Local Access Forum.	To be confirmed	Up to £500k	Project development meeting set for 3 February, deadline 27 February.

2.7 Figure 2 below shows the spend profile for all externally funded projects across the 5-year Business Plan period to highlight progress towards the funding target.

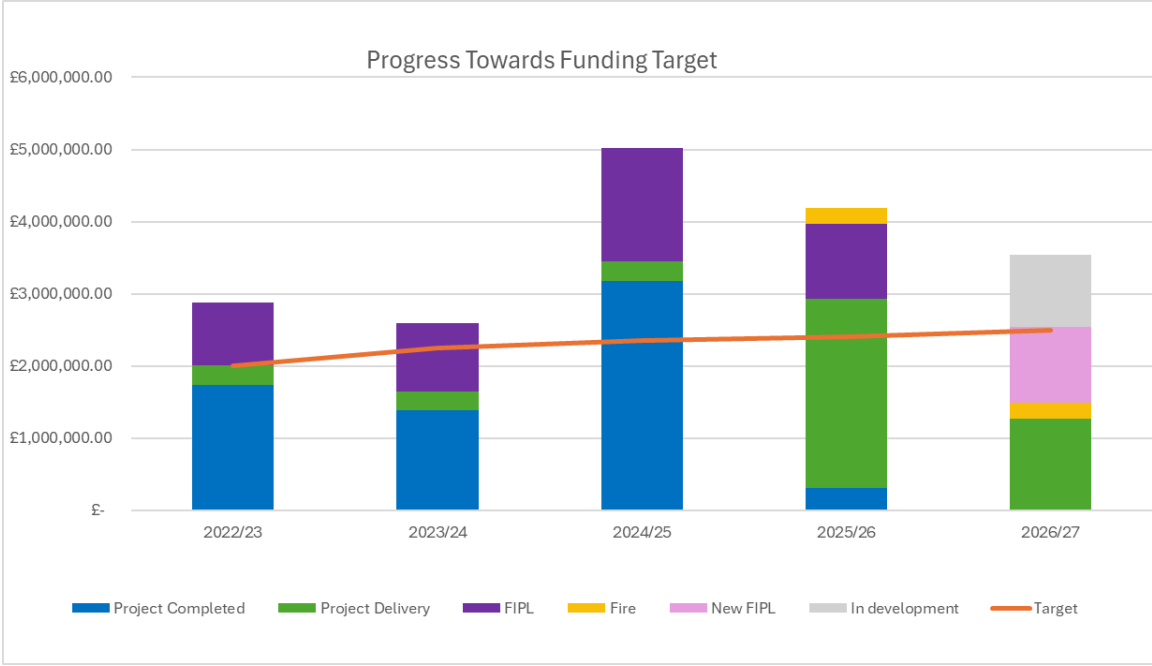


Figure 2

The graph details the following:

- The target line, set to increase up to £2.5m by the end of the Business Plan period (2026/27).
- Details of externally funded projects which are now complete (blue).
- Projects being delivered with secured external funding (green), plus confirmed FIPL (purple).
- External Funding applications submitted and awaiting a decision (?).
- Projects currently being developed in our pipeline as a priority (grey).
- Expected FIPL funding (pink) – awaiting confirmation of allocation from Defra.
- Wildfire funding now separated out from Project Delivery to highlight levels of secured funding for recovery.

2.8 Further progress has been made in securing and developing projects for 2026/27. The emerging programme now includes sufficient projects with confirmed funding, or very strong assurances of award, to exceed the funding target for that year, reflecting the strength and maturity of the current project pipeline.

2.9 Figure 3 illustrates the percentage contribution from external funding towards core functions in each Business Plan year. Each funder provides specific guidance on eligible costs, and in most cases, as a public body, the Authority is unable to apply full cost recovery. However, as illustrated in Figure 4, we have made progress in negotiating with funders, such as The National Lottery Community Fund and Natural England, to secure greater support for project sustainability.

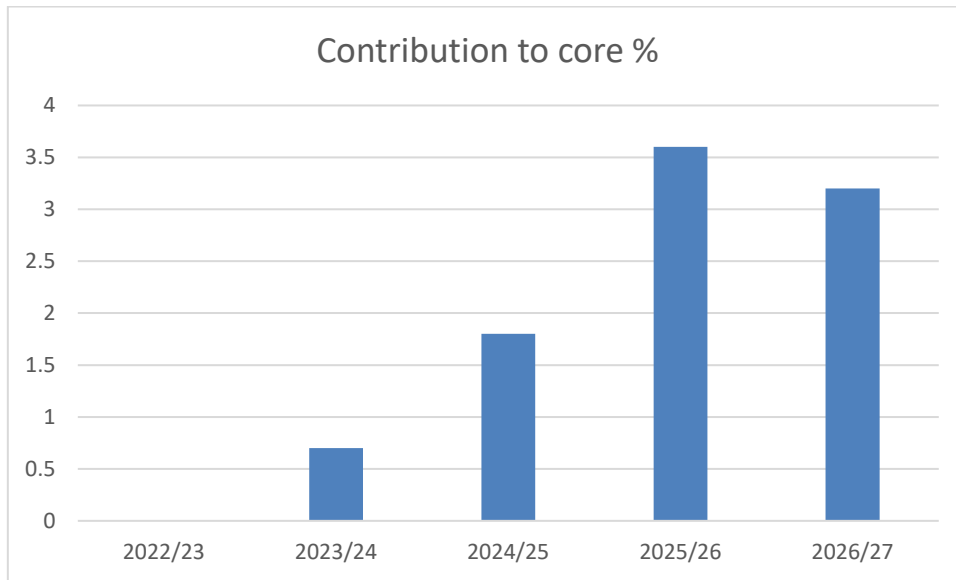


Figure 3

Some project budgets for 2026/27, including FiPL and wildfire funding, are still being finalised, so their contributions have not yet been incorporated into figure 3.

3. Project delivery health check

3.1 Figure 4 below indicates the distribution of project health (Red, Amber and Green).

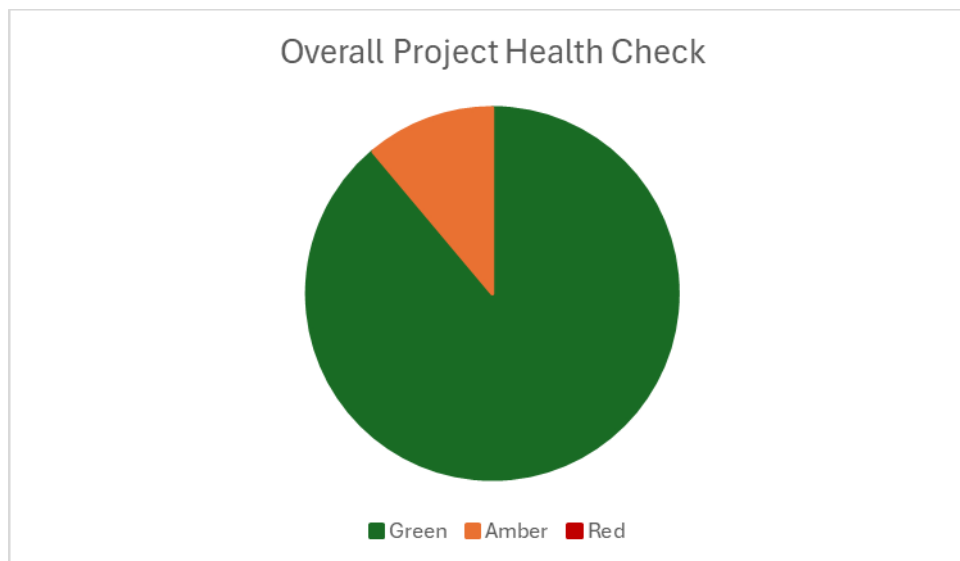


Figure 4

3.2 Below is an overview of the project health for our externally funded projects. Where Amber or Red risks have been identified by the project manager, a summary description and associated mitigation plans is provided:

GrubsUp! – Overall RAG rating: Green

The project is performing strongly and exceeding original targets. It is providing a valuable blueprint for future work, both in terms of pollinator and invertebrate recovery and as a model for delivery and community engagement. Funding is being reprofiled to support integration with future phases.

Staithe Beck Ford Removal – Overall RAG rating: Green

The main engineering works were delivered on time and within budget, with positive relationships maintained with the site owner. Additional works to improve access for caravan delivery are underway to complete the scheme.

Danby Observatory – Overall RAG rating: Green

The observatory project has been substantively delivered, with launch event planned for 13 February.

Restoring Roseberry – Overall RAG rating: Green

The project is operating to a revised delivery schedule, with key activities progressing as required to achieve the agreed outcomes.

Youth Voice Mentoring – Overall RAG rating: Green

Preparation and engagement are underway, including links to the Youth Voice Conference for the UK and Ireland through Europarc networks.

Explorer Volunteers – Overall RAG rating: Green

Delivery remains on track.

RiverEskCONNECT (REConnect) – Overall RAG rating: Green

The project is progressing as planned. The steering group has been convened, knowledge-exchange events with farmers have taken place, and family engagement activities (including Danby in the Dark) were delivered this quarter.

Esk FWPM – Overall RAG rating: Green

Further support from Yorkshire Water has been secured through to 2030. This will build on the successful programme of work to date and help safeguard the future of the River Esk's critically endangered freshwater pearl mussel population.

Raiding the Bank – Overall RAG rating: Green

The project remains on target to deliver all outcomes within budget. A modest extension to the delivery date has been agreed to allow wider staff reallocation in support of wildfire recovery.

Mosaic – Championing National Parks for Everyone – Overall RAG rating: Green

The project remains on track, with all community champion cohort targets achieved.

Peatland Restoration – Overall RAG rating: Amber

Delivery is progressing well across the majority of work packages and is expected to complete within the agreed timeframe and budget. One outstanding procurement issue presents a risk to a discrete element of the project; this is being actively managed, with mitigation measures in place.

Linking Levisham – Overall RAG rating: Amber

The project remains on track to achieve its agreed outcomes albeit with some risk to the completion of all key workstreams by the end of March '26. Key areas of risk relate to completion of the draft land management plan and governance plan. Completion of the LiDAR survey has removed a previously significant programme risk. Delivery is achievable within the current timetable, though minimal float remains, requiring continued close coordination and active risk management.

National Trails: Coast to Coast – Overall RAG rating: Green

Progress remains on track. Minor route diversions in the vicinity of the wildfire are being developed.

Bransdale CNCF – Overall RAG rating: Green

Detailed delivery and resource plans are currently being developed.

Raisdale CNCF – Overall RAG rating: Green

Detailed delivery and resource plans are currently being developed.

Shallow Peat CNCF – Overall RAG rating: Green

Detailed delivery and resource plans are currently being developed.

Birds on the Edge – Overall RAG rating: Green

Delivery remains on track.

Riccal Drive Depot – Overall RAG rating: Green

Progress remains on track.

New Headquarters – Overall RAG rating: Green

Detailed delivery and resource plans are currently being developed.

4. Financial and staffing implications

- 4.1 Staffing is consistent with the current project portfolio and will include the recruitment of a new member of staff to deliver the shallow peat work.

5. Legal and sustainability implications

- 5.1 **None at this stage.**

6. Recommendation

- 6.1 That Members note the content of the report and agree the current work being done to secure external funding and project development.
- 6.2 Monitor quarterly progress, especially for pending and opportunity funding, to ensure the Authority's Business Plan objectives are met.

Contact Officers:

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Mark Young, Project Development Manager

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North York Moors National Park Authority

Finance, Risk, Audit and Standards Committee

Monday 23 February 2026

Item 9, Quarter 3 Financial update 2025/26

1. Purpose of the report

1.1 To provide Members with an update on the financial position at the end of quarter 3 with the latest forecast for the full 2025/26 financial year.

2. Background

2.1 This report details the position of income and expenditure to 31 December 2025 compared with the budget, highlighting any key issues to bring to Members' attention.

2.2 The original budget was set at National Park Authority (NPA) in March 2025 and updated for the late notification of additional Defra capital funding at the NPA meeting in June 2025.

3. Budget changes

3.1 The budget that was approved at NPA in March 2025 has been updated to include the new Defra settlement including the additional capital and new external projects.

3.2 2025/26 Budget summary as at 31 December 2025 was:

-	Original budget	Latest budget	Change in budget
-	£k	£k	£k
Gross income	13,478	15,264	1,786
Gross expenditure	-13,537	-15,264	-1,727
Net movement in reserves	-59	0	59

4. Financial performance overview

4.1 The table below summarises the current position at 31 December 2025.

-	Q3 Budget	Actual Q3	Variance Q3	Annual budget	Forecast outturn	Full year variance
-	Dec-25	Dec-25	Dec-25	Mar-26	Mar-26	Mar-26
-	£k	£k	£k	£k	£k	£k
Income						
Earned income	1,418	1,653	235	1822	1,846	24
External income	1,277	1,825	548	3,769	3,814	45
Defra Grant income	4,161	4,161	0	5,542	5,542	0
S106 Compensation & mitigation	2,614	2,619	5	4,131	3,876	-255
Total Income	9,470	10,258	788	15,264	15,078	-186
Expenditure	-	-	-	-	-	-
Core expenditure	-4,795	-5,071	-276	-6,647	-6,622	25
External expenditure	-2,492	-2,415	77	-4,486	-4,497	-11
S106 Compensation & mitigation	-2,446	-2,656	-210	-4,131	-3,876	255
Total expenditure	-9,733	-10,142	-409	-15,264	-14,995	269
Total Surplus/deficit	-263	116	379	0	83	83

4.2 At the end of December, there is a higher surplus than in the budget profile. This is driven by more external funding income than expected being received by the end of Q3 plus additional investment interest and higher spend levels than expected at this stage of the year in some areas. The majority of this is timing, but a forecast has been made for those areas that are expected to continue to have a variance to the year-end including projects and S106. Key points relating to the movements against budget can be found in sections 5 and 6 below with additional detail of all variances in **appendix 1**.

4.3 Overall Q3 forecast predicts a saving of £83k which is partly due to an increase in earned income offset by core expenditure savings. Further detail can be found in section 5 of the report on this.

Earned Income	Q3 Budget	Actual Q3	Variance Q3	Annual budget	Forecast outturn	Full year variance
-	Dec-25	Dec-25	Dec-25	Mar-26	Mar-26	Mar-26
-	£k	£k	£k	£k	£k	£k
Car parking	727	776	49	941	961	20
Retail & central stock sales	191	185	-6	215	215	0
Planning fees	294	181	-113	351	299	-52
Outdoor Learning & Exhibitions	58	84	26	68	68	0
Income from assets	82	88	6	103	116	13
Income initiatives	6	90	84	16	59	43
Interest	60	187	127	120	120	0

Earned Income	Q3 Budget	Actual Q3	Variance Q3	Annual budget	Forecast outturn	Full year variance
-	Dec-25	Dec-25	Dec-25	Mar-26	Mar-26	Mar-26
-	£k	£k	£k	£k	£k	£k
Capital receipts	0	25	25	0	0	0
Other	0	37	37	8	8	0
Total	1,418	1,653	235	1,822	1,846	24

5. Income

5.1 The key earned income streams are detailed below:

5.2 Overall earned income is higher than budget in the year to date. Car parking is still performing well as is the income from the café operations. The Q3 forecast therefore includes an increased outturn for both these areas. Retail sales are on budget, with improvements in service profitability being focussed on margin improvements. This positive performance is offset by planning income which remains below budget as reported earlier in the year. Investment interest is £187k but this is capped at £120k in the budget, with any surplus above this added to reserves. All capital receipts will also be taken to reserves at the end of the year to be offset against future capital spend.

5.3 Car parking income is currently £49k higher than budget at the end of December. Overall performance at individual car parks indicates that currently their stretch budget targets are being met, however concessionary income has not been as successful and is currently £8k under budget. Quarter 3 forecast includes a conservative increase outturn of £20k to mitigate concessionary income and any downturn in quarter 4 due to adverse weather

-	Q3 Budget	Actual Q3	Variance Q3	Annual budget	Previous year Actual Q3
Car Parks-general	21	33	12	65	7
Hutton-le-Hole	48	44	-4	53	44
Thornton-le-Dale	120	132	12	134	111
Newton under Roseberry	124	141	17	166	115
Saltergate	43	48	5	60	39
Chop Gate	4	5	1	6	4
Goathland	87	86	-1	114	81
Grosmont	38	62	24	44	36
Sutton Bank	164	167	3	206	152
Danby Lodge	72	52	-20	85	64
Cawthorne	6	6	0	8	2
Total	727	776	49	941	655

5.4 Planning income is lower than budget by £113k at Q3, which can be partly attributed to the impact of the fee increase on 1st April which resulted in more applications in March 2025 and fewer in April 2025 plus a trend of lower household application income. However, a large application is expected to be

received in quarter 4 which will offset some of the deficit. Consequently, the quarter 3 forecast includes an overall £52k reduction in income for 25/26.

- 5.5 Visitor Centre retail sales are currently just below budget and outturn income is expected to be in line with budget. However, margin performance has improved resulting in overall improved performance in this area. The gallery at Danby Lodge, which is under exhibitions above, shows more income in the year to date than the forecast, which is because of delayed commission which nets off the income, which is still due to be paid.
- 5.6 Investment income is included at a capped level in the budget. Rates at the end of December remained at slightly over 4% and are still higher than the cap level. Therefore, the year-to-date figures are higher than the budget, but any excess will be moved to reserves at the year end. Current expectations are that interest will exceed the cap by c£220k and a recommendation on its use will be in the outturn report in May.
- 5.7 Additional income from the café operations at the visitor centres has resulted in higher concession income than anticipated in the budget, an additional £13k has been forecast.

6. Expenditure and forecast

- 6.1 Overall year to date expenditure is £409k higher than budget but £210k of this relates to timing of S106 schemes. For other budget the main variances are:
- Corporate – timing across several budgets including finance collaboration agreement costs and IT which are both behind profile for billing. Property costs including the Old Print Works capital scheme are slightly higher than budget at the end of Q3, mainly due to timing and funding from reserves which will be transferred over at year end. Forecasts have been made as follows:
 - Utilities saving of £40k across all sites.
 - IT savings of £27k plus an additional £60k of staff time that will be allocated to capital expenditure against the new system's implementation which will result in a saving in revenue budget.
 - £20k saving in the volunteer service which is not expected to be made this year.
 - Several smaller savings £18k.
 - Recreation and Wellbeing –mainly timing on capital schemes projects and with spend occurring ahead of profile. Vehicle costs show an overspend as awaiting a reserve release for two vehicles. Coast-to-Coast and National Trails spend are under budget but both are expected to catch up by year end.

Forecasts have been made as follows:

- Utilities £20k additional cost to fund a back dated water bill at Danby Lodge. Whilst this is being disputed, it is prudent to forecast.
- Additional capital allocation for electricity at Danby Lodge £10k and Thornton-le Dale CP wall £14k but the capital project for Danby Lodge overflow car park surfacing will not be delivered this year due to excessive indicative costs - £70k.
- £13k of additional income from café operations.
 - £20k additional car park income
 - External funding shortfall in the Outdoor Learning service £20k.
- Conservation – reserves need to be released against the Ryevitalise legacy work that has been undertaken. Legal expenses are over budget by £11k. Capital project spend ahead of profile.

Forecasts are as follows core budgets

- Legal fees additional cost £12k (offset by as legal saving in Planning)
- £48k additional cost solar panels
- Levisham income £30k not included in original budget
- Planning - timing impact in the actuals to date from a 24/25 accrual relating to a legal settlement is still outstanding at the end of Q3. Underspend on pay budgets due to vacancies which has helped to meet the vacancy factor budget for this year, and part offset the income shortfall. Forecasts have been made for a reduction to planning application income of £52k, saving on staff costs £70k (offset by £55k vacancy budget held in corporate) and £12k saving on legal fees.

6.2 The capital funding from Defra of £1.499m was allocated in June NPA. Full details of allocation and delivery can be found in **appendix 4**. The full allocation is still on track to spend, but is closely monitored to ensure that any areas of underspend or risk are managed or reallocated to ensure the whole funding is used by the end of the year. There is additional spend that could be allocated against this funding stream including capitalised salaries and one more vehicle purchase, so risk of underspend remains low.

7. Savings

7.1 As part of the budget process, a number of savings were proposed in 2025/26. Vacancy factor and external funding targets for access and outdoor learning were introduced in 23/24 and are now part of ongoing budget monitoring. The two savings below were new for 2025/26.

Savings category	Budget £k	Forecast £k	Comment
Vehicle and IT replacement efficiencies	25	25	The reserve contribution to vehicle reserves has been reduced, delivering this saving. This is potentially impacted by the capital grant in future years.
Communications savings	10	10	One issue of Moors Messenger will now be issued this year rather than two.
Volunteer service external funding.	20	5	Changes in staffing in the function has resulted in delays to this being implemented. Additional focus to be given to opportunities in Q3.
Retail improved performance	10	10	New retail strategy was rolled out on the 1 April and indications from the first half of the year indicate that this improvement in margins has been achieved.
Car park tariff	75	75	Car park tariffs have been increased from 1 April to generate this saving.
Smarter procurement	25	10	Some opportunities, estimated at £10k. More work is required to help the remainder of this saving to materialise or to calculate additional savings with confidence.
Planning Fees	40	40	Fees increased from the 1 April so saving completed, even though there is a challenge around planning application volumes in year.
Increase in external funding replacing core funded spend	60	60	This will be achieved with a number of core staff being funded through external funding and potential to exceed target in Q4.
Total	265	235	-

8. S106 Agreements – Financial update

8.1 The table below shows a breakdown of the current S106 expenditure position against budget including carried forward budget from previous years:

S106 Agreement	Agreement section	Actual spend to Dec 25	25/26 forecast	25/26 budget	Forecast v budget full year	24/25 C/F Budget	Total budget available	25/26 Expected carry forward
		£k	£k	£k		£k	£k	£k
Woodsmith	Core Policy D	552	895	1,024	-129	1,204	2,228	1,333
	L&E	742	1,160	900	260	544	1,444	284
	Tourism	686	1035	854	181	231	1,085	50
	Archaeology/Geology	25	47	68	-21	60	128	81
	Employment	61	61	61	0	0	61	0
	Monitoring	77	135	155	-20	150	305	170
	Signage	15	20	0	20	449	449	429
	Over/(under) spend	2158	3353	3062	291	2638	5700	2347
Boulby	L&E	308	618	618	0	598	1,216	598
	Tourism	138	200	234	-34	195	429	229
	Peat	7	163	163	0	182	345	182
	Heritage	20	21	21	0	11	32	11
	Monitoring	25	33	33	0	0	33	0
	Over/(under) spend	498	1035	1069	-34	986	2055	1020

- 8.2 It is currently anticipated that the Woodsmith agreement will spend more than its in year allocation this year. This is driven by higher spend in Landscape and Ecology and Tourism funds. This is partly offset by Core Policy D which will underspend as there are fewer agreements this year due to changes in individual landowner circumstances, but the pipeline indicates that this will catch up in next winter's tree planting season. There is a small underspend on the Geology allocation, but this is because it is being held back to fund a PhD post next year which will cover both this and next year's allocations. Overall, the Woodsmith S106 carry forward is expected to reduce by £291k.
- 8.3 The majority of the Boulby allocation is also expected to be spent, with Peat works being undertaken over the winter period. There is likely to be a small shortfall in Tourism spend which is forecast. Overall, the carry forward will increase marginally by £34k.
- 8.4 There is some degree of risk in woodland and peatland works within S106 based on weather conditions. Currently the expectation is that it will all be delivered, but prolonged wet or wintry weather can have an impact on delivery on the ground, so this will continue to be closely monitored.

9. Externally funded projects

- 9.1 A progress table is included at **appendix 3** showing financial progress on projects.
- 9.2 Two new projects have been added into the forecast since quarter 2 – Esk Fresh Water Pearl Mussels grant from Yorkshire Water and Wildfire Restoration grant from Historic England. These are both for £100k in 25/26.
- 9.3 At the end of quarter 3, the majority of projects are on target to spend as per their budget. The exceptions are:
- Linking Levisham – this project has experienced delays with contractors, and with agreement of Natural England, a second extension has been submitted to transfer elements of the project to 26/27 financial year.
 - Raiding the Bank – The main deliverables of the project have been completed but some access works are still to be finished. Delays to these are related to capacity in the ranger team to complete and so these will now be delivered in 26/27.
 - Grubs Up – This is an ongoing project with the main capital works taking place over the winter months. In extreme weather conditions, some of these works may be delayed and a small number of agreements may be delivered in 2026/27.
 - Restoring Roseberry – the technical design of the restoration of the remaining mountain paths has taken longer than expected. The full planning application has now been submitted and the vast majority of the pathing work is expected to go ahead and be completed in 2026/27. There were also delays due to the partner organisation undertaking a significant staffing restructure in 2025.

- Peatland - currently spend is behind profile however but the forecast is as per budget. There is some degree of risk in the timing of delivery in the event of adverse weather conditions.

9.4 Farming in Protected Landscapes (FiPL) programme has a budget of £1.047m for the year. The full budgeted value will be allocated and spent in year with a full project pipeline, but as always there is a risk of some projects not completing. This is however managed very closely.

10. Reserves

10.1 The opening balance reserves at the beginning of 2025/26 were £7.152m, movements are limited with most being assessed as part of the year end process and presented in the May outturn report.

Reserve summary	£k
Risk reserves	900
S106 and external funding reserves	3991
Capital replacement programmes	396
Capital: property reserve	1385
Committee approved projects	480
Committee approved reserves	2261
Total reserve balance	7152

11. Waivers and virements

11.1 There was one waiver in Q3 which was for support survey analysis work on the Esk River and Pearl Mussel work. Only two of the three companies approached responded with quotations for the work which is quite specialist in nature. There was sufficient evidence that the accepted quote from Trex Ecology proved good value. There have been five in the year to date.

11.2 There have been no virements over £50k to report to FRASC.

12. Conclusion

12.1 At the end of quarter 3 there is a higher surplus than profiled in the year to date driven mainly by timing in expenditure and external funding income received in advance of budget expectations. Forecasts have been entered, and overall, they indicate a potential saving position of £83k at year end. Key forecasts are reduced planning income, increase car parking income, saving on utility costs and capitalising staff costs relating to new IT systems.

12.2 The capital allocation from Defra of c.£1.5m is being spent and remains fully allocated. A list of projects and progress is included in the report at **appendix 4**.

12.3 Externally funded projects are progressing well with only three projects to be extended into 26/27 with £145k of spend in total being moved into next year. A degree of risk should be noted regarding the delivery of Peatland in 25/26.

- 12.4 Savings programmes are mostly delivered in year, but a shortfall of £25k is expected across two initiatives due to delays in implementation.
- 12.5 S106 spend overall will be higher than the in year allocation, principally due to higher spend on Landscape and Ecology projects and Tourism in the Woodsmith agreement. Core Policy D has a shortfall in year, but a pipeline of work that will catch this up in 2026/27.

13. Financial and staffing implications

- 13.1 As detailed in the report.

14. Contribution to National Park Management Plan

- 14.1 It is a requirement for the Authority to produce quarterly updates on the financial position and an outturn report at the end of the year. The financial position underpins the delivery of the Management Plan.

15. Legal and sustainability implications

- 15.1 There are no issues as a result of this report.

16. Recommendations

- 16.1 That Members note the content of the report.

Contact Officer:

Pete Williams

Director of Corporate Services (s151)

01439 772700

Appendix 1, 2025/26 Income and expenditure summary at 31 December 2025

-	Dec 25 Budget	Actual Dec 25	Variance Dec 25	Annual budget	Forecast outturn	Full year variance	Commentary
Income	£k	£k	£k	£k	£k	£k	-
Cultural Heritage	145	166	21	148	212	64	New HE wildfire grant and Raiding the Bank transfer to 26/27
Natural Environment	827	1,354	527	1,677	1,691	14	Increased Levisham income & YNYCA net zero grant for wildfire recovery works received in advanced
Farming in Protected Landscapes	0	57	57	1,047	1,047	0	Income in advance
Recreation Management	1,074	1,120	46	1,919	1,937	18	Car Park income forecast
Promoting Understanding	290	320	30	323	347	24	Café income higher.
Rangers and Volunteers	0	20	20	0	0	0	-
Development Management	294	193	-101	351	299	-52	Lower planning fee income
Forward Planning	0	17	17	0	0	0	-
Corporate and Democratic Core	65	231	166	126	127	1	Interest above cap in YTD.
Defra Grant	4161	4161	0	5,542	5,542	0	-
Total Function Income	6,856	7,639	783	11,133	11,202	69	-
S106 Compensation & Mitigation	2,614	2,619	5	4,131	3,876	-255	See Section 8 of the report.
Total Income	9,470	10,258	788	15,264	15,078	-186	-
Expenditure	£k	£k	£k	£k	£k	£k	-
Cultural Heritage	-187	-156	31	-373	-422	-49	Raiding the Bank project spend.
Natural Environment	-1,614	-1,401	213	-2,376	-2,325	51	Higher legal fees and project spend.
Farming in Protected Landscapes	-210	-326	-116	-1,047	-1,047	0	-
Recreation Management	-1,483	-1,420	63	-2,316	-2,311	5	-
Promoting Understanding	-1,025	-966	59	-1,715	-1,750	-35	Higher capital spend and Danby Lodge water bill.
Rangers and Volunteers	-634	-716	-82	-1,078	-1,136	-58	Higher vehicle capital costs, saving not achieved in volunteers.
Development Management	-558	-479	79	-963	-881	82	Pay and legal savings
Forward Planning	-108	-123	-15	-205	-187	18	Pay savings
Corporate and Democratic Core	-1,468	-1,899	-431	-1,060	-1,060	0	-
Total Function Expenditure	-7,287	-7,486	-199	-11,133	-11,119	14	-

-	Dec 25 Budget	Actual Dec 25	Variance Dec 25	Annual budget	Forecast outturn	Full year variance	Commentary
Income	£k	£k	£k	£k	£k	£k	-
S106 Compensation & Mitigation	-2,446	-2,656	-210	-4,131	-3,876	255	See section 8 of the report.
Total expenditure	-9,733	-10,142	-409	-15,264	-14,995	269	-
Net surplus/deficit	-263	116	379	0	83	83	

Appendix 2 – Subjective Analysis

-	Q3 Budget	Actual Q3	Variance Q3	Annual budget	Forecast outturn	Full year variance
-	Dec-25	Dec-25	Dec-25	Mar-26	Mar-26	Mar-26
Income Type	£k	£k	£k	£k	£k	£k
Other External Grants	1,277	1,825	548	3,769	3,814	45
Retail Sales	191	185	-6	215	215	0
Planning Fee Income	294	181	-113	351	299	-52
Car Park Income	727	776	56	941	961	20
Other Income	146	299	146	195	251	56
Capital Receipts	0	25	25	0	0	0
Investment Income	60	187	127	120	120	0
Section 106 Income	2,614	2,619	5	4,131	3,876	-255
Defra Grant	4,161	4,161	0	5,542	5,542	0
Total Income	9,470	10,258	788	15,264	15,078	-186
Expenditure Type	£k	£k	£k	£k	£k	£k
Employees	-4,097	-5,080	-983	-5,465	-5,465	0
Premises	-400	-403	-3	-553	-553	0
Transport	-136	-184	-48	-179	-179	0
Supplies and Services	-4,773	-4,133	640	-8,592	-8,323	269
Third Party Payments	-327	-342	-15	-475	-475	0
Total Expenditure	-9,733	-10,142	-409	-15,264	-14,995	269

Appendix 3 – Externally funded projects update

Externally funded project		Q3 Budget	Actual Q3	Variance Q3	Annual budget	Forecast outturn	Full year variance	Comment
		Dec-25	Dec-25	Dec-25	Mar-26	Mar-26	Mar-26	
Mosaic Championing NP	Income	-43	-39	4	-96	-96	0	-
	Expenditure	66	72	6	96	96	0	
	Total	23	33	10	0	0	0	
Cleveland Way	Income	0	0	0	-165	-165	0	-
	Expenditure	279	199	-80	200	200	0	
	Total	279	199	-80	35	35	0	
Coast to Coast	Income	0	0	0	-200	-200	0	-
	Expenditure	150	134	-16	200	200	0	
	Total	150	134	-16	0	0	0	
Birds on the Edge	Income	0	0	0	-54	-54	0	-
	Expenditure	40	47	7	54	54	0	
	Total	40	47	7	0	0	0	
REConnect Esk Climate Action	Income	-215	-291	-76	-286	-286	0	-
	Expenditure	215	126	-89	286	286	0	
	Total	0	-165	-165	0	0	0	
Linking Levisham	Income	-172	-160	12	-475	-460	15	Delay with contractors, extension approved to carry forward parts of the project to 26/27
	Expenditure	356	267	-89	475	460	-15	
	Total	184	107	-77	0	0	0	
Raiding the Bank	Income	-144	-162	-18	-162	-109	53	Diversion of resources to wildfire response has meant some delays to aspects of delivery which will now take place in 2026/27.
	Expenditure	78	49	-29	162	109	-53	
	Total	-66	-113	-47	0	0	0	
Peatland Restoration Grant	Income	-41	-42	-1	-340	-340	0	Weather could risk delivery but currently on target.
	Expenditure	231	73	-158	340	340	0	
	Total	190	31	-159	0	0	0	
Wildfire Historic England	Income	0	0	0	-100	-100	0	New Project - to be spent by 31 March 26
	Expenditure	0	0	0	100	100	0	
	Total	0	0	0	0	0	0	
	Income	-62	-83	-21	-62	-45	17	

Externally funded project		Q3 Budget	Actual Q3	Variance Q3	Annual budget	Forecast outturn	Full year variance	Comment
		Dec-25	Dec-25	Dec-25	Mar-26	Mar-26	Mar-26	
Grubs Up	Expenditure	46	51	5	62	45	-17	Underspend due to capacity but delivery will take place in 2025/26.
	Total	-16	-32	-16	0	0	0	
-	Income	0	0	0	-149	-149	0	-
Danby Observatory	Expenditure	188	195	7	149	149	0	-
	Total	188	195	7	0	0	0	-
-	Income	-50	-50	0	-100	-100	0	-
Esk Pearl Mussels	Expenditure	70	69	-1	100	100	0	-
	Total	20	19	-1	0	0	0	-
-	Income	-60	-60	0	-60	0	60	The income has been drawn down for this project, but the expenditure is delayed following extended time to draw up partner agreements
Restoring Roseberry	Expenditure	30	0	-30	60	0	-60	
-	Total	-30	-60	-30	0	0	0	
Esk Coastal In Channel Staithes Beck	Income	-245	-245	0	-245	-245		Difference to be funded from S106, journal transfer to do
	Expenditure	286	245	-41	245	245		
	Total	41	0	-41	0	0	0	
Total	Income	-1,032	-1,132	-100	-2,494	-2,349	145	-
	Expenditure	2,035	1,527	-508	2,529	2,384	-145	-
	Net Total	1,003	395	-608	35	35	0	-

Appendix 4 – Defra £1.5m Capital Programme

Summary of spending proposal	Allocated capital cost £k	Forecast Q2	Forecast Q3	Progress comments
Vehicle, IT and property capital requirements	130	130	130	Vehicle and IT purchases plus capital works in property maintenance.
Vehicle leasing (already capital)	15	15	15	Existing vehicle capital leases
Clothing and PPE	30	30	15	Existing capital clothing, PPE and Tool budgets. Potential to underspend further.
In year IT capital spend (annual)	71	51	51	Existing annual capital spend on licences and equipment.
Allocations Already in Year	246	226	211	-
Old Print Works	720	750	750	Currently in delivery and on budget which is forecast in line with the business case approval.
Solar PV - toilets and VCs	130	95	143	Additional spend added to here to deliver more solar power and savings.
New finance and planning systems	60	60	60	Both systems will be delivered this year. Capex of salaries.
Sutton Bank café seating	40	40	40	On track to spend. Risk is with the cover option and doing the groundworks. Full amount to be spent - exact quotes being drawn up.
Danby Lodge overflow car park	70	70	0	Surveys completed and costs unfeasible at this time. Project therefore will not complete in year and funds reallocated.
Cycle skills area revamp	50	50	50	Underway and expected to deliver.
Inspired by Gallery development	14	14	14	Main work to happen in Jan when Danby Lodge is closed. On track.
Thornton-Le-Dale wall replacement	60	15	29	Work underway - value lower than anticipated but some additional works completed in Q3.
Mobile Display Unit replacement	22	22	22	On target to deliver.
Access and VC maintenance (already capital)	38	38	20	This is capital that already exists within budgets.
Digital Arts offer	10	10	10	£2k spent on digitising Inspired By... now using remainder for Arts Trail and other art installations. Full amount will be spent.
ANPR at Newton-Under-Roseberry	5	5	5	NPA has agreed to installation. This will take place in March.
Botton Depot Improvements	20	20	20	Developments to the Northern Ranger Depot to be completed by March.

Summary of spending proposal	Allocated capital cost £k	Forecast Q2	Forecast Q3	Progress comments
Car park signage	30	30	30	Additional budget for signage replacement. On track.
Sutton Bank security and office accommodation	30	30	30	New Portakabin office at Sutton Bank to provide improved facilities for staff there.
Grosmont Car Park Developments	0	0	25	Grosmont car park capital works.
Car park donation points installed	0	0	14	Donation points put into car parks.
External staircase enhancement at DL	7	7	7	Improved fire escape staircase put in.
Electricity feed/box for Observatory at DL	10	10	20	Ensuring the utilities for the new Observatory at Danby Lodge are sufficient.
Additional Projects	1299	1266	1289	-
Total of proposed projects	1,545	1,492	1,500	-

North York Moors National Park Authority

Monday 23 February 2026

Item 10, Budget 2026/27

1. Purpose of the report

1.1 To provide Members with details of the proposed budget 2026/27 for approval.

2. Background

2.1 The budget is set in the context of the Authority's Strategy and Business Plan objectives, which contributes to the delivery of the National Park Management Plan. This budget provides the financial assurance to enable delivery of the milestones in 2026/27.

2.2 The budget proposal focusses delivery on the following three Management Plan outcomes, which Members have previously agreed should be Business Plan priorities, in addition to our planning, corporate and democratic functions:

- A resilient landscape at the forefront of addressing climate change.
- A more biodiverse landscape.
- A place that lifts the nation's health and well-being.

2.3 A Medium-Term Financial Strategy (MTFS) paper was brought to the Authority meeting in December 2025. The paper indicated a deficit budget position in 2026/27 growing each year thereafter. At the point the MTFS was produced, there was considerable uncertainty on Defra funding and pay award levels. This makes financial planning challenging. Whilst we have received indicative information regarding Defra revenue (RDEL) and capital (CDEL) funding for National Parks next year, neither this nor the level of pay award has been confirmed, therefore this draft budget is based on the same assumptions that were contained in the MTFS paper. It is inevitable that there will be some level of change between this draft budget and the final budget that will be taken to NPA in March for approval.

2.4 In 2025/26, the Defra grant agreement saw a revenue cut of 8.3%, but a capital award of £1.5m. The MTFS paper assumed that revenue grant would be set at the same level as 2025/26 and a capital award equivalent to the value of the RDEL cut in 25/26. So overall funding would be effectively at 2024/25 flat cash levels. But it is anticipated that the capital element may be higher.

2.5 This paper is based on the MTFS assumptions but will be updated for March NPA if there is further confirmation of the level of the settlement.

3. Budget summary (Revenue and Capital combined)

3.1 The table below illustrates that the budget being set is balanced as is required by legislation. Overall expenditure level is higher than the original budget last year

due to expected building construction, an increase in earned income and more external funding secured at this stage than at the same point last year.

-	25/26 Original budget	25/26 Latest budget – Q2	26/27 Draft Budget
-	£k	£k	£k
Income	13,478	14,632	13,989
Expenditure	-13,537	-14,632	-16,989
Surplus / (Deficit)	-59	0	-3000
Cont. (to)/from reserves	59	0	1,200
Internal borrowing	0	0	1,800
Balanced Budget	0	0	0

3.2 A breakdown of the elements that make up the budget can be found in the body of the report below and in appendices 1 and 2.

3.3 The table above shows a deficit from the construction of the new HQ, which will be funded in 2026/27 by a combination of reserves and internal borrowing as laid out above.

4. Income

4.1 The table below shows the breakdown of £13.9m income in 2026/27 compared to the original 2025/26 budget of £13.5m.

-	25/26 Budget	Proportion of total income	26/27 Budget	Proportion of total income	Year on year movement
-	£k	%	£k	%	£k
Earned	1,890	14.0%	1,960	14.0%	70
External	2,099	15.6%	2,314	16.6%	215
Farming in Protected Landscapes	1,047	7.8%	1,047	7.5%	0
S106	4,060	30.1%	4,233	30.2%	173
Defra RDEL	3988	29.6%	4,041	28.9%	53
Defra CDEL	394	2.9%	394	2.8%	0
Total Income	13,478	100.00%	13,989	100.00%	511

Earned income

4.2 Earned income is defined as all income which is generated from business activities and assets, for example retail, car parking or letting agreements. It also includes investment income. Overall, this is expected to increase from £1.89m to £1.96m, with increases in car parking and planning income plus third party funding of core roles partly offset by a reduction in investment income. The breakdown of earned income can be found in appendix 2.

4.3 Car parking income is projected to increase from £934k to £962k, due to a proposed increase in the tariff of 3% to reflect inflation. There has been excellent uptake in car park permits which provide value to regular users. This is offset by

lower concession performance which has resulted in a reduction to the budget that can be achieved on this. ANPR is being introduced at one of our car parks where non-compliance is at high levels. This will be installed in March 2026. No impacts from this are assumed at this stage until the success of the trial can be assessed. There are two Easter weekends in 2026/27, this could potentially drive higher revenues, but this is not budgeted for in the year. Any upside as a result of will be used to offset 2027/28 impacts where there is no Easter weekend within the financial year.

- 4.4 Planning application income continues to be an area of risk. In 2025/26, the average value of applications is trending below budget. Larger (major) applications, which are not budgeted for, have helped to reduce this shortfall in both 2024/25 and 2025/26. Fees increased in 2025/26 and there has been discussion about local fee setting to help cost recovery. This is not currently in legislation, however there is an annual, national fee increase of 3.8%, which has been applied to all fees. Budget levels are otherwise retained, but it is an area of risk that will continue to need close in year monitoring.
- 4.5 Changes in our retail approach have resulted in increased margins at both Sutton Bank and Danby Lodge National Park Centres of 40% to 47% respectively. This meets the additional budget challenge that was included in the 2025/26 budget. Therefore the 2026/27 budget remains the same, although we will continue to drive efficiencies and review retail performance.
- 4.6 Investment income has been gradually reducing in line with the lowering of Bank of England base rates. Inflation has been reducing more slowly than anticipated. Current forecasts indicate a reduction in inflation to 2.1-2.6% by the end of 2026 with interest rates a little higher by the end of the calendar year at 3.5%. It is also anticipated that there will be a reduction in cash balances as a result of utilised our own cash to fund the new HQ development rather than external borrowing. Consequently, investment interest in the budget continues to be capped at a 2% return rate (on £5m cash) with any amount exceeding that in-year proposed to go to reserves. This equates to £100k contribution to revenue budgets which is in line with MTFs assumptions. Current conservative estimates for the contribution to reserves above the cap stand at c£60k.
- 4.7 The levels of income expected from the two visitor centre cafes is budgeted at £75k which is in line with 2025/26 performance.
- 4.8 Rents across sites are increased by inflation. The overall income from the Levisham estate is increased to £54k in line with 2025/26 performance, with increased income generation from agricultural funding schemes compared to the original budget last year.

S106 income

- 4.9 Both s106 agreements with Anglo American and ICL increase by inflation annually. The precise rate is still to be confirmed. Therefore, the paper currently assumes an increase of 3%, which takes the budgeted value of these agreements from £4.112m in 2025/26 to £4.233m in 2026/27. Final amounts are to be agreed

depending on February inflation figures and will be updated for the final NPA report in March.

- 4.10 The S106 agreements run on different financial years to the Authority, with the Woodsmith agreement running May to April and the Boulby agreement based on the calendar year January to December. Both have prior year underspend carried forward. The budget currently assumes spend to the level of the in-year contribution, but teams will look to spend against prior year allocations where opportunities allow. There is a 3-year clawback period within both of the agreements, which is not deemed to be a risk at present, but is monitored throughout the year in the FRASC quarterly update reports.
- 4.11 The S106 allocations for 26/27 are still being finalised, but the budgeted income breakdown within the agreements can be found in **appendix 4** and will be updated in the final budget report in March.

External funding

- 4.12 For the purposes of the budget this is defined as any grant income from a third-party source which is not earned income, S106 agreements, core Defra RDEL or CDEL grant. Consequently, it includes any other Defra income such as Farming in Protected Landscapes funding (FiPL) and Access for All funding.
- 4.13 The level of external income budgeted correlates to the value of expenditure expected against this during the year. The budget only includes secured external funding at this stage. The external funding target of £2.5m for 26/27 will be met with an anticipated project spend of £3.36m. This includes FiPL, which will continue in 2026/27. Precise allocations for each landscape are yet to be confirmed and we have assumed the 25/26 level of £1.047m, which will be adjusted when the final allocations are determined. In addition, there is a strong pipeline of potential projects, and it is likely that the level of external funding spend will increase further. As more projects are secured, they will be added into the budget in year and reported as budget changes through the quarterly reporting process.
- 4.14 We are starting to see some grant funders willing to cover corporate overheads. Next year there is an estimated £24k of funding towards overheads from secured project income. However, certain funders remain unwilling to meet full cost recovery, nonetheless we will continue to seek cover for overheads to address the increased workload and pressure on corporate services.
- 4.15 A breakdown of the budgeted external funding income can be found at **appendix 3**.

Defra grant – RDEL and CDEL

- 4.16 Final confirmation of individual grant funding to National Park Authorities for 2026/27 is still awaited albeit we have received indicative information which will be shared with Members at the FRASC meeting. The Medium-Term Financial Strategy in December assumed a scenario of flat cash revenue grant (known as RDEL by central government) and a capital grant (CDEL) to replace the 8.3% cut

in RDEL in 2025/26. Our CDEL award for 25/26 was significantly higher at £1.5m but for the purposes of this draft budget we have retained the MTFS assumption of a CDEL award equivalent to the 8.3% RDEL cut in 25/26.

- 4.17 The core RDEL grant is included in the budget at £4.041m which includes a ring-fenced £20k to cover a large proportion of the cost of National Parks England membership. As mentioned, CDEL is assumed at £394k. The RDEL grant represents just under 30% of total budgeted spend which is lower than our scorecard KPI which indicates that Defra revenue grant funding should be no higher than 45% of total income.
- 4.18 The assumed freeze in RDEL requires £130k of deficit mitigation to help balance the budget based on estimates on increasing pay and overheads costs.

5. Expenditure

- 5.1 Total expenditure for the Authority in 2026/27 is budgeted at £16.989m. This is broken down into Defra headings in appendix 1.
- 5.2 Staffing costs are projected at just over £5.5m which includes all roles funded from external sources as well as core funded posts. In recent years, high levels of inflation have translated to higher pay awards whilst the core grant remains frozen. This year there is currently no indication of what the NJC offer will be, so an assumption of 3% has been included in the budget which is in line with other National Parks and is close to inflation levels and forecasts. This seems a reasonable assumption based on current information available, however this represents a major area of risk in the budget with any variation to the offer needing to be dealt with in year. Each 1% increase equates to a £37k core grant funding gap which would need to be found in 2026/27 and future years. Note that pay cost increases for externally funded projects or S106 will be found from within those income budgets.
- 5.3 2026/27 will be the first year of the latest pension revaluation. This happens every three years and revises the rates based on performance of assets and measurement of liabilities. The Scheme was already in surplus but has moved further into surplus over the last three years. As a result, the employer pension contribution rate will reduce from the current level of 16.0% to a primary rate of 14.1% and a secondary rate of 8.1%. The primary rate is the long-term rate for pensions to maintain a fully funded scheme. The 8.1% is set to reduce the surplus over 15 years to a 110% funded scheme. This budget currently uses the primary rate, which will mean that there will be a surplus generated by the end of the year as pension costs will be lower than budget. The additional saving is not required in the 26/27 year to balance the budget. Ahead of the final budget, full calculations will be made to the value of the surplus, and considerations for its use but it is estimated to be £250k-£300k across a number of funding areas.
- 5.4 Inflation is assumed at 3% for the year on all overheads. The current CPI rate is 3.4%. For both staffing and overheads, previous MTFS reports had assumed a reduction to 2% for 2026/27 but inflation remains stubbornly higher than BoE target. Inflation rates applied are included in the table below:

Category	Inflation rate	Comment
Pay	3%	Estimated at 3% - just below current inflation rates but takes into account forecasts.
General overheads	3%	3% applied which is above current inflation levels but reflective of current forecasts.

5.5 Inflation on utilities is aligned with general overheads for 26/27, although there is £93k of savings included for 26/27 reflecting the reduction in prices in the new electricity contract as well as the impacts of increased solar generation across the estate.

5.6 Other year on year changes in spend include:

- Increase in insurance costs of £17.5k.
- Additional finance staffing costs £10k.
- Reduction in interest in I&E budgets £40k.
- Changes to the Village Caretaker scheme mean that this is no longer revenue or core funded - £38k.
- There are a number of other smaller immaterial changes to budgets just to align to existing actuals.

6. Capital expenditure

6.1 There are two main elements to the capital programme in 2026/27, which are made up of building the new HQ property and the allocation of the Defra CDEL grant of £394k. It is assumed that CDEL awards will be made to NPAs in future years and will drive the need for a clear, long-term capital investment programme. The proposed capital spend at this stage covers vehicle purchases, IT hardware and multi-year licences, uniform and PPE, tools, access works and property capital expenditure. Details of these can be found in **appendix 5**.

6.2 The exact timings of cash flows for construction of the new HQ are still to be confirmed, but at this stage £3m has been included for 2026/27 and this will be refined ahead of the final budget paper. This will be funded by £1.2m of reserves and £1.8m of internal borrowing. It is then anticipated that remaining expenditure will be funded from the sales of capital assets in 2027/28. There is no MRP in the 2026/27 budget from this spend, as MRP will commence the year after completion of the build.

6.3 Should the value of Defra CDEL aware be higher than assumed in this draft budget, then it is anticipated that some of this could be used to support construction costs subject to Member decision in a further paper.

6.4 The split of the Defra funding between RDEL and CDEL can be found in **appendix 5**.

7. Savings plan

7.1 The increasing pressure of inflation when compared to the flat cash grant means that savings plans are essential to financial sustainability. After natural savings in utilities and inflationary income increase, there are not many new savings

requirements for 2026/27. However, some areas of efficiency delivery should be monitored through the year, and these are laid out below.

Savings category	£k	Comment
Apprentice funding	55	There is need to find an alternative way to fund our level 2 apprentices in 2026/27 through project and access funding.
Volunteer service	20	Funding core posts in the service from external sources or delivering more efficiently.
Outdoor learning	22	Funding core posts in the service from external sources or delivering more efficiently.
Utilities	16	Saving derived from the installation of solar panels across the estate in 25/26.
Total	113	-

7.2 Progress on the delivery of the savings programme will be included in the quarterly reporting to FRASC committee through the year.

8. Reserves

8.1 The opening balance reserves at the beginning of 2025/26 were £6.972m and the closing reserves balance at the end of the 2026/27 budget year is expected to be £5.398m. The main reduction in reserves comes from release of the £1.2m property reserve to support construction costs of the new HQ. It is also expected that most of the committee approved projects will have delivered by the end of 2026/27. The balance of s106 and external funding reserves will only be known at the end of the year, but on current forecasts the balance will be similar to below.

Reserve summary	2025/26 Opening position	Expected movement in reserves	2026/27 Expected closing position
Risk reserves	826	0	826
S106 and external funding reserves	3991	0	3991
Capital replacement programmes	379	0	396
Capital: property reserve	1385	-1200	185
Committee approved projects	391	-391	0
Committee approved reserves	2155	-1591	581
Total reserve balance	6972	-1591	5398

8.2 Risk Reserves: there is currently a general working balance reserve to help manage cash flow and represents the minimum level of reserves that should be held. This is set at 5% of gross expenditure excluding s106 and FiPL which are deemed to be low risk areas. For 2026/27 this will be £424k. The contingency reserve is being built up to the 5% level on the same basis as the general working balance reserve and will stand at £402k (4.7%). Overall risk reserves are therefore just under the 10% mark based on this budget. There is an additional exceptional risk with the construction of the new building, it is expected that this will be

managed through contingencies in the business case, and risk reserves are deemed to be adequate to cover any additional risk.

- 8.3 A previous smoothing reserve contribution for IT, vehicles and property has been removed. The allocation of CDEL funding from Defra means these revenue contributions are no longer required.
- 8.4 The budget this year is balanced without the use of reserves, therefore there is no contribution to or from reserves needed.
- 8.5 From the assessment of reserves above, particularly risk reserves, the S151 Officer considers that there are sufficient reserves currently to be able to address any potential medium-term issues and there are no going concern risks.

9. Key budget risks

- 9.1 There remains some uncertainty in the budget, and it is worth reiterating some of the assumptions that will need to be monitored through the year via the quarterly reporting:
- Pay award/Overhead inflation.
 - Achievement of savings targets in departments.
 - Planning income and application levels.
 - Building of the new HQ.

10. Conclusion

- 10.1 The proposed balanced budget represents £16.989m of expenditure, 29% of which is funded by core Defra RDEL grant (excluding one-off HQ construction costs). There are increases year on year in earned and s106 income. Only secured external funding is included at this stage, which is higher than at the same stage last year and is likely to increase during the year as funding is secured. Pay award remains uncertain and final confirmed Defra RDEL and CDEL grant awards will be updated in the final budget proposal to be brought to NPA in March.
- 10.2 More work is needed to to report revenue and capital distinctly. There will be some presentational changes in the final budget paper for this.
- 10.3 Farming in Protected Landscapes funding has been confirmed for a further three years, but allocations have not yet been confirmed. This has been included currently at the same level as 2026/27.
- 10.4 There are £113k of savings that are to be monitored closely through the year to ensure delivery of the budget.
- 10.5 The budget will enable the delivery of the 2026/2027 Business Plan objectives.
- 10.6 The reserves position continues to be healthy but earmarked reserves are still expected to be spent over time. The level of risk reserves is currently reasonable based on the current budgeted spend levels and will be able to cover any short-term funding issues.

10.7 There is a growing deficit position assuming Defra RDEL award remains flat. The strategy of the Authority to grow by becoming a project-based organisation will continue to require us to shift service delivery to be project-based.

10.8 The budget is balanced with no requirement to drawdown from reserves outside of the approved business case reserves allocation for the new HQ project.

11. Financial and staffing implications

11.1 As detailed in the report. The balanced budget means that there are no direct staffing implications in the report. The new Employment Rights Bill comes into force on 1 April 2026, but there are no identified financial issues in relation to this.

12. Contribution to National Park Management Plan

12.1 An approved balanced budget is essential to ensuring the deliverability of the Authority's objectives as set out in our Strategy and Business Plan.

13. Legal and sustainability implications

13.1 The Authority has a legal obligation to set a balanced budget each year which is financially sustainable.

14. Recommendations

14.1 That Members comment on the proposed budget ahead of NPA.

Contact Officer:

Pete Williams

Director of Corporate Services (s151)

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Appendix 1, 2026/27 Budget summary by Defra headings

-	2025/26 Final budget	2026/27 Draft budget	-
Income	£k	£k	Comment
Conservation Of Cultural Heritage	182	98	Raiding the Bank project coming to an end in 26/27.
Conservation Of The Natural Environment	4,450	4,634	Higher S106 funding
Corporate and Democratic Core	126	127	-
Development Management	506	524	Increase fees
Farming in Protected Landscapes	1,047	1,047	-
Forward Planning	0	0	-
Promoting Understanding	1,532	1,563	Increase fees
Rangers & Volunteers	0	0	-
Recreation Management	1,893	1,560	Lower ext funding secured at this stage, incl Cleveland Way
Defra Core Revenue Grant	4,042	4,042	-
Defra Capital Grant	1500	394	MTFS assumption of reduced capital grant
Total Income	15,278	13,989	-
Expenditure	-	-	-
Conservation Of Cultural Heritage	-387	-310	Raiding the Bank project coming to an end in 26/27.
Conservation of the Natural Environment	-4,913	-4,984	Increased spend from S106
Corporate and Democratic Core	-2370	-4730	£2.25m increase in the value of build projects
Development Management	-900	-925	Salary increases
Farming in Protected Landscapes	-1,047	-1,047	Assumed same level as prior year - awaiting confirmation
Forward Planning	-149	-152	Salary increases
Promoting Understanding	-2,800	-2,632	Reduction in Defra capital grant delivery
Rangers & Volunteers	-917	-887	Reduction in Defra capital grant delivery
Recreation Management	-1,795	-1,322	Reduction in Defra capital grant delivery
Total Expenditure	-15,278	-16,989	-
Surplus/Deficit	0	-3,000	--
Contribution from reserves	0	1,200	Reserves contribution to the new build
Borrowing	0	1,800	Estimated borrowing level for 25/26.
Balanced Budget	0	0	

Appendix 2, Earned income breakdown

-	2025/26 Budget	2026/27 Budget	Comment
Earned Income Source	£k	£k	-
Car parking	934	962	Inflation
Planning Fees	351	364	Inflation
Retail	215	206	Lower sales but improved margin
Interest	120	120	In line with cap
Fees & Charges	98	144	Increased income from Levisham estate
Outdoor Learning	18	19	Inflation
Gallery Exhibitions	39	40	Inflation
Events	11	12	Inflation
Other fees	27	93	Apprentice income now included in earned rather than external
Total	1,890	1,960	-

Appendix 3, External funding breakdown

Project	£k
Farming In Protected Landscapes	1,047
Restoring Roseberry	80
National Trails	231
REConnect Esk	205
Freshwater Pearl Mussel	50
Moor To Restore	754
Shallow Peat	240
Wildfire Recovery	292
Raiding the Bank	58
Grubs Up	60
Planning System Development	50
Bransdale	50
Raisdale	50
Linking Levisham	60
Access for All	134
Total	3,361

Note – values of projects in 2026/27 could change before the end of the year depending on this year’s outturn position and also changes and confirmations in funding agreements which are not yet fully confirmed.

Appendix 4, S106 Budgeted funding

S106 Agreement	Budget	£k	
Boulby	Landscape	637	
	Peat	168	
	Monitoring	34	
	Tourism	241	
Woodsmith	Landscape and Ecology	927	
	Core Policy D	1056	
	Tourism	313	
	Tourism Cont Construction	157	
	Tourism Impact review	97	
	Tourism Local Business	78	
	Tourism Visit England	156	
	Tourism Whitby	78	
	Archaeological Data Contribution	35	
	Geological Data Contribution	35	
	Scarb Employment	63	
	Monit Contribution Construction	160	
	-	Estimated Income	4,235

Note : Values based on 3% inflationary increase. Amounts might change in the NPA report once February inflation is agreed.

Appendix 5 – Defra Grant usage between RDEL and CDEL

-	-	2026/27	2026/27	-
-	-	Revenue £k	Capital £k	Comment - Capital
Conservation and Climate Change	Climate Change	32	-	-
	Farming	43	-	-
	Historic Environment	147	-	-
	Natural Environment	275	-	-
Conservation Total		496	-	-
Recreation and Wellbeing	Apprentices	109	-	-
	Car Parks	-434	16	Capital works
	Gallery and Events	58	-	-
	Other staffing	181	-	-
	Outdoor Learning and Transport	193	-	-
	Rangers and Access	713	91	Access works, vehicles, tools, uniform and PPE
	Toilets	63	3	
	Visitor Centres	174	18	Capital works
Recreation Management Total		1,058	-128	-
Tourism, Marketing and Communications	Materials	2	-	-
	Other	107	-	-
	Sales Margin	-11	-	-
	Staffing	233	-	-
Market & Comms Total		330	-	-
Corporate	Corporate Property	62	130	Property capital spend - all property.
	External Contracts	283		
	IT	259	70	Replacement laptops, hardware and multi-year licencing.
	Member Costs	88		-
	Other	19	11	Tools and clothing.
	Staffing	634	47	Capitalised salaries - to allocate
	Volunteers	194	8	Clothing and tools.
Corporate Total		,539	266	-
Planning	Development Management	401	-	-
	Forward Planning	152	-	-
	Historic Buildings	65	-	-
Planning Total		618	-	-
Total		4,042	394	-
Available Grant		- 4,042	- 394	-
Balanced Budget		-0	-	

Note: Capital allocations may change with CDEL grant confirmation.

North York Moors National Park Authority

Finance, Risk, Audit and Standards Committee

23 February 2026

Item 11, Quarterly Performance Scorecard

1. Purpose of the report

1.1 To present the latest quarterly performance scorecard for review.

2. Background

2.1 The scorecard provides officers and Members with an ongoing assessment of the Authority's performance measured through a series of key performance indicators (KPIs). These KPIs relate to key areas of corporate performance, and indicators which demonstrate progress towards achieving Strategy and Business Plan objectives.

2.2 The latest scorecard is at **appendix 1**.

3. Main points

3.1 The scorecard data are shown both as graphs and/or tables for most indicators. For many indicators, the four-quarter moving sum or average is given. This is used to smooth out peaks and troughs in data, to identify longer-term trends.

3.2 Officers can offer verbal comments on progress relative to KPI at this meeting. Performance indicators are on target except those listed in the following points.

3.3 **Engagements, impressions and video views.** The four-quarter sums have dropped in Q3 2025/26 after reaching peaks in Q2 for engagements and impressions and Q1 for video views. This is due to a temporary gap in staff resource devoted to social media during Q3, which meant that activity dropped significantly. In addition, the equivalent Q3 in 2024 saw at least one viral Reel on Instagram (04/11/24), with more than 83,000 likes and over 400 comments, which will impact on the rolling quarter figures. It's difficult to predict when we might see something similar.

3.4 **Staff turnover.** The four-quarter staff turnover figure in Q3 2025/26 is 8.8%, which is above the KPI of 7%, although turnover does seem to be decreasing. This quarter there have been two voluntary resignations, one of which is due to relocation.

3.5 **Volunteers.** Volunteer numbers include young volunteers (Explorers, Young Ranger, Youth+ and Youth Voice) and adult volunteers (including volunteer rangers). All three volunteering performance indicators (moving four-quarter figures) are narrowly behind target, with the moving four-quarter figures achieving at least 94% of target.

4. Financial and staffing implications

4.1 Work on the scorecard is carried out within existing budgets.

5. Contribution to National Park Management Plan

5.1 The scorecard helps the Authority understand whether it is likely to be on track towards the achievement of its Strategy and Business Plan objectives. Many of these flow directly from the Management Plan.

6. Legal and sustainability implications

6.1 None.

7. Recommendation

7.1 That Members note the scorecard.

Contact Officer:

Kate Clark

Performance Management Officer

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Appendix 1 – Quarterly Scorecard Q3 2025/26

1. Communications

1.1 Social media performance and newsletter subscriptions are used as KPIs for communications, which help understand awareness and interaction with the National Park.

1.2 Engagements

Definition: The definition of social media engagements is interactions with content on our social media channels, for example sharing and ‘likes’.

Why do we measure this? The authority measures engagements to assess our profile and interest, awareness and enthusiasm for our work.

Target: Result equal to or greater than the previous highest four-quarter sum.

Status: Underway but behind target

Analysis: Table 1 and Figure 1 shows the four-quarter moving sum of engagements. In Q3 2025/26, the four-quarter sum of engagements has reduced to just over 1 million near Q2 2023/4 levels after a peak in Q2.

Table 1. Four-quarter moving sum of social media engagements

Quarter and year	Engagements	Engagements (four-quarter moving sum)
Q1 - 2022/23	192,309	Not applicable
Q2 - 2022/23	228,468	Not applicable
Q3 - 2022/23	226,313	Not applicable
Q4 - 2022/23	182,771	829,861
Q1 - 2023/24	303,507	941,059
Q2 - 2023/24	335,337	1,047,928
Q3 - 2023/24	462,558	1,284,173
Q4 - 2023/24	294,885	1,396,287
Q1 - 2024/25	221,336	1,314,116
Q2 - 2024/25	226,486	1,205,265
Q3 - 2024/25	516,315	1,259,022
Q4 - 2024/25	266,714	1,230,851
Q1 - 2025/26	316,900	1,326,415
Q2 - 2025/26	295,169	1,395,098
Q3 - 2025/26	149,584	1,028,367

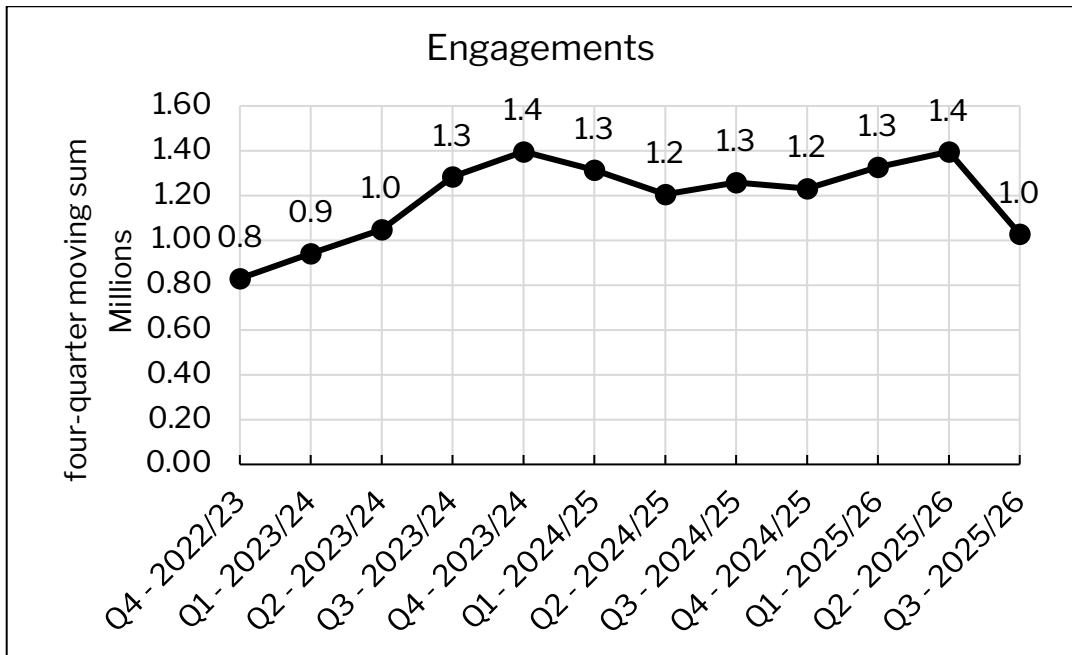


Figure 1. Four-quarter moving sum of engagements (millions)

1.3 Impressions

Definition: the definition of social media impressions is the number of views of content on our social media channels.

Why do we measure this? The authority measures impressions to assess our profile and the interest, awareness and enthusiasm for our work.

Target: Result equal to or greater than the previous highest four-quarter sum.

Status: Underway but behind target.

Analysis: Table 2 and Figure 2 show the four-quarter moving sum of impressions. After some sustained growth in previous quarters, the four-quarter moving sum has decreased in the current quarter, after a peak in Q2.

Table 2. Four-quarter moving sum of social media impressions

Quarter and year	Impressions	Impressions (four-quarter moving sum)
Q4 - 2022/23	4,136,387	19,066,508
Q1 - 2023/24	6,345,648	21,419,170
Q2 - 2023/24	7,272,920	23,590,130
Q3 - 2023/24	13,342,997	31,097,952
Q4 - 2023/24	7,435,879	34,397,444
Q1 - 2024/25	8,207,480	36,259,276
Q2 - 2024/25	7,264,498	36,250,854
Q3 - 2024/25	12,302,654	35,210,511
Q4 - 2024/25	9,001,193	36,775,825
Q1 - 2025/26	9,322,600	37,890,945
Q2 - 2025/26	7,424,366	38,050,813
Q3 - 2025/26	7,100,093	32,848,252

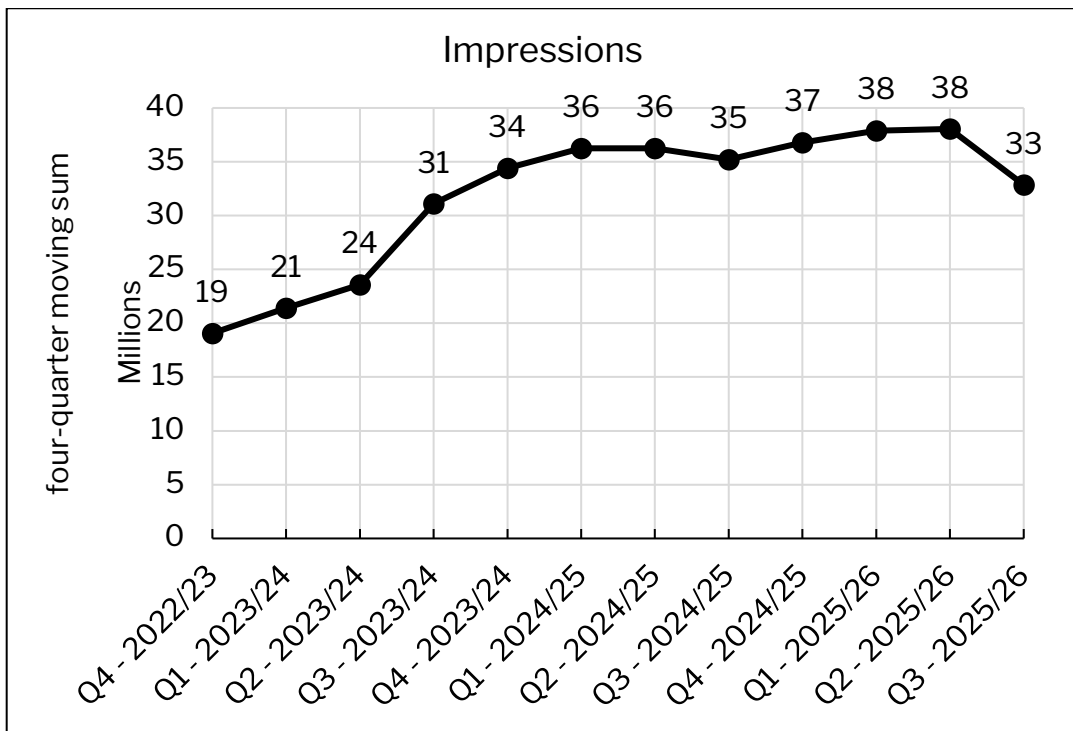


Figure 2. Social media impressions

1.4 Video views

Definition: the definition of social media video views is the number of views of video content on our social media channels.

Why do we measure this? The authority measures video views to assess our profile and the interest, awareness and enthusiasm for our work. Video content is seen as an increasingly important means of engagement through platforms such as YouTube.

Target: Result equal to or greater than the previous highest four-quarter sum.

Status: Underway but behind target.

Analysis: Table 3 and Figure 3 show the four-quarter moving sum of video views. Video views continue to drop after a peak in Q1 2025/26.

Table 3. Four-quarter moving sum of social media video views

Quarter and year	Video views	Video views (four-quarter moving sum)
Q1 - 2022/23	46,453	Not applicable
Q2 - 2022/23	60,592	Not applicable
Q3 - 2022/23	46,907	Not applicable
Q4 - 2022/23	63,258	217,210
Q1 - 2023/24	166,502	337,259
Q2 - 2023/24	266,143	542,810
Q3 - 2023/24	348,436	844,339
Q4 - 2023/24	199,045	980,126
Q1 - 2024/25	413,587	1,227,211

Quarter and year	Video views	Video views (four-quarter moving sum)
Q2 - 2024/25	607,032	1,568,100
Q3 - 2024/25	2,069,220	3,288,884
Q4 - 2024/25	1,069,251	4,159,090
Q1 - 2025/26	588,236	4,333,739
Q2 - 2025/26	213,829	3,940,536
Q3 - 2025/26	593,110	2,464,426

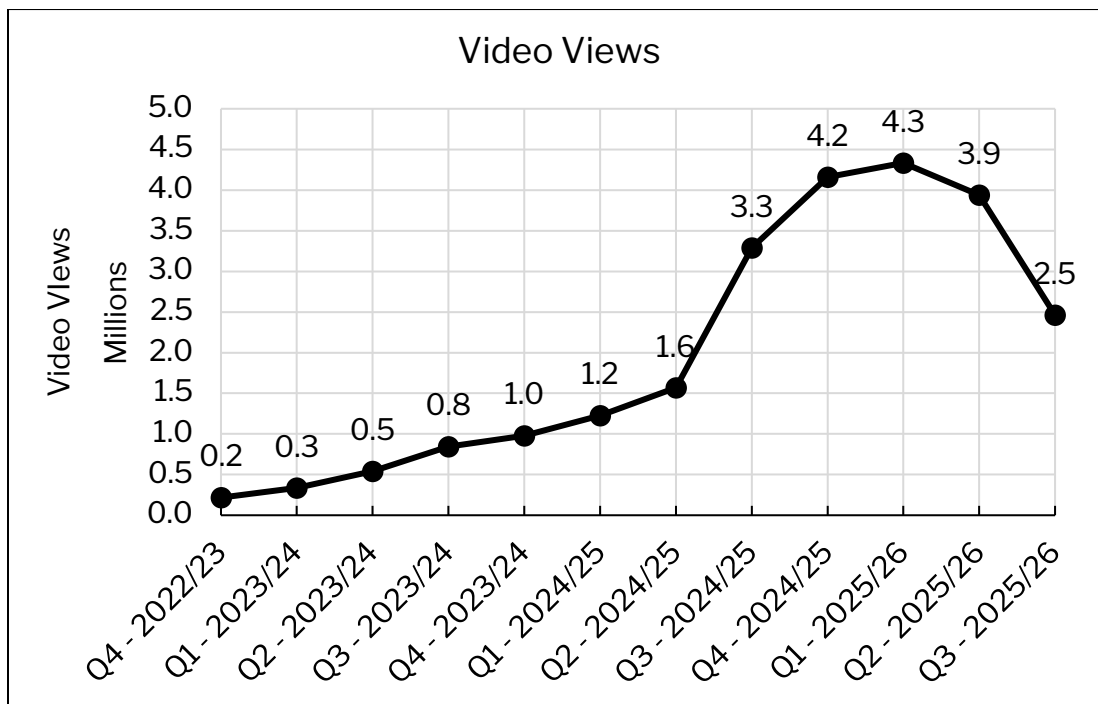


Figure 3. Four-quarter moving sum of video views (millions)

1.5 Newsletter subscribers

Definition: The total number of subscribers to the Authority’s e-newsletters

Why do we measure this? The authority measures newsletters subscribers to assess our profile and the interest, awareness and enthusiasm for our work.

Target: Increase the number of subscribers from baseline

Status: Underway and on target

Analysis: This is a new indicator. The total number of newsletter subscribers for Q3 2025/26 is above the 14,500 baseline though a slight decrease from Q2 2025/26.

Table 4. Newsletter subscribers

Quarter and Year	Number of newsletter subscribers
Q1 - 2025/26	14,500 (baseline)
Q2 - 2025/26	19,021
Q3 - 2025/26	18,650

2. Financial indicators

2.1 Corporate costs

Definition: The value of corporate costs not directly linked to end services as a proportion of total gross expenditure.

Why do we measure this? To ensure non-rechargeable corporate costs remain controlled.

Target: Costs less than 5% of total spend.

Status: Underway and on target.

Table 5. Corporate costs forecast and actual outturn

Quarter and year	Corporate Costs actual outturn (% of total spend)	Corporate Costs forecast outturn (% of total spend)
Q3 - 2025/26	-	3.5
Q4 - 2024/25	3.0	3
Q4 - 2023/24	3.7	-
Q4 - 2022/23	3.5	-

2.2 External income

Definition: Value of income received in year for externally funded projects.

Why do we measure this? To provide an indication of delivery levels through external funding which is a key strategic indicator.

Target: £2.5 million by 2026/27.

Status: Underway and on target.

Table 6. External income outturn

Quarter and year	External income outturn £
Q4 - 2022/23	2,889,000
Q4 - 2023/24	2,817,000
Q4 - 2024/25	4,405,251 (outturn)
Q3 - 2025/26	3,431,000 (forecast)

2.3 Non-core grant income

Definition: % of total income derived from sources other than Defra core revenue grant.

Why do we measure this? The indicator helps us to assess our effectiveness in leveraging core grant to raise additional income and the extent to which we are diversifying and reducing dependency on core grant funding.

Target: Non-core grant income to be a minimum of 55% of total income.

Status: Underway and on target.

Table 7. Non-core grant income forecast and actual outturn

Quarter and year	Sum of Non-core grant income forecast outturn (% of total income)	Sum of Non-core grant income actual outturn (% of total income)
Q4 - 2023/24	-	64
Q4 - 2024/25	-	68
Q2 - 2025/26	62	-
Q3 - 2025/26	63	

3. Staffing

3.1 Sickness absence rate

Definition: The percentage of total staff time available that has been lost due to absence.

Why do we measure this? Provides an overall indication of the health of the organisation as an employer.

Target: 2% (based on [UK sickness absence rate for 2024](#) (Office for National Statistics))

Status: Underway and on target.

Analysis:

In line with best practice, we are now reporting sickness absence rate for short-term absence. Table 8 shows that the sickness absence rate has increased slightly but is still below 2%.

Table 8. Sickness absence rate

Quarter and year	Sickness absence rate (%)
Q1 - 2025/26	0.56%
Q2 - 2025/26	0.65%
Q3 - 2025/26	0.5%

3.2 Staff turnover

Why do we measure this? Provides an overall indication of the health of the organisation as an employer. High staff turnover can indicate workforce concerns. Very low staff turnover can affect the organisation's innovation and succession planning. Fixed term contracts are excluded from this measure.

Target: Staff turnover should be less than or equal to 7% in a four-quarter moving period.

Status: Underway but behind target.

Analysis: Table 9 and Figure 4 show staff turnover data. Staff turnover for four quarters is still above the target of 7%, although the trend is towards a lower turnover.

Table 9. Staff turnover (%)

Quarter and year	Staff turnover (%)	Staff turnover four-quarter moving sum (%)
Q1 - 2022/23	1.1	Not applicable
Q2 - 2022/23	2.4	Not applicable
Q3 - 2022/23	1.1	Not applicable
Q4 - 2022/23	2.4	7.0
Q1 - 2023/24	1.5	7.4
Q2 - 2023/24	1.2	6.2
Q3 - 2023/24	1.2	6.3
Q4 - 2023/24	1.6	5.5
Q1 - 2024/25	1.2	5.2
Q2 - 2024/25	1.5	5.5
Q3 - 2024/25	1.2	5.5
Q4 - 2024/25	5.1	9.0
Q1 - 2025/26	3.0 ¹	10.8
Q2 - 2025/26	0.0 ²	9.3
Q3 - 2025/26	0.7	8.8

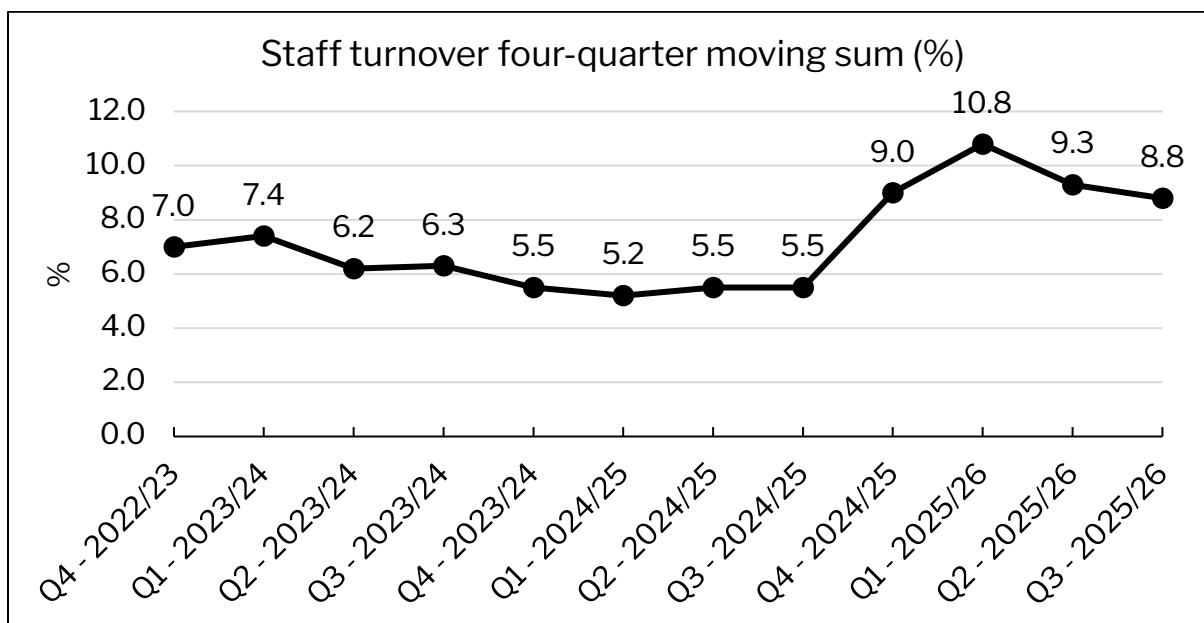


Figure 4. Staff turnover four-quarter moving sum (%)

4. Volunteers

4.1 Active volunteers

¹ Corrected from 2.4 to 3.0% (to exclude fixed-term contracts)

² Corrected from 0.6 to 0.0% (to exclude fixed-term contracts)

Definition: An active volunteer is someone who has volunteered in the past 12 months. Volunteer numbers include Young Volunteers (Explorers, Young Ranger, Youth+ and Youth Voice) and Adult Volunteers (including volunteer rangers).

Why do we measure this? To measure the success of our volunteer programme and contribution to health and wellbeing output.

Target: 500 active volunteers (four-quarter moving average)

Status: Underway but behind target.

Analysis: Table 10 and Figure 5 show the number of active volunteers. Although behind target, the four-quarter moving average is consistent with the previous figures.

Table 10. Active volunteers

Quarter and year	Active volunteers (number)	Active volunteers (four-quarter moving average)
Q1 - 2024/25	480	Not applicable
Q2 - 2024/25	475	Not applicable
Q3 - 2024/25	469	Not applicable
Q4 - 2024/25	469	473
Q1 - 2025/26	488	475
Q2 - 2025/26	470	474
Q3 - 2025/26	471	475

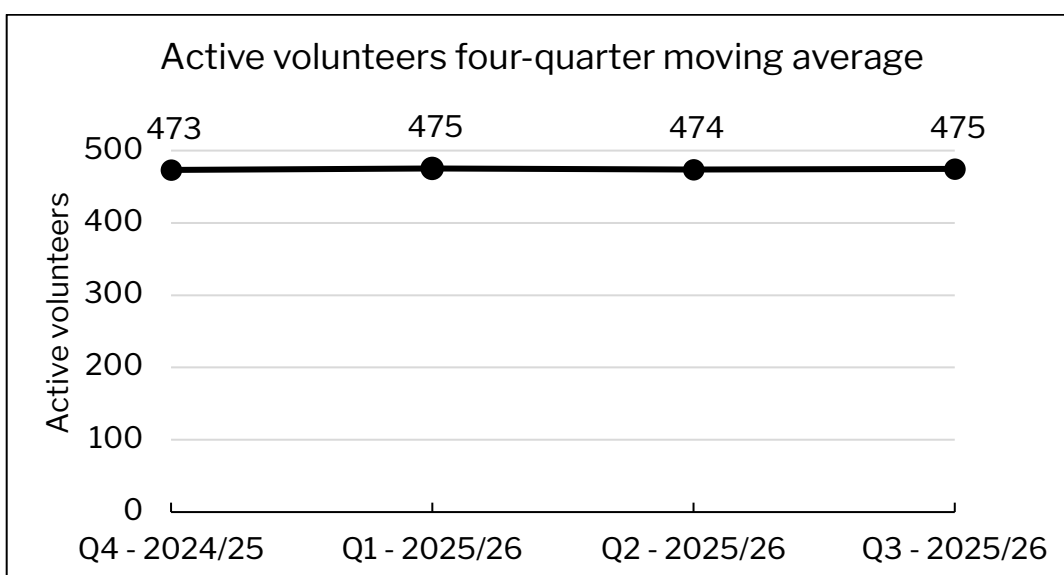


Figure 5. Number of active volunteers

4.2 Volunteer days

Definition: A 'volunteer day' is a day on which volunteering has taken place. This means that whether volunteering has happened for 1 hour or 5 hours, then it is counted as a day. Volunteer numbers include young volunteers (Explorers, Young Ranger, Youth+ and Youth Voice) and adult volunteers (including volunteer rangers).

Why do we measure this? To measure the success of our volunteer programme and contribution to health and wellbeing output.

Target: 7,500 volunteer days per year (four-quarter moving sum)

Status: Underway but behind target.

Analysis: Table 11 and Figure 6 show the number of volunteer days. The current four-quarter moving sum is slightly below those reported previously.

Table 11. Volunteer days

Quarter and year	Volunteer days ³	Volunteer days (four-quarter moving sum)
Q1 - 2024/25	1,912	Not applicable
Q2 - 2024/25	2,081	Not applicable
Q3 - 2024/25	1,760	Not applicable
Q4 - 2024/25	2,012	7,765
Q1 - 2025/26	1,931	7,784
Q2 - 2025/26	1,780	7,483
Q3 - 2025/26	1,329	7,052

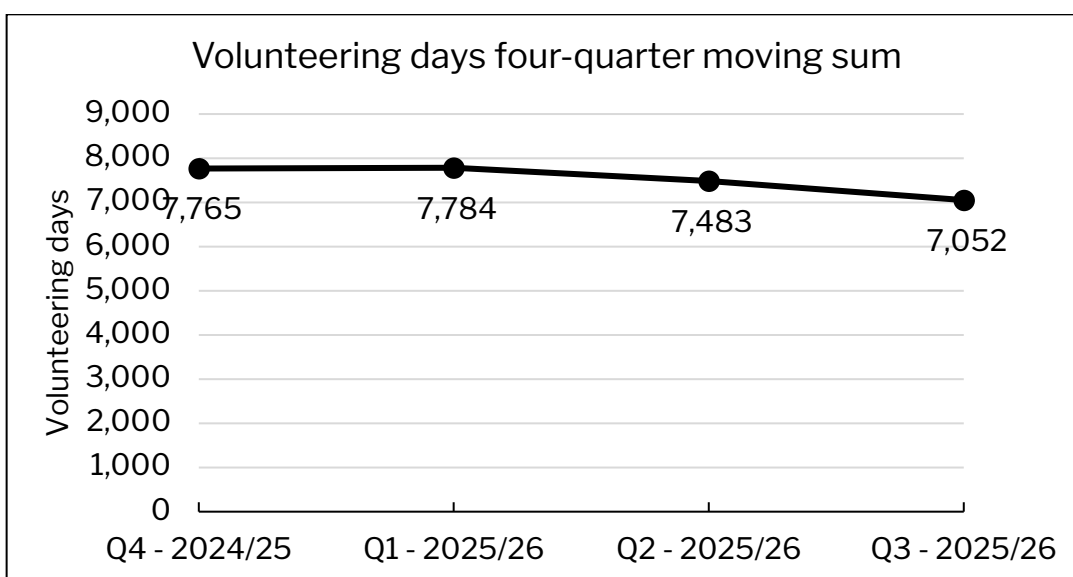


Figure 6. Number of volunteering days

4.3 Volunteer hours

Definition: Volunteer hours are the number of hours completed by volunteers in the quarter. Volunteer numbers include young volunteers (Explorers, Young Ranger, Youth+ and Youth Voice) and adult volunteers (including volunteer rangers).

³ The number of volunteer hours has been corrected from Q1 2024/25 to account for late time submissions after quarterly cutoffs. The four-quarter sum has been corrected accordingly.

Why do we measure this? To measure the success of our volunteer programme and contribution to health and wellbeing output.

Target: 50,000 volunteer hours per year (four-quarter moving sum)

Status: Underway but behind target.

Analysis: Table 12 and Figure 7 show the number of volunteer hours. The current four-quarter sum is in line with previous figures.

Table 12. Volunteer hours

Row labels	Volunteer hours ⁴	Volunteer hours (four-quarter moving sum)
Q1 - 2024/25	11,107	Not applicable
Q2 - 2024/25	15,748	Not applicable
Q3 - 2024/25	11,172	Not applicable
Q4 - 2024/25	12,866	50,893
Q1 - 2025/26	14,472	54,258
Q2 - 2025/26	10,743	49,253
Q3 - 2025/26	10,651	48,732

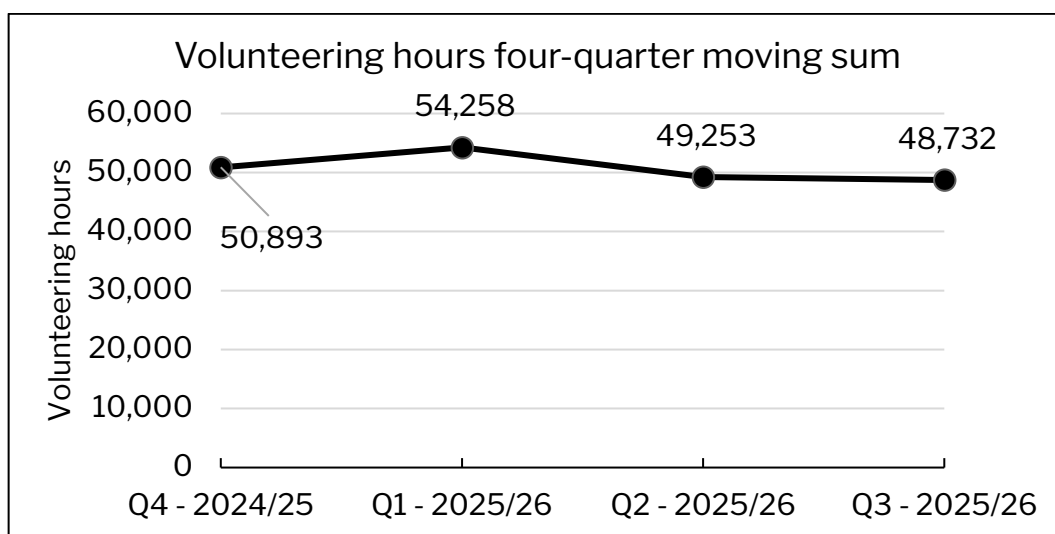


Figure 7. Number of volunteer hours

5. Planning

5.1 Major planning applications

Target: At least 60% of major planning applications should be decided within statutory deadlines (four-quarter moving average).

Why do we measure this? This target is in our Business Plan and is a key statutory government performance indicator for local planning authorities.

⁴ The number of volunteer days has been corrected from Q1 2024/25 to account for late time submissions after quarterly cutoffs. The four-quarter sum has been corrected accordingly.

Status: Underway and on target.

Analysis: Table 13 and Figure 8 shows the percentage of major applications decided within statutory deadlines. The four-quarter average continues to increase.

Table 13. Major planning applications decided within statutory deadlines (%)

Quarter and year	Percentage	Four-quarter moving average (%)
Q1 - 2022/23	33.3	Not applicable
Q2 - 2022/23	100.0	Not applicable
Q3 - 2022/23	100.0	Not applicable
Q4 - 2022/23	100.0	83.3
Q1 - 2023/24	No applications	100.0
Q2 - 2023/24	100.0	100.0
Q3 - 2023/24	100.0	100.0
Q4 - 2023/24	No applications	100.0
Q1 - 2024/25	67.0	89.0
Q2 - 2024/25	No applications	83.5
Q3 - 2024/25	66.7	66.9
Q4 - 2024/25	100.0	77.9
Q1 - 2025/26	50.0	72.2
Q2 - 2025/26	100.0	79.2
Q3 - 2025/26	100.0	87.5

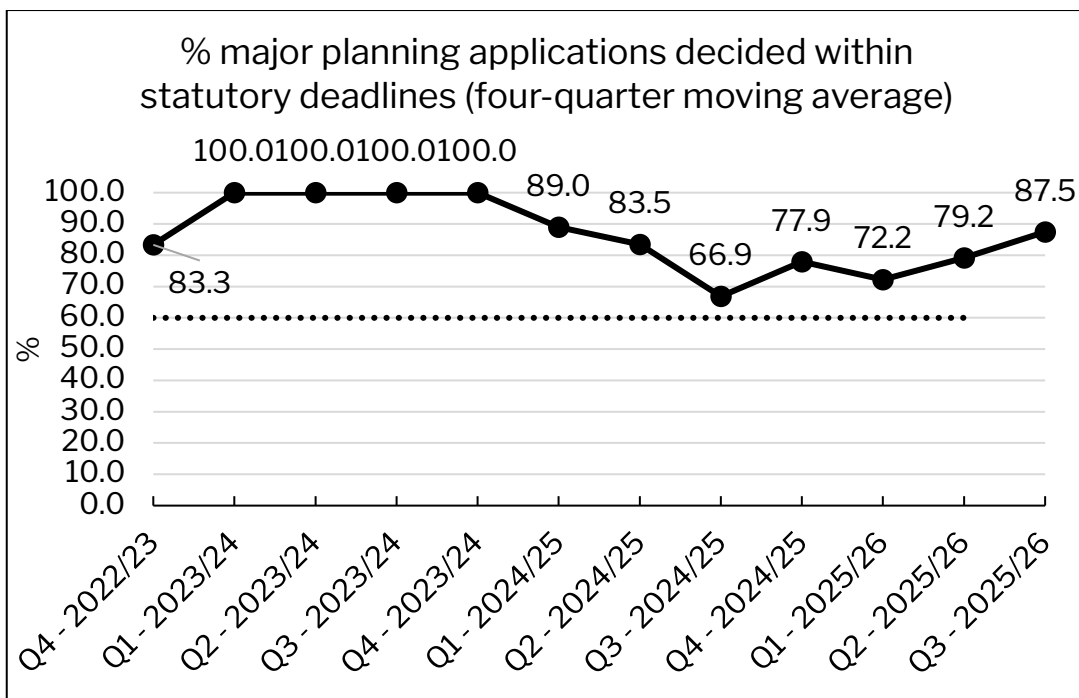


Figure 8. % major planning applications decided within statutory deadlines (four-quarter moving average)

5.2 Non-major planning applications

Target: At least 70% of non-major planning applications should be decided within statutory deadlines (four-quarter moving average)

Why do we measure this? This target is in our Business Plan reflecting statutory government planning targets.

Status: Underway and on target.

Analysis: Table 14 and Figure 9 show the percentage of non-major applications decided within statutory deadlines. The four-quarter average continues to increase.

Table 14. Non-major planning applications decided within statutory deadlines (%)

Quarter and year	Percentage	Four-quarter moving average (%)
Q1 - 2022/23	87.6	Not applicable
Q2 - 2022/23	87.5	Not applicable
Q3 - 2022/23	90.0	Not applicable
Q4 - 2022/23	94.6	89.9
Q1 - 2023/24	91.0	90.8
Q2 - 2023/24	82.9	89.6
Q3 - 2023/24	85.8	88.6
Q4 - 2023/24	81.7	85.4
Q1 - 2024/25	71.8	80.6
Q2 - 2024/25	75.2	78.6
Q3 - 2024/25	76.4	76.3
Q4 - 2024/25	87.4	77.7
Q1 - 2025/26	87.9	81.7
Q2 - 2025/26	77.7	82.4
Q3 - 2025/26	89.0	85.5

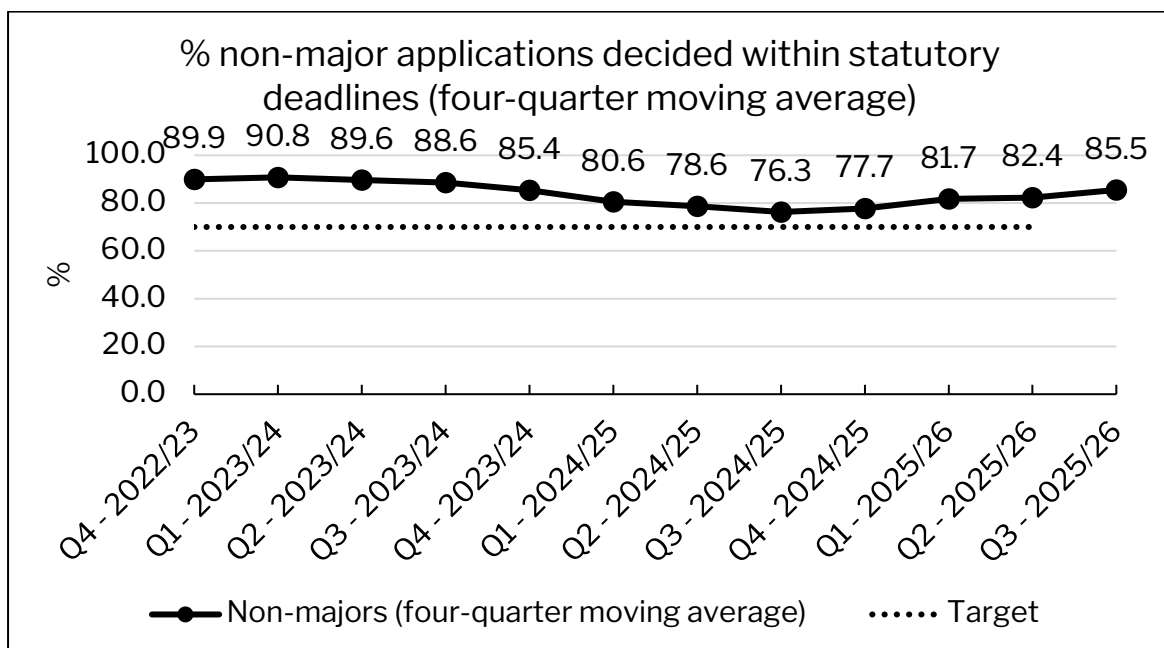


Figure 9. % major planning applications decided within statutory deadlines (four-quarter moving average)

5.3 Planning appeals

Target: At least 66% of planning appeals dismissed (four-quarter moving percentage).

Why do we measure this? This is both an internal target that we have set as an indicator of the quality of our decision making and also a statutory government metric in relation to appeal decisions on major applications as a measure of a local planning authority's quality of decision making.

Status: Underway and on target.

Analysis: Table 15 and Figure 10 shows number and percentage of appeals dismissed. For Q3 2025/26, two appeals were dismissed out of four (50%), however the four-quarter moving % dismissed was above target at 73.3%.

Table 15. Number and percentage of planning appeals dismissed and allowed

Quarter and year	Dismissed	Allowed	Quarterly % dismissed	Four-quarter moving % dismissed
Q1 - 2022/23	3.0	2.0	60	Not applicable
Q2 - 2022/23	1.0	1.0	50	Not applicable
Q3 - 2022/23	3.0	0.0	10	Not applicable
Q4 - 2022/23	1.5	0.5	75	70.8
Q1 - 2023/24	1.0	2.0	33	65.0
Q2 - 2023/24	2.0	0.0	100	75.0
Q3 - 2023/24	1.0	0.0	100	68.8
Q4 - 2023/24	1.0	1.0	50	62.5
Q1 - 2024/25	2.0	2.0	50	66.7
Q2 - 2024/25	2.0	1.0	67	60.0
Q3 - 2024/25	3.0	1.0	75	61.5
Q4 - 2024/25	5.0	1.0	83	70.6
Q1 - 2025/26	2.0	1.0	67	75.0
Q2 - 2025/26	2.0	0.0	100	80.0
Q3 - 2025/26	2.0	2.0	50	73.3

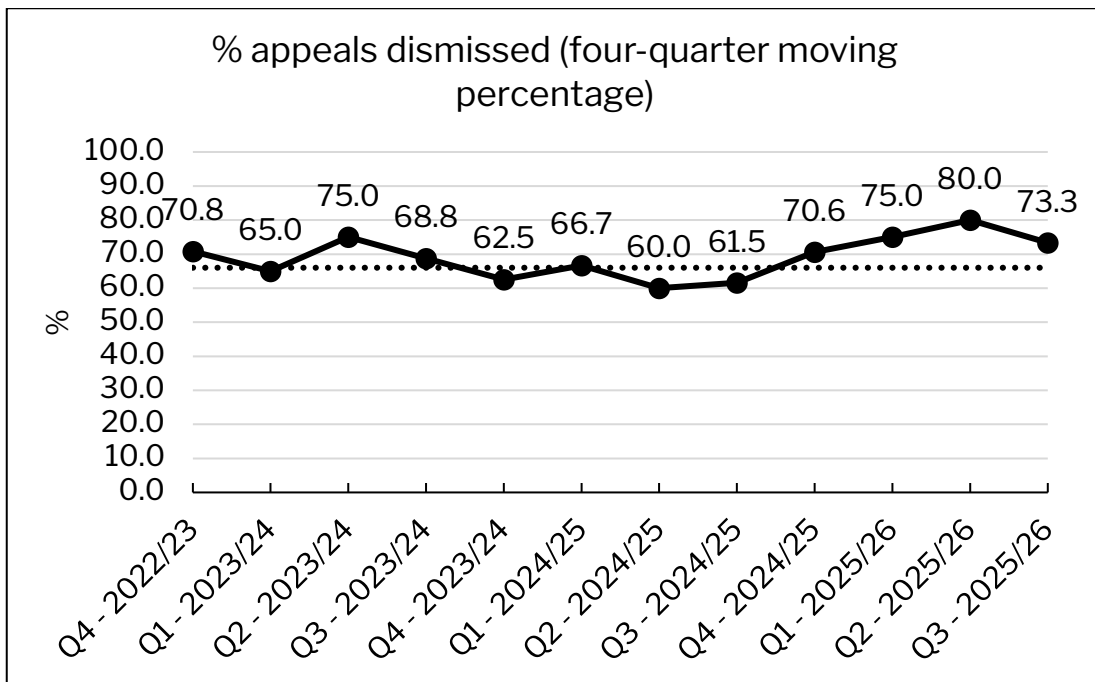


Figure 10. % appeals dismissed (four-quarter moving percentage)

6. Health and wellbeing events

6.1 Health and wellbeing event attendees: percentage from deprived areas

Definition: Breath of Fresh Air (BOFA) walks participants from a postcode which includes wards that fall into the 30% most deprived in the country.

Why do we measure this? To measure targeted engagement with our health and wellbeing activities.

Target: 64% (2024/25 baseline).

Status: Underway and on target.

Analysis:

The current percentage (83%) is above the 64% baseline and so is on target.

Quarter and year	% of health and wellbeing events attended by those from deprived areas
Q1 - 2025/26	62
Q2 - 2025/26	68
Q3 - 2025/26	83

7. Visitor centre footfall

7.1 Visitor centre footfall is evaluated using a four-quarter moving sum. The four-quarter moving sum is the sum of the specified quarter and the preceding 3 quarters.

7.2 Sutton Bank

Definition: Visitor centre footfall is the number of people visiting our Sutton Bank visitor centre.

Why do we measure this? Our Business Plan includes enhancing our offer at National Park Centres. Visitor centre numbers also have a bearing on income generation.

Target: Result equal to or greater than the previous highest four-quarter sum.

Status: Underway but behind target.

Analysis: Table 16 and Figure 11 show Sutton Bank Visitor Centre data. The latest four-quarter sum of visitor numbers shows a steady increase.

Table 16. Sutton bank visitor centre footfall by quarter and four-quarter moving sum

Quarter and year	Sutton Bank footfall (visitors)	Sutton Bank footfall (visitors), four-quarter moving sum
Q1 - 2022/23	42,613	Not applicable
Q2 - 2022/23	38,251	Not applicable
Q3 - 2022/23	23,612	Not applicable
Q4 - 2022/23	25,470	129,946
Q1 - 2023/24	44,808	132,141
Q2 - 2023/24	40,868	134,758
Q3 - 2023/24	22,854	134,000
Q4 - 2023/24	34,016	142,546
Q1 - 2024/25	43,005	140,743
Q2 - 2024/25	41,532	141,407
Q3 - 2024/25	27,790 ⁵	146,343
Q4 - 2024/25	31,517	143,844
Q1 - 2025/26	56,233 ⁶	157,072
Q2 - 2025/26	47,885	163,425
Q3 - 2025/26	29,299	164,934

⁵ Corrected from 39,410 (the combined Sutton Bank and Danby figure was reported in error previously) to 27,790. Four-quarter moving sum updated accordingly.

⁶ Corrected from 60,789 which was captured in error to 56,233. Four-quarter moving sum updated accordingly.

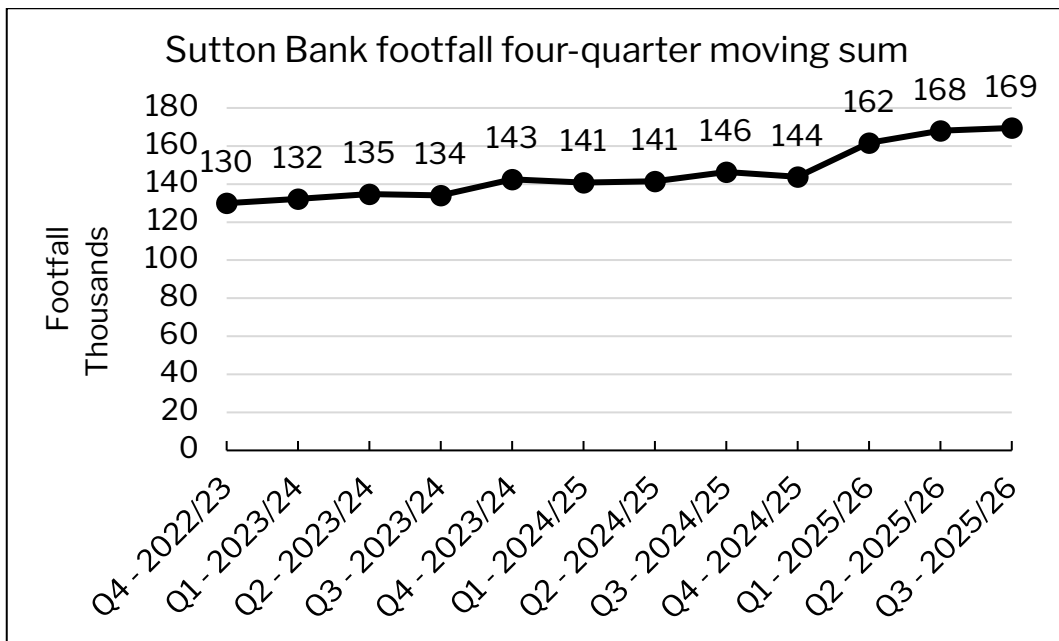


Figure 11. Sutton Bank footfall, four-quarter moving sum (thousands)

7.3 Danby Lodge

Definition: Visitor centre footfall is the number of people visiting our visitor centre at Danby Lodge.

Why do we measure this? Our Business Plan includes enhancing our offer at National Park Centres. Visitor centre numbers also have a bearing on income generation.

Target: Result equal to or greater than the previous highest four-quarter sum.

Status: Underway and on target.

Analysis: Table 17 and Figure 12 show visitor numbers for Danby Lodge. Current numbers continue to increase.

Table 17. Danby Lodge visitor centre footfall by quarter and four-quarter moving sum

Quarter and year	Danby Lodge footfall (visitors)	Danby Lodge footfall (visitors), four-quarter moving sum
Q1 - 2022/23	19,717	Not applicable
Q2 - 2022/23	19,838	Not applicable
Q3 - 2022/23	5,872	Not applicable
Q4 - 2022/23	6,372	51,799
Q1 - 2023/24	16,162	48,244
Q2 - 2023/24	26,710	55,116
Q3 - 2023/24	10,382	59,626
Q4 - 2023/24	8,128	61,382
Q1 - 2024/25	16,030	61,250
Q2 - 2024/25	27,819	62,359
Q3 - 2024/25	11,620	63,597

Quarter and year	Danby Lodge footfall (visitors)	Danby Lodge footfall (visitors), four-quarter moving sum
Q4 - 2024/25	5,775	61,244
Q1 - 2025/26	26,790	72,004
Q2 - 2025/26	29,877	74,062
Q3 - 2025/26	14,136	76,578

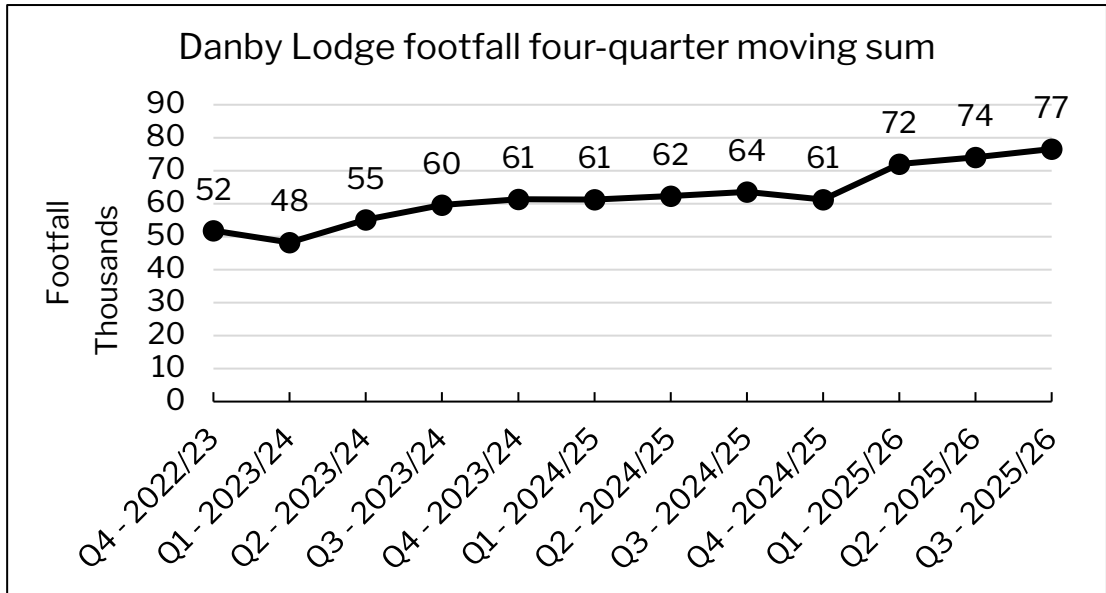


Figure 12. Danby Lodge footfall, four-quarter moving sum (thousands)

8. Project delivery

Definition: Delivery of projects against schedule - % projects assessed by managers as green, amber and red.

Why do we measure this? To measure the health of our projects.

Projects have the following status:

- Green - on track with the planned schedule: 17.
- Amber - Minor delays or potential risks to the schedule: 2.
- Red - there is a significant risk that the project will not be completed in accordance with the agreed programme: 0.

North York Moors National Park Authority

Finance, Risk, Audit and Standards Committee

23 February 2026

Item 12, Proposed changes to the Authority’s “Making a Complaint about an Authority Member” guide

1. Purpose of the report

1.1 To seek Member approval of proposed changes to the “Making a Complaint about an Authority Member” guide.

2. Existing Member Complaint guide and relevant context

2.1 The existing guide was last updated on 1 May 2019. As part of the periodic review of the Authority’s corporate and constitutional documents the Monitoring Officer and Independent Person have worked through the guide to identify any improvements that can be made.

2.2 In updating the Authority’s Member ‘Code of Conduct’ in 2023, the Authority decided not to adopt the Local Government Association’s (“LGA”) ‘Model Councillor Code of Conduct’ in full, but to have appropriate regard to it. This reasonable approach led to minor changes and additions to the Authority’s ‘Code of Conduct’, but with the structure and main content of it being retained.

2.3 On 21 September 2021 the LGA produced guidance on local authority complaint handling, which referred specifically to the LGA ‘Model Councillor Code of Conduct’ and which was principally designed as guidance for monitoring officers. The Authority’s ‘Making a Complaint about an Authority Member’ guide clearly refers to the Authority’s Member Code of Conduct and is a more public-facing document, though still provides appropriate detail and a reasonable process.

2.4 The 2021 LGA guidance broadly recommends better recognition that Member complaints could be received from vulnerable or disadvantaged parties or could relate to serious, sensitive or challenging issues/circumstances, and therefore references and scope to deal with these should be incorporated into a Member Complaint process.

2.5 In this context, Officers feel it is appropriate to have due regard to the 2021 LGA guidance and incorporate those elements that will improve the Authority’s ‘Making a Complaint about an Authority Member’ guide rather than fully replace it. This approach is, in effect, endorsed in the prefatory remarks to the 2021 LGA guide, which state “Local authorities may have different practices and arrangements in place [from the LGA Model Code of Conduct]. However, the principles of fairness, proportionality, transparency and impartiality will still apply”.

2.6 The LGA guide is lengthy and detailed but contains key elements for a complaint handling process, which it is useful to set out here as they are (reassuringly) close to the Authority's 'Making a Complaint about an Authority Member' guide. They are as follows:

a) Acknowledging receipt

The LGA guide recommends that the Authority acknowledge receipt of the complaint and set out the process for handling it. The guide envisages that the Authority will usually (but not always) notify the Subject Member and invite comments within an agreed timescale.

b) Initial assessment

The initial assessment is referred to as a two-step 'can/should' process, that is, can we deal with the complaint (do we have jurisdiction, is the conduct complained of capable of amounting to a breach?), then should we deal with the complaint (for example, is the complaint trivial or vexatious?). That initial assessment should lead to a decision either that (i) no further action is to be taken, or that (ii) the matter should be dealt with by informal resolution in the first instance, or that (iii) the matter should be referred for formal investigation.

c) Informal resolution

Informal resolution is referred to as a more proportionate way of dealing with relatively minor allegations, one-off incidents or underlying disagreements between individuals; it involves making no finding of fact as there has been no formal investigation. It should not be used for serious allegations but might be suitable where for example the matter can be resolved by the Subject Member making an apology or agreeing to undertake training.

d) Formal investigation

This will be carried out where the Initial Assessment deems it necessary. It might also follow an unsuccessful attempt at Informal Resolution, but the Authority should retain some discretion about this as sometimes no further action will be indicated. The Monitoring Officer will normally carry out the investigation, but it might be delegated or outsourced. The LGA guide envisages that the investigator will produce a draft report and share it with the Subject Member and Complainant for comment, before producing a final report; the report is to make a finding on the balance of probabilities as to whether there has been a breach of the Code of Conduct, and lead to a decision to (i) take no further action or (ii) seek to resolve the matter informally or (iii) refer the matter to a hearing.

e) Hearing

The LGA guide envisages a panel of members being drawn from the main body of the standards committee of the Authority. It regards the panel as being like any other committee or sub-committee of the Authority, and subject to all of the rules that go with that, including the access to information rules. It says that "the

Subject Member may choose to be represented by counsel, a solicitor, or by any other person they wish.”

f) Finding

The LGA guide sets out some possible sanctions, including formal censure, removal from committees or sub-committees, or a recommendation of further training. It says that the Authority should publish its decision notice on the website and make the panel’s reports and minutes available for public inspection in the same way as other local authority papers.

3. Proposed changes

3.1 In view of the context and key elements set out in Section 2 above, Officers feel the correct approach to updating the ‘Making a Complaint about an Authority Member’ guide is to make relatively minor changes to improve the consistency and precision of the wording in it and to reflect the recommendations in the 2021 LGA guide.

3.2 The existing 2019 guide, with proposed changes highlighted, is attached as **appendix 1** to this Report. The suggested changes are,

- i. Pre-amble- para 4- verbal complaints- to allow scope for verbal complaints as a ‘reasonable adjustment’ in accordance with the Equality Act 2010,
- ii. Pre-amble- para 5- anonymous complaint- whilst Authorities should not normally allow anonymous complaints as they go against the principles of transparency and fairness and make matters difficult to investigate, there may be exceptional reasons to accept them,
- iii. Stage 1- para 1- whilst very unlikely, it is sensible to expressly allow scope for involvement of an external investigatory party/authority,
- iv. Stage 1- para 2- whilst there is a strong default position that a Subject Member will be provided with all information on a complaint, it is sensible to allow scope for a complaint to be resolved quickly and informally where circumstances allow, but also to allow for exceptional circumstances in any formal process,
- v. Stage 1- para 7- to improve the wording and logic of the process,
- vi. Stage 1- final para- to better reflect the LGA guidance on notification,
- vii. Stage 2- para 1- to better reflect the LGA guidance on consultation,
- viii. Stage 3- para 3- to incorporate the LGA reference to interviewing of parties,
- ix. Stage 3- para 5- to incorporate the LGA recommendation to allow final comments before producing a final decision,
- x. Stage 3- para 6- to correctly state the basis for the decision being made,
- xi. Stage 4- paras 4 & 5- to incorporate the LGA guidance on public hearings and representation.

4. Financial and staffing implications

4.1 There are no significant financial or staffing implications.

5. Legal and sustainability implications

5.1 The proposed changes would improve the robustness of the guide in relation to 'reasonable adjustments' requirements of the Equalities Act 2010 and to procedural fairness.

6. Recommendation

6.1 That Members approve the proposed changes to the 'Making a Complaint about an Authority Member' guide, as set out in **appendix 1**, for the changes to come into effect on 1 April 2026.

Background papers for this report:

Local Government Association- 'Guidance on Member Model Code of Conduct Complaints Handling'- 21 September 2021

Appendices for this report:

Appendix 1:

Existing 2016 'Making a Complaint about an Authority Member' guide, with proposed changes highlighted.

Contact Officer:
Richard Smith
Authority Solicitor and Monitoring Officer
01439 772700



**North York Moors
National Park**

Appendix 1, Your guide to making a complaint about the behaviour of a North York Moors National Park Authority Member under the Members' Code of Conduct

If you want to make a complaint about the conduct of a Member of the North York Moors National Park Authority (the Authority), you must submit your complaint to:

The Monitoring Officer
North York Moors National Park
Authority
The Old Vicarage
Bondgate
Helmsley
York YO62 5BP

Or [email general@northyorkmoors.org.uk](mailto:general@northyorkmoors.org.uk) stating that you wish to make a complaint about the conduct of a Member.

The Authority ordinarily requires complaints to be submitted in writing to ensure clarity but may accept complaints submitted verbally where the circumstances of the complaint and/or the Complainant reasonably warrant it.

Anonymous complaints will generally not be investigated, being contrary to principles of transparency and fairness and as it make matters more difficult to investigate. There may be exceptional circumstances in which an anonymous complaint can be accepted where there is no detriment to the process and the allegation can be evidenced without reference to the Complainant.

Members of the National Park Authority must observe the Nolan seven principles of public life and conform to the standards set out in Member Code of Conduct (available on the Authority website). The complaints process has a number of stages to ensure clarity, transparency and fairness to all parties.

Stage 1 - Assessment for investigation or other action

Every complaint relating to the Code of Conduct will be received by the Monitoring Officer.

The Monitoring Officer may delegate all or part of the handling of the complaint to the Deputy Monitoring Officer or appropriate external investigatory party/authority, and references in this guide to "Monitoring Officer" include the Deputy Monitoring Officer and external investigatory party/authority.

The Member who is the subject of a complaint ("Subject Member") will generally be advised of the complaint and copied into any correspondence or complaint form received from the Complainant. The Monitoring Officer will carry out an initial assessment of the complaint in

consultation with the Independent Person* and will decide whether the complaint merits formal investigation.

(*Independent Person– appointed in accordance with the Localism Act 2011 to assist the Authority with complaints about Members and who is not a Member or employee of the Authority).

The Monitoring Officer may request more information to assist the decision as to whether formal investigation is appropriate.

The Subject Member may also be requested to provide information about the matter.

The Monitoring Officer will advise the Complainant and the Subject Member, in writing, of his/her decision about whether or not the matter will be formally investigated.

If the Complaint identifies criminal conduct or breach of other regulation the Monitoring Officer will consult the Police and/or such other regulatory agencies as he/she considers appropriate.

The Monitoring Officer will not refer for formal investigation matters in which the behaviour complained of would not, in any event, amount to a breach of the Code of Conduct. The Monitoring Officer will also not refer for formal investigation complaints which are, in his/her opinion, vexatious, offensive, trivial or politically motivated, or where a formal investigation would be disproportionate or otherwise not in the public interest. Before making a decision not to refer a matter for formal investigation on any of these grounds the Monitoring Officer will consult with the Independent Person.

If the Monitoring Officer has a conflict of interest or does not for any other reason consider it appropriate that he/she undertakes initial assessment of a complaint, it will be referred to the Finance, Risk, Audit and Standards Committee (the Committee).

Where complaints about Members are made informally to the Chair or Chief Executive the Complainant will always have the formal mechanism outlined to them as a readily available option. Where the Complainant does not wish to make a formal complaint the Chair or Chief Executive as appropriate, in consultation with the Monitoring Officer, may take appropriate steps to resolve the informal complaint.

If the outcome of a Complaint, at any stage, is a decision to take no action, the Authority shall within a reasonable timeframe of that decision, notify the Complainant and Subject Member and set out the reasons for that decision, including the views of the Independent Person.

Stage 2 - Informal resolution

Wherever possible the Monitoring Officer will seek to resolve a complaint informally without the need for formal investigation or referral to the Committee, and shall consult with the Independent Person, the Subject Member and the Complainant in seeking this.

This may involve trying to mediate between the parties, aiming to clarify misunderstandings, or encouraging discussion between the Complainant and Subject Member to enable a resolution between them, or where appropriate, an apology. It may also involve other remedial action by the Authority after discussions with the Chair of the Authority (who may take action to ensure a satisfactory resolution).

If the Subject Member or the Authority make a reasonable offer of informal resolution but the Complainant is not willing to accept the offer, the Monitoring Officer will take this into account in deciding whether a complaint merits formal investigation.

Stage 3 - Formal Investigation

If the Stage 1 assessment of the Monitoring Officer is that a matter merits formal investigation the Complainant will be invited to submit all information they wish to be considered in support of their allegation within 15 working days of request.

Once the information is received it will be sent to the Subject Member, who would also be invited to submit all information they wish to be considered in response within 15 working days.

Where it is reasonable to do so, the Monitoring Officer may seek to interview any party involved in the Complaint and any third-party witnesses.

A draft decision containing the information provided by the Complainant and Subject Member will be prepared by the Monitoring Officer. The decision will conclude whether there has been a breach of the Code.

The draft decision will be sent to the relevant parties with a deadline for commenting. The Monitoring Officer is under no obligation to alter the draft decision in response to comments received but shall make a formal note explaining their response to the comments. After considering any comments received within the stated deadline the Monitoring Officer shall produce their final decision on the Complaint.

Conclusion that there has not been a failure to comply with the Code of Conduct.

The Monitoring Officer will write to the Complainant and the Subject Member notifying them that he/she is satisfied that no further action is required.

Conclusion that there has been a failure to comply with the Code of Conduct.

The Monitoring Officer will, after consultation with the Independent Person, decide what an appropriate resolution would be and whether informal resolution may be possible. If the suggested resolution is not agreed, the matter will be referred to the Committee for consideration.

If the matter can reasonably be resolved in the Monitoring Officer's opinion without the need for a hearing he/she will consult the Independent Person, the Complainant, and the Subject Member, to seek to agree a fair resolution which will also ensure higher standards of conduct for the future.

As with the initial assessment this can include the Subject Member accepting that conduct was unacceptable and offering an apology, and/or other remedial action by the Authority. If the Subject Member complies with the suggested resolution the matter will be reported to the Committee but no further action will be taken.

Stage 4 - Hearing

If informal resolution is not appropriate, or either the Complainant or the Subject Member is

not satisfied with the proposed resolution, or the Subject Member is not prepared to undertake any proposed remedial action, the report will be put for consideration to a Hearings Panel ('the Panel') of 3 Members from the Committee. The Independent Person will attend all Panel hearings and will be consulted by the Panel in making its decision about whether there has been a breach of the Code and any action to be taken.

The Panel will meet to decide whether the Subject Member has failed to comply with the Code of Conduct, and if so, whether to take any action.

The report will be presented to the Panel. The Complainant and the Subject Member will be invited to attend the Panel to present information and make representations in relation to the allegations that there has been a failure to comply with the Code of Conduct. The Independent Person will be present. The Panel can proceed in the absence of either the Subject Member or the Complainant where it deems this to be appropriate.

The Panel shall consider the Complaint in public unless there are lawful reasons for all or part of it to be heard as exempt or confidential matters. The prevailing rules on access to information shall apply to consideration of the Complaint by the Panel.

The Complainant and the Subject Member can be accompanied or represented at the Panel subject to it being reasonable and proportionate in the circumstances of the Complaint and not causing unreasonable disruption or delay to the Panel hearing.

The Panel shall consult with the Independent Person and be advised by the Monitoring Officer. It may conclude:

- a) that the Subject Member did not fail to comply with the Code of Conduct;
- b) that the Subject Member did fail to comply with the Code of Conduct, and if so, the Panel may determine whether any action is necessary.

The Subject Member will have an opportunity at this stage to make representations to the Panel and consult with the Independent Person. The Panel will then decide what action to take.

Stage 5 – Action following a Panel decision that there has been a breach of the Code of Conduct

The Panel may:

- a) issue a letter of censure to the Subject Member and where appropriate require an apology to be given to the Complainant;
- b) recommend to the Authority that he/she be removed from any or all committees or sub-committees of the Authority;
- c) instruct the Monitoring Officer to arrange training for the Subject Member.

The Panel has no power to suspend or disqualify the Subject Member or to withdraw allowances.

What happens at the end of the hearing?

The Chair of the Panel will announce the decision of the Panel as to whether the Subject Member has failed to comply with the Code of Conduct and as to any action it deems necessary. The Monitoring Officer will prepare a Decision Notice which will be given to the Subject Member and the Complainant within 5 working days. The outcome will be reported to the next meeting of the Committee.

There is no right of appeal against the decisions of the Monitoring Officer or the Panel for either the Complainant or the Subject Member but if either feels that the Authority has failed to deal with the complaint properly they may make a complaint to the Local Government Ombudsman.

Revision of these arrangements

The Authority may by resolution agree to amend these arrangements and delegates to the Chair of the Panel the right to depart from these arrangements where he/she considers it expedient to do so to secure the effective and fair consideration of any matter and ensure the reasonable and proportionate use of public resources.

(Guide updated 1 April 2026)

North York Moors National Park Authority

Finance, Risk, Audit and Standards Committee

23 February 2026

Item 13, Organisational Development Plan (2023-27) progress report

1. Purpose of the report

1.1 To update Members on the progress made in delivering the Organisational Development Plan (ODP). It was approved at the March NPA in 2023 to complement the Authority's Strategy and Business Plan.

2. Background

2.1 The ODP was developed to ensure that the Authority's staff were as well equipped as possible to deliver the current Strategy and Business Plan objectives. Officers believe that the ODP is properly focussing attention on the importance of effectively managing people and ensuring that the Authority gets the best possible benefit from its staff and the resources of our 500+ active volunteers.

3. Work undertaken during Q1 and Q2 2025

3.1 The ODP is structured around four key areas:

- Developing the Organisation.
- Making Connections.
- Supporting Improvement.
- Being a Good Employer.

Each area includes specific actions, with progress outlined below.

4. Developing the organisation

4.1 Key actions:

- Development of a leadership programme for leaders at all levels to enable them to become more effective.
- Further refinement of the appraisal process to ensure that the Authority has a mechanism to develop its talented people.
- Work with Members to devise an approach for their leadership development.
- Continue with the delivery of the Volunteering Strategy and the principles contained within it.
- Retain a thriving apprentice and trainee workforce across a variety of disciplines. Obtain the funding to support this.

Progress:

- 4.2 The Authority has appointed Pro Development Ltd to facilitate a leadership development programme. The first cohort will target senior managers, with the programme designed to support leaders in navigating change, enhancing employee engagement, and building leadership capability aligned with NPA values and strategic goals. Delivery is planned for early 2026.
- 4.3 Feedback on the appraisal process is ongoing. Refinements to the documentation used during appraisal conversations is being developed. A guide for career development conversations has also been created and tested using design thinking principles, helping managers engage staff in meaningful development discussions.
- 4.4 A training facilitator has been sourced to deliver equality and diversity training for Members, with sessions now underway.
- 4.5 The Volunteering Strategy has been reviewed, and a draft revision has been developed to reflect current team priorities. This draft has been shared for stakeholder feedback with Volunteer and within staff team meetings. The Strategy is planned to be taken to February SLT. An operational plan for delivery will be devised for 2026/27 financial year.

The feedback received so far has been very supportive.

- 4.6 A volunteer feedback forum has been initiated to provide a channel for volunteer voices. The first session was held on 24 November 2025 face to face and 9 December, this explored what volunteers would value having a forum and gathered feedback on the revised strategy.
- 4.7 The Task Day Leader training programme is being refreshed to diversify the role and attract a wider audience, including enabling more young people to be able to get involve in the training through evening, weekend and term time opportunities. There are 4 new Task Day Leaders who will test the new training methodology out. Progress will continue to be monitored.
- 4.8 In collaboration with Skills England, the Level 2 Countryside Worker standard has been reviewed and submitted for approval. A review of the end point assessment plan will follow once approved.
- 4.9 Two apprentices have joined the Level 2 Countryside Worker programme. Additionally, two apprentices have started the Chartered Town Planner Level 7 Apprenticeship—one internal and one external.
- 4.10 The recent government budget has announced changes to apprenticeship funding. Firstly, funding for Level 7 apprenticeships ended in January 2026, therefore alternative training pathways for future planners are being explored. There are also changes to the percentage contribution levy paying employers have to pay towards training, from 5% to 25%, once levy funds have “run out”. We are therefore exploring partnering with a large organisation who may be able to “donate” their unused levy funds through the government portal.

5. Making connections

5.1 Key actions:

- Staff survey to determine views across a range of employment related areas; involve staff in devising and implementing an action plan to address the issues raised.
- Implementation of a range of methods to give staff at all levels the opportunity to meet and discuss work matters informally. This will include the continued reinvigoration of training days, full staff meetings and encouragement to organise social activities.
- Encourage the use of cross-departmental project teams and task and finish groups to develop projects/resolve problems.
- Development of the Hub/My Volunteering to improve sharing of relevant information.
- Improved methods of communication so that staff who do not have an office base can be made aware of information that will help them do their jobs and are provided with more systematic feedback on issues that affect them.

Progress:

- 5.2. A follow-up staff survey was conducted in January 2025, showing very positive results. An action plan has been developed focusing on five priority areas, including internal communication.

The 2026 Staff Survey was launched on 16 January; new questions have been added to the survey to aim to gain deeper insights into the employee experience. A new “Operational Heads” group will be tasked with leading on the staff survey action plan and delivery. It is anticipated that this will assist in making meaningful changes following the feedback.

- 5.3 This year we have hosted 9 directors’ days which have benefited from excellent attendance. These have received positive feedback and there are notable examples of how this has encouraged cross team collaboration following informal conversations on these days. We have also hosted 2 staff conferences and held online all staff meeting on a bi-monthly basis.

Staff have also had the opportunity to join 5 volunteering “Supertasks” across the Authority this year. Informal social events have also continued to be organised and attended by staff.

- 5.4 There has been improvement in cross-departmental collaboration in project development. SLT reviews the delivery of projects over £50k every quarter and the new Operational Heads group comprising heads of section across the organisation is being charged with ensuring effective join up across teams. It is also proposed that a more formal project development group is formed to specifically support project pipeline development and delivery given the importance of project work to the organisation’s strategy.

6. Supporting improvement

6.1 Key actions

- Develop an understanding of the skills that the Authority needs in the future and develop a strategy to meet this requirement.
- Review of the appraisal scheme to ensure that it reflects best practice and provides open and honest feedback on work performance.
- Implementation of a succession planning process linked to the staff performance appraisal scheme that equips staff with the skills for more senior roles as and when opportunities occur.
- Explore how to deal better with income generation targets in the appraisal and reward systems.

Progress

6.2 Following the implementation of the Performance Development Framework, three career development discussions have taken place. Each resulted in clear action plans for staff to progress with their managers.

6.3 A review is planned to explore how the Authority manages the end of fixed-term contracts. The aim is to identify opportunities to retain talent and protect the investment made in staff development. While we must remain mindful of the constraints of externally funded contracts, there are already agreed principles in place developed in collaboration with UNISON.

6.4 Project management training has been delivered to the first cohort of staff. This has been well received and is helping to establish a consistent approach to project delivery across the Authority. The training has also been integrated into our newly implemented finance system. A second cohort is now being planned, and there are proposals to include this training as part of the induction process to ensure new staff benefit from it.

7. Being a good employer

7.1 Key actions:

- Review current HR policies using current best practice appropriate to a small to medium sized employer.
- Develop a pay and reward system that has sufficient flexibility to address market rates of pay issues and refreshes the way in which performance pay is managed.
- Improve and promote the non-financial benefits that are available to staff.
- Manage sickness absence, in particular long-term absence, by helping managers to improve their skills and staff to look after their own health.
- Continue with a range of activities and access to information to support good mental health.

- Ensure that working safely remains the highest priority, particularly for onsite work.
 - Find creative ways of better celebrating our successes.
- 7.2 HR policies are being systematically reviewed, especially in view that the new Employment Rights Bill has received its royal assent.
- 7.3 We will be particularly reviewing our probationary period to ensure that the under-performance process is clear, robust and fair. It is anticipated that this will help inform future performance management processes post 6 months employment.
- 7.4 The Attendance Management Policy will be updated, with proposed changes reviewed by SLT and Unison. These focus on improving support for employees during sickness absence and on return to work, including structured approaches to managing long-term absence and exploring redeployment options.
- 7.5 The method in which Directors Awards are nominated has been reviewed to make the process more transparent and fair.
- 7.6 We also plan to send our HR and Union representative on job evaluation training so that we are able to hold job evaluation panels in house.
- 7.7 Non-financial benefits have been re-promoted, including the Cycle to Work scheme (with three new sign-ups), Health Assured helpline, and Blackhawk discount offers.
- 7.8 The Mental Health First Aiders have come together and discussed what they have found staff need support in and have discussed how to continue to make improvements to our workplace wellbeing offer.
- 7.9 Health and Safety Walkarounds of our Visitor Centre sites have been established and are scheduled to take place on a quarterly basis, this aims to ensure proactive recognition of potential health and safety issues can be remedied. It has been proposed that lower risk sites are assessed annually.
- 7.10 A fire drill has taken place at the Old Vicarage which has identified gaps in our fire evacuation plans, these are being addressed.

8. Financial and staffing implications

- 8.1 There are no significant additional financial or staff issues related to the contents of this report.

9. Legal and sustainability implications

- 9.1 There are no legal and sustainability implications to the contents of this report.

10. Recommendation

- 10.1 That Members note the contents of the report.

Contact Officer, Clare Roberts
Head of People, 01439 772563

North York Moors National Park Authority

Finance, Risk, Audit and Standards Committee

23 February 2026

Item 14, Health and Safety update

1. Purpose of the report

1.1 To update Members on health and safety activity since the November FRASC report.

2. Background

2.1 This quarterly report forms part of the Authority's approach to the formal reporting of Health and Safety matters to Members. Sharing this information enables Members to fulfil their scrutiny function in this key area.

3. Sickness absence

3.1 In the year to date, there have been 683.5 days of sickness absence. 54% of these days were for longer term absence (defined as over 20 days).

3.2 The Authority's target is 2% absence rate based on the Office for National Statistics. At the end of December, the absence rate was 2.54% inclusive of long-term sickness absence. Excluding long-term sickness this rate is 0.85%. This demonstrates that our short-term absence is well managed.

3.3 There are members of staff who have had long term absence issues in year. All are being actively managed by the respective line managers with HR and Occupational Health support where necessary. One of these remains absent at 6 February 2026.

3.4 The top three reasons for absence are, Respiratory Illness (37%), Gastrointestinal Illness (13%) and Fever or General Malaise (11%).

4. Accidents, incidents and near misses

4.1 The number of near misses being reported is reducing. The reporting of near misses helps the Authority to understand and manage its risks. Staff are aware that they are able to report near misses with no blame attributed to allow for learning but some comms with staff and volunteers to ensure these are recorded will be carried out in Q4.

4.2 Between 1 October and 31 December, there have been 3 accidents reported. It is notable that this is a large reduction from the 23 reported in the summer period, where visitor and bike accidents in particular were more prevalent. There was also one incident reported.

4.4 Two of the reported accidents involved staff being injured by hazards at work, standing on a nail in a board and trapping a finger while dry stone walling. Both

required hospital treatment for relatively minor injuries. The other involved a young girl who slipped on the wet floor at Sutton Bank. In all instances, follow ups have been made to see if there is anything we could do differently, but practically the right approaches had been taken and looking at previously reported data, they seem to be isolated incidents in their nature. The toilets at our visitor facilities always run the risk of having wet floors when the weather is inclement and it would not be practical to clean them after every usage. The review did check that there was clear signage for wet floors but that might be enhanced.

4.5 The other incident to report relates to the insuring of a new vehicle. Due to a typing error in communications, the incorrect registration plate was entered onto the insurance system, resulting in the vehicle being at high risk of being uninsured for a period of time. A cross check on receipt of the logbook identified the problem and it was rectified, but not without the vehicle being on the road for 6 weeks. Gaps in the process have been identified which include sending the logbook through to the admin team that log it to insurance immediately upon receipt. Double check of registration plates from two different sources when adding them to the insurance database and a twice annual review of vehicles on the database to our own logs to ensure all are covered. This will remove the risk of this happening again.

5. Health and Safety Action Plan 2025/26

5.1 Progress on the action plan can be found below. The plan for 2026/27 will be included in the May report.

Areas of focus	Progress
Including health, safety and wellbeing as part of annual performance management.	To be reviewed in the autumn.
Sharing learning from spot checks with others for best practice.	A centralised resource area for doing has been established. Learnings were shared across Visitor Centre teams from the ongoing reviews at those sites.
Ensure training requirements are picked up in the training matrix.	A review of training is underway, with teams having now indicated their requirements which are being consolidated into a National Park training programme for the year ahead. There are indications that there is a high level of training required within the Recreation and Wellbeing team in particular and that some further work may be needed to focus on mandatory training in higher risk areas. The team are now working on identifying the priorities.
Encourage take up of training on ELMS beyond the mandatory training.	Messaging has now commenced regarding the availability of ELMS as a training tool. We will continue with comms but also need to increase awareness for managers so that they can proactively recommend training to staff during 1-2-1s and development conversations.

Areas of focus	Progress
Ensure delivery of programme of review of fire risk assessments and property risk assessments.	The visitor centre walkaround at Danby identified one fire hazard which has been resolved. The fire exits at Danby have been tested and the metal staircase has now been replaced, as have a number of fire extinguishers across the property. A number of staff at key locations attended fire training earlier in the year to ensure that knowledge and awareness is up to date. A fire alarm test at the Old Vicarage has highlighted the need for a more formal approach to fire marshals and building sweeps to be picked up as an action. Health and safety advisors will be assessing our Danby, Sutton Bank, the new southern depot and Botton properties to provide an assessment.
Ensure that all updated risk assessments are uploaded to the intranet and available for all.	These are now uploaded centrally and co-ordination of ensuring that the owners of the assessment update with appropriate frequency is managed centrally.
Continue to include sufficient details in task profiles on better impact to enable volunteers to select what is within their capabilities.	This is complete.
Remove the medical section from Better Impact and address in the volunteer handbook.	This is complete.
Basic requirements for an appropriate home office set-up. Staff audit their home office arrangements to ensure compliance with Health and Safety Executive Guidance.	The approach to this is being finalised with all forms due to be sent over the next month.
Tree audit, actions and reporting review	Meetings held to establish responsibilities for the end-to-end process between Woodland, Car Park, Visitor Centre and Ranger staff teams to ensure the process is fully understood. This will be an ongoing process.
Centralised reporting introduction.	One SharePoint site for all Health and Safety activity including one file to monitor progress on key checks and actions. The file is now saved centrally and is being populated but is not yet a complete record. Once complete, this will be a one stop shop for all things Health and Safety, and a single file which will be available to see what needs to be completed, who the owners are and where there are risks.
Visitor Centre Walkarounds.	Next walkarounds to be conducted in February and March with a health and safety assessor.

6. Financial and staffing implications

- 6.1 There are no significant additional financial or staff issues related to the contents of this report. Budgetary provision is sufficient to pay for all appropriate health and safety training and personal protective equipment.

7. Legal and sustainability implications

- 7.1 There are no legal and sustainability implications to the contents of this report.

8. Recommendation

- 8.1 That Members note the contents of this report

Contact Officer:

Peter Williams

Director of Corporate Services (S151)

01439 772700

North York Moors National Park Authority

Finance, Risk, Audit and Standards Committee

23 February 2026

Item 15, Treasury Management and the Prudential Code for Capital Finance

1. Purpose of the report

- 1.1 To consider the updated Annual Treasury Management Strategy and Annual Investment Strategy for 2026/27, and Prudential Indicators for the financial years 2024/25 – 2028/29.

2. Background

- 2.1 The Authority is legally required to operate a balanced budget. Within that there is a requirement for a treasury management operation which ensures that cash flows are adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments in line with the Authority's low risk appetite, prioritising adequate liquidity first before considering investment returns.

- 2.2 CIPFA defines Treasury Management as:

“the Management of the Authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with these activities and the pursuit of optimum performance consistent with those risks.”

'Investments' in the definition above covers all the financial assets of the organisation, as well as other non-financial assets which the organisation holds primarily for financial returns.

- 2.3 The approach to treasury management must have regard to the following guidance :-

- CIPFA Code of Practice on Treasury Management in the Public Services.
- CIPFA Prudential Code for Capital Finance in Local Authorities.

- 2.4 Each February the Finance, Risk and Standards Committee considers a report on treasury management and the Prudential Code indicators for borrowing for recommendation to National Park Authority meeting in March. The function of treasury management is undertaken for the Authority by North Yorkshire Council via a service level agreement.

- 2.5 For investments, the Council pools the monies it invests on behalf of the Authority with its own funds. The approach adopted, consistent with the policy statement of this Authority is to ensure the security of capital and liquidity of investments. The Authority will also aim to seek the highest return on its

investments provided that proper levels of security and liquidity are achieved. The current approved lending list of banks and organisations that can be invested in is included at Schedule A.

- 2.6 The second main function of the treasury management function is the funding of the Authority's capital plans. As of January 2026, the Authority does not have any loans in place and has not needed to borrow to fund capital projects to date. However, in January 2026 the Authority approved proposals regarding the future Headquarters of the Authority. The business case for the construction of the new site includes an element to be financed via borrowing, which is reflected in the figures below. With regards to future capital projects, the possibility of borrowing is an option that the Authority has ensured is available to it when making decisions on the optimum way to finance capital purchases. Nothing in the report commits the Authority to any decision to borrow funds beyond what is has already approved.
- 2.7 The Authority must have an approved Treasury Management Policy, Annual Treasury Management and Investment Strategy and Minimum Revenue Provision Policy in place by the beginning of the financial year.
- 2.8 As noted above, the treasury management arrangements of the Authority are currently provided under contract by North Yorkshire Council. The Council is required to comply with the terms of this Authority's approved Treasury Management Policy Statement and Annual Treasury Management Strategy.
- 2.9 It is a requirement of the Section 151 Officer to report to the Finance, Risk and Audit Standards Committee if there are any changes to the strategy or adverse impacts on prudential indicators. A mid-year update report is brought as standard to Committee in November each year.
- 2.10 The appendices in the report cover the following requirements of the code :-

Appendix A - Treasury Management Policy Statement

Appendix B – Treasury Management Strategy Statement which is made up of the Treasury Strategy, Annual Investment Strategy, Minimum Revenue Provision Policy, Lending list, Investment Instruments and MUFG Corporate Market Advisors view on interest rates and overall economic view.

Appendix C – Capital Strategy

3. Recommendation

- 3.1 That Members recommend to the Full Authority ahead of its meeting in March 2026 to:
- i. Approve the Annual Treasury Management Strategy for 2026/27 as detailed in **appendix B**.
 - ii. Adopt the Annual Investment Strategy agreed by the Authority for 2026/27.
 - iii. Approve the Capital Strategy as laid out in **appendix C**.

Contact Officer:, Pete Williams, Section 151 Officer to the North York Moors National Park Authority, 01439 772700

Appendix A, North York Moors National Park Authority

Treasury Management Policy Statement

1. Background

1.1 The Authority has adopted the CIPFA Code of Practice on Treasury Management in the Public Services. The CIPFA Code of Practice on Treasury Management requires the Authority to adopt the following four clauses of intent:

- a) the Authority will maintain as the cornerstone for effective Treasury Management:
 - i. a strategic Treasury Management Policy Statement (TMPS) stating the policies, objectives, and approach to risk management of the Authority to its treasury management activities;
 - ii. a framework of suitable Treasury Management Practices (TMPs) setting out the manner in which the Authority will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities. The Code recommends 12 TMPs.
- b) the Authority (full Authority and/or FRASC) will receive reports on its Treasury Management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close;
- c) the Authority delegates responsibility for the implementation and regular monitoring of its Treasury Management policies and practices to FRASC;
- d) the Authority nominates FRASC to be responsible for ensuring effective scrutiny of the Treasury Management Strategies and Policies.

1.2 The CIPFA Prudential Code for Capital Finance in Local Authorities and the terms of the Local Government Act 2003, together with 'statutory' Government Guidance, establish further requirements in relation to treasury management matters, namely:

- a) the approval, on an annual basis, of a set of Prudential Indicators;
- b) the approval, on an annual basis, of an Annual Treasury Management Strategy, an Annual Investment Strategy, and an annual Minimum Revenue Provision (MRP) policy statement.

2. Treasury management policy statement (TMPS)

2.1 Based on the requirements detailed above a TMPS stating the policies and objectives of the treasury management activities of the Authority is set out below.

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

- a) The management of the Authority's investments and cash flows, its banking, money market and capital market transactions, the effective control of the

risks associated with those activities, and the pursuit of optimum performance consistent with those risks;

- b) the identification, monitoring and control of risk will be the prime criteria by which the effectiveness of the treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Authority and any financial instrument entered into to manage these risks;
- c) effective treasury management will provide support towards the achievement of the business and service objectives of the Authority. The Authority is committed to the principles of achieving value for many in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

2.3 As emphasised in the Treasury Management Code of Practice, responsibility for risk management and control of Treasury Management activities lies wholly with the Authority and officers of both this Authority and North Yorkshire Council involved in Treasury Management activities are explicitly required to follow Treasury Management policies and procedures.

3. Treasury management practices (TMPs)

3.1 The CIPFA Code of Practice on Treasury Management requires a framework of Treasury Management Practices (TMPs) setting out the manner in which the Authority will seek to achieve these policies and objectives and prescribing how it will manage these activities

3.2 As the Treasury Management activities of the Authority are undertaken by North Yorkshire Council the Authority has adopted the Treasury Management Practices used by North Yorkshire Council to govern the Treasury Management activities of the Authority. A copy of the North Yorkshire Council Treasury Management Practices is available on request.

4. Prudential indicators

4.1 The Local Government Act 2003 requires the Authority to “have regard to” the CIPFA Prudential Code for Capital Finance in Local Authorities. This Code requires the Authority to set a range of Prudential Indicators for the next three years to ensure that capital spending plans are affordable, prudent, and sustainable.

4.2 The Prudential Code also requires appropriate arrangements to be in place for the monitoring, reporting and revision of Prudential Indicators previously set.

5. Annual treasury management and investment strategy

5.1 A further implication of the Local Government Act 2003 is the requirement for Authority to set out its Treasury Management Strategy for borrowing and to approve an Annual Investment Strategy.

- 5.2 The Treasury Management contract with North Yorkshire Council covers the day-to-day investment requirements of the Authority. The net return/cost achieved by the Council will be closely monitored by the Section 151 Officer.
- 5.3 The Authority's Day to day investments are managed as part of an overall investment pool operated by North Yorkshire Council. In order to facilitate the pooling of investments with the Council, the Authority's Annual Investment Strategy has been adopted by the Authority.
- 5.4 The Council will approve this combined Annual Strategy alongside the annual Revenue Budget/Medium Term Financial Strategy at its February meeting each year.

Appendix B, North York Moors National Park Authority

Treasury Management Strategy Statement 26/27

1. Introduction

- 1.1 This Treasury Management Strategy statement details the expected activities of the Treasury function in the financial year 2026/27. Its production and submission to Members is a requirement of the Local Government Act 2003, the CIPFA Treasury Management Code of Practice in the Public Sector & Prudential Code as updated.
- 1.2 The suggested strategy for 2026/27 in respect of the following aspects of the treasury management function is based upon officer's views on interest rates, supplemented with market forecasts.

The strategy covers:

- the Treasury Limits in force which will limit the treasury risk and activities of the Authority (paragraph 2);
- Prudential Indicators (paragraph 3);
- the current treasury position (paragraph 4);
- Borrowing Policy (paragraph 5);
- prospects for interest rates (paragraph 6);
- the Borrowing Strategy (paragraph 7);
- Minimum Revenue Provision Policy (paragraph 8);
- Annual Investment Strategy (paragraph 9).

2. Treasury limits for 2026/27 to 2028/29

- 2.1 It is a statutory duty under Section 3 of the Local Government Act 2003 and supporting regulations for the Authority to determine and keep under review how much it can afford to borrow. The amount so determined is termed the Affordable Borrowing Limit.
- 2.2 The Authority must have regard to the Prudential Code when setting the Affordable Borrowing Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits. In practice, it is equivalent to the Authorised Limit as defined for the Prudential Indicators (therefore see paragraph 3 below).
- 2.3 Whilst termed an Affordable Borrowing Limit, the spending plans to be considered for inclusion in corporate financing by both external borrowing and other forms of liability such as credit arrangements. The Affordable Borrowing Limit has to be set on a rolling basis for the forthcoming financial year and two successive financial years.

3. Updated Prudential Indicators Proposed for 2026/27 to 2028/29

3.1 The proposed Prudential Indicators for the Authority for the 2026/27 financial year are as follows:

- i. Estimated ratio of capital financing costs to the net revenue budget (affordability)

This indicator identifies the trend in the cost of borrowing (principal and interest) net of interest earned on temporary balances against net revenue expenditure met from National Park Grant. Where the interest on balances exceeds the cost of borrowing, the effective percentage is set at nil.

Year	Basis	%
2024/25	actual	0.00
2025/26	probable	0.00
2026/27	estimate	0.00
2027/28	estimate	0.00
2028/29	estimate	0.31

- ii. Capital expenditure plans (actual and estimated)

The actual capital expenditure that was incurred by the Authority in 2024/25 and the estimates of capital expenditure to be incurred for 2025/26 and future years are outlined in the table below.

It is important to note that this table reflects the total capital spending plans for the Authority funded by from all sources including external funding and reserves. All the prudential indicators that follow are based upon the possible borrowing element of these spending plans only, but do not commit the Authority to using this source of finance.

Year	Basis	£k
2024/25	actual	2,598
2025/26	probable	2,008
2026/27	estimate	2,922
2027/28	estimate	2,082
2028/29	estimate	500

- iii. Capital financing requirement and forecast

The capital financing requirement relates to the underlying need of the Authority to borrow to finance capital purposes. This includes borrowing estimates under the latest capital plan, and Finance Leases recognised on the Authority’s Balance sheet. Estimates of the capital financing requirement at the future financial year end dates are as follows:

Date	Basis	Borrowing £k	Other long-term liabilities £k	Total £k
31 March 2025	actual	0.0	580.8	580.8
31 March 2026	probable	0.0	564.6	564.6
31 March 2027	estimate	800.0	548.0	1348.0
31 March 2028	estimate	1755.0	530.9	2285.9
31 March 2029	estimate	1710.6	513.3	2223.9

iv. Authorised limit for external debt

This indicator represents the limit beyond which borrowing by the Authority is prohibited. It is based upon the best estimate of increases in debt arising from the capital financing requirement plus a margin to allow some flexibility for unforeseen cash movements. This margin has been included at £250k for Borrowing, and £50k for Other Long-Term Liabilities, and the table below contains these figures, in addition to the current latest estimates for these elements of Debt. 2024/25 also saw the adoption of International Financial Reporting Standard 16, which amended the treatment of all Authority Leases. The figures presented in the table below have adopted the required new treatment for leases going forward.

The limit is analysed between borrowing and other long-term liabilities (such as finance leases) to show the actual debt owed by the Authority and any other financing instruments that have been used.

Approval of the strategy allows the Section 151 Officer to effect any changes between the separately agreed limits for borrowing and other long-term liabilities, in accordance with option appraisal, value for money and any other relevant factors.

The recommended Authorised limits for external debt are as follows:

Year	Borrowing limit £k	Other long-term liabilities £k	Total £k
2025/26	250.0	614.6	864.6
2026/27	1050.0	598.0	1648.0
2027/28	2005.0	580.9	2585.9
2028/29	1960.6	563.3	2523.9

The Section 151 Officer can confirm that the Authorised Limit is consistent with the Authority's current commitments and budget process.

Under Section 3(1) of the Local Government Act 2003 the Authority must determine a Statutory Limit in terms of how much money it can afford to borrow. This affordable borrowing limit must be set for the following year. The Authorised limit of £1648.0k will act as this limit for 2026/27.

v. Operational boundary for external debt

This indicator is based on the probable external debt position during the course of the year. It is not a limit and actual borrowing could vary around this boundary during the year. The difference between this indicator and the Authorised Limit is the £250k and £50k, which provide headroom for unusual cash movements.

In line with the Authorised limit, the operational boundary is analysed between borrowing and other long term liabilities separately. The Section 151 Officer has delegated authority to make in year changes to the operational boundary and its sub categories.

Year	Borrowing limit £k	Other long term liabilities £k	Total £k
2025/26	0.0	564.6	564.6
2026/27	800.0	548.0	1348.0
2027/28	1755.0	530.9	2285.9
2028/29	1710.6	513.3	2223.9

vi. Actual external debt

The Authority had no external debt at 31 March 2025. At this late stage of the financial year no external borrowing has been taken to date and none is envisaged by 31 March 2026. For Prudential Indicators, however, other long-term liabilities, such as the finance leases identified in paragraph 3.1 (iii), are classed as external debt for this purpose.

vii. Gross debt and the capital financing requirement

The Prudential Code emphasises that in order to ensure that over the medium-term debt will only be for a capital purpose, the Authority should ensure that debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year, plus the estimate of any additional capital financing requirement for the current and next two financial years.

The Section 151 Officer can confirm that the Authority has met this requirement up to 2024/25. Furthermore, no difficulties are anticipated for the period covered by this report to 2028/29.

viii. Maturity structure of borrowing

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

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

ix. Total principal sums invested for periods longer than 365 days

In line with the Council’s policy and advice in this area, a Prudential Indicator of 20% of the Authority’s core cash balances is recommended for investments longer than 365 days.

A maximum of 20% of funds available for investment will be held in aggregate in “Non-Specified investments” over 365 days.

4. The current treasury position

4.1 As at 31 December 2025, the Authority’s Treasury position was as shown below

-	Principal as at 31 December 2025	Average return in 2025/26 to 31 December 2025
Item	£k	%
External debt outstanding	0	0
Investments	0	0
Managed by NYC	7,272*	4.45

* The figure above reflects the principal held as of 31 December 2025. The average daily balance from 1 April to 31 December 2025 was £8,393k.

5. Borrowing policy

- 5.1 The policy of the Authority is that if external borrowing is required to finance capital expenditure, then loans will be sought from the Public Works Loan Board (PWLB) or the money markets, over periods up to 70 years which reflect the best possible value to the Authority and/or the life of the Authority's assets. Individual loans are also chosen depending on the perceived value of interest rates at the time of borrowing. Consideration will be given to internal borrowing from internal cash balances. This is dealt with in more detail in Section 8 on Borrowing Strategy.
- 5.2 The Section 151 Officer, on the recommendation of the Council’s Treasury Management consultant, advises that if borrowing was undertaken from the money markets then loans should be limited to 30% of the total debt portfolio.
- 5.3 The Authority will look to borrow from the PWLB and money markets at the most advantageous rate. The Section 151 Officer will monitor this situation closely throughout the year to determine the most appropriate and advantageous borrowing.
- 5.4 The Prudential Code allows external ‘borrowing for capital purposes in advance of need with the constraints of relevant approved Prudential Indicators. There are risks, however, in such borrowing in advance of need and the Authority has not taken any such borrowing to date. Furthermore, the Authority will not borrow more than or in advance of need purely in order to profit from the investment of the extra sums borrowed. Any such borrowing in advance of need will only be considered where there is a clear business case for doing so for the current Capital Plan or to finance future debt maturity payments.

5.5 The merits of internal capital borrowing from the Authority’s cash balances also needs to be considered very carefully and this is covered in more detail in paragraphs 8.3 to 8.9.

6. Prospects for interest rates

6.1 The Council has appointed MUFG Corporate Markets (formally Link Group) as its treasury management advisor and part of their service is to assist in formulating a view on interest rates. By drawing together a number of current city forecasts for short term (Bank rate) and longer fixed interest rates a consensus view for bank rate, PWLB borrowing rates and short-term investment rates is as follows:

MUFG Corporate Markets Interest Rate View 22.12.25													
	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28	Mar-29
BANK RATE	3.75	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	3.80	3.50	3.50	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	3.80	3.50	3.50	3.40	3.30	3.30	3.30	3.40	3.40	3.40	3.40	3.40	3.40
12 month ave earnings	3.90	3.60	3.60	3.50	3.40	3.50	3.50	3.50	3.50	3.50	3.60	3.60	3.60
5 yr PWLB	4.60	4.50	4.30	4.20	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
10 yr PWLB	5.20	5.00	4.90	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60	4.60	4.70
25 yr PWLB	5.80	5.70	5.60	5.50	5.50	5.40	5.30	5.30	5.30	5.20	5.20	5.20	5.20
50 yr PWLB	5.60	5.50	5.40	5.30	5.30	5.20	5.10	5.10	5.10	5.00	5.10	5.00	5.00

6.2 As shown in the forecast table above, the forecast for Bank Rate shows that the ongoing decreases to the rate are expected to continue into the 26/27 Financial Year. A decrease in June 2026 to 3.50% is anticipated, before finally steadying at 3.25% in December 2026.

6.3 Whilst rates outlined in the above table are forecast only, market consensus at present does expect the Bank Rate to stabilise in the coming year. As such, the returns currently being achieved on investments are likely to see a decrease in the next year, ahead of stabilising for the medium-term period.

7. The borrowing strategy

7.1 Based on the interest rate forecast outlined above, there is as usual a range of options available for the borrowing strategy for 2026/27.

7.2 The main Strategy for undertaking new borrowing will be to generally take advantage of the lowest borrowing rates available with forecast PWLB borrowing rates (see paragraph 7.4) for under 10 years expected to be cheaper than longer term borrowing. The downside of such shorter term borrowing is the loss of long term stability in interest payments that longer term fixed interest rate borrowing provides.

External -v- internal borrowing

7.3 Due to the current risks and uncertainties within the economy, caution will be adopted with the 2026/27 treasury operations. The Section 151 Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.

- 7.4 The Authority has solid cash balances. In 2025/26 there is a current daily average of £8,393k.
- 7.5 The existing borrowing policy does provide for such shorter term borrowing from the Authority's revenue cash balances depending on the relationship between short term variable interest rates and the fixed term PWLB or money market rates for longer periods. Consideration will, therefore, be given to the potential merits of internal borrowing.
- 7.6 Over the next three years investment rates are expected to be below long term borrowing rates. A value for money assessment would indicate that value could be obtained by avoiding/delaying some or all new external borrowing and by using internal cash balances to finance new capital expenditure. This would maximise short term savings but is not risk free.
- 7.7 The use of such internal borrowing, which runs down investments, also has the benefit of reducing exposure to low interest rates on investments, and the credit risk of counterparties.

In considering this option, however, two significant risks to take into account are:

- a) the implications of day-to-day cash flow constraints; and
- b) short term savings by avoiding/delaying new external borrowing must be weighed against the loss of longer-term interest rate stability. Thus, there is the potential for incurring long term extra costs by delaying unavoidable new external borrowing until later years by which time PWLB long term rates are forecast to be slightly higher.

Sensitivity of the forecast

- 7.8 The main sensitivities of the forecast are likely to be the two scenarios below. The Section 151 Officer will, in conjunction with the Council's Treasury Management Adviser, continually monitor both the prevailing interest rates and the market forecasts, adopting the following responses to a significant change of market view:
- i. if it is felt that there was a significant risk of a sharp fall in both long- and short-term rates, e.g., Due to the marked increase of risks around the relapse into recession or of risks of deflation, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short rate funding will be considered;
 - ii. if it is felt that there was a significant risk of a much sharper rise in both long- and short-term rates than currently forecast, perhaps arising from a greater than expected increase in world economic activity or sudden increases in inflation, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheaper.

8. Minimum revenue provision policy

- 8.1 Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Council has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge, known as Minimum Revenue provision (MRP). The Council is also allowed to undertake additional voluntary payments, the Voluntary Revenue provision (VRP), if required.
- 8.2 Along with the above duty the Government also issued new guidance in February 2008 which requires that a Statement on the Authority's policy for its annual MRP should be submitted to the Authority for approval before the start of the financial year to which the provision will relate. The Authority is legally obliged to have regard to this MRP guidance in the same way as applies to other statutory guidance such as a CIPFA Prudential Code, the CIPFA Treasury Management Code and the CLG guidance in Investments.
- 8.3 The policy for 2026/27 takes into account the fact that the Authority has no outstanding debt. The proposed policy is as follows.
- 8.4 For locally agreed Prudential Borrowing on capital expenditure incurred after 1 April 2008, MRP will be calculated based on equal annual instalments over the estimated useful life of the asset for which the borrowing is undertaken. For finance leases, MRP will be equivalent to the annual rental payable under the lease agreement.
- 8.5 The estimated life of relevant assets will be assessed each year based on types of capital expenditure incurred but in general will be 40 years for buildings, 50 years for land, 5 to 7 years for vehicles, plant and equipment, and 3 years for IT equipment. To the extent that expenditure is not on the creation of an asset (e.g. capital grants and loans), and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the Authority.
- 8.6 This method of calculating the MRP is a simpler alternative to depreciation accounting. The option also allows the Authority to defer the introduction of an MRP charge for new capital projects/land purchases until the year after the new asset becomes operational rather than in the year borrowing is required to finance the capital spending. This approach is beneficial for projects that take more than one year to complete and is therefore included as part of the MRP policy.
- 8.7 This policy has been used, in respect of the requirement for capital expenditure, to calculate the provisions made in the Prudential Indicators set out in section 3 of this statement.

9. Annual investment strategy (AIS)

Background

- 9.1 Under the Local Government Act 2003 the Authority is required to have regard to Government Guidance in respect of its cash flows. The Guidance leaves local authorities free to make their own investment decisions, subject to the fundamental requirement of an Annual Investment Strategy being approved by the Authority before the start of the financial year.
- 9.2 The Treasury Management Contract with North Yorkshire Council covers the day-to-day investment requirements of the Authority. The net return/cost achieved by the Council officers will be closely monitored by the Section 151 Officer.
- 9.3 Within the terms of the contract the Council continues to make all investments in accordance with the Local Government Act 2003 which requires an Annual Investment Strategy to be approved. The Authority has, therefore, adopted the Annual Investment Strategy approved by the Council. A copy of the document is available for members on request.

Investment policy

- 9.4 The Authority's investment priorities are:
- i. the Authority will have regard to the revised Government Guidance on Local Government Investments and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectorial Guidance Notes;
 - ii. the Authority's investment policy has two fundamental objectives:
 - the security of capital (protecting the capital sum from loss); and then
 - liquidity (keeping the money readily available for expenditure when needed).
 - iii. the Authority will also aim to seek the highest return (yield) on its investments provided that proper levels of security and liquidity are achieved. The risk appetite of the Authority is low in order to give priority to the security of investments;
 - iv. the borrowing of monies purely to invest or on-lend and make a return is unlawful and the Authority will not engage in such activity;
 - v. investment instruments for use in the financial year are listed under Specified and Non Specified investment categories (see paragraphs 10.8 and 10.9);
 - vi. Counterparty Limits (which are set to secure the surplus funds the authority lends to counterparties) will be as set through the North Yorkshire Council's Treasury Management Practices Schedules.

10. Policy regarding loans to other bodies

- 10.1 The Authority's general investment powers under this Annual Treasury Management Strategy come from the Local Government Act 2003. Under this Act a local authority has the power to invest for any purpose relevant to its functions or for the purpose of the prudent management of its financial affairs.
- 10.2 In addition to investment, the Authority has the power to provide loans and assistance to other bodies under the Localisation Act 2011. Any such loans made

under these powers will not, however, be classed as investments and will not impact on the Investment Strategy. Instead, they will be classed as capital expenditure under the Local Authorities Regulations 2003 and will be approved, financed, and accounted for accordingly.

- 10.3 Investment Instruments identified for use in the forthcoming financial year are listed in the Schedule B under the specified and non-specified Investment categories:

all specified Investments are defined by the Government as options with “relatively high security and high liquidity” requiring minimal reference in investment strategies. In this context, the Authority has defined Specified Investments as being sterling denominated, with maturities up to a maximum of 1 year meeting the minimum high credit quality;

Non-specified investments (see Schedule B) attract a greater potential of risk.

Creditworthiness policy

- 10.4 The approved Lending List of Organisations (counterparties) to which the Authority may make investments, together with the maximum sum at any time that can be placed with each, is outlined in the Council’s Treasury Management Practices (TMPs) and Treasury Management Policy Statement (TMPS) as covered by the contractual arrangements with the Council.
- 10.5 Any changes to the approved Lending List are made by the Section 151 Officer under delegated powers and reported to the Council’s Executive and to this Authority as part of the reporting arrangements.
- 10.6 The Lending List of the Council for the 2026/27 Treasury Management and Investment Strategy is detailed in Schedules A to B
- 10.7 The credit worthiness policy, the criteria for monitoring and assessing organisations to which the Authority may make investments, is incorporated into the detailed Treasury Management Practices that support the Treasury Management Policy Statement mentioned above. Applying these criteria enables the Authority to produce an Approved Lending List of organisations. It reflects the following:-
- a) a system of scoring each organisation using MUFG’s (the Council’s approved Treasury Management consultants) creditworthiness service. The service which has been progressively developed uses a sophisticated modelling system that includes:
- credit ratings published by the three credit rating agencies (Fitch, Moodys and Standard and Poor) which reflect a combination of components (long term and short term);
 - credit watches and credit outlooks from the ratings agencies;
 - Credit Default Swaps (CDS) spreads to give early warnings of likely changes in credit ratings;

- Other information sources, including share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the availability of potential investment counterparties.
- b) sole reliance would not be placed on the information provided by MUFG. In addition, the Council will also use market data and information available from other sources, such as the financial press and other agencies and organisations.
- c) in addition to the above, the following measures would also continue to be actively taken into consideration:
- institutions will be removed or temporarily suspended from the Approved Lending List if there are significant concerns about their financial standing or stability;
 - investment exposure will be concentrated with higher rated institutions wherever possible.
- 10.8 Utilising the approach to the assessment of credit quality, the criteria and investment limits for specified investments (a maximum of 365 days) are:
- institutions which are substantially owned by the UK Government (Nationalised Banks) being limited to £90m;
 - other institutions achieving suitable credit scores and colour bonding being limited to a maximum investment limit of between £30m and £120m (actual duration and investment limit dependent on final colour/score).
- 10.9 Local Authorities will continue to be included on the Approved Lending List for 2026/27, although suitable investment opportunities are limited. Local Authorities are classed as having the highest credit rating due to the way they are financed and their governance arrangements.
- 10.10 The Council manages its cash balances internally, including those of this Authority.
- 10.11 Ongoing discussions will be held with the Council's Treasury Management Adviser on whether to consider the appointment of fund manager(s) or continue investing in-house or any other appropriate investment opportunities.
- 10.12 The authority's cash balances are invested with the Council's funds and therefore the investment interest earned by the Authority will be from a combination of different investments over differing periods.

Pete Williams

Section 151 Officer to North York Moors National Park Authority

Schedule A, Approved lending list 2026/27

Maximum sum invested at any time (The overall total exposure figure covers both Specified and Non-Specified investments)

	Country	Specified Investments (up to 1 year)		Non-Specified Investments (> 1 year £40m limit)	
		Total Exposure £m	Time Limit *	Total Exposure £m	Time Limit *
UK "Nationalised" banks / UK banks with UK Central Government involvement					
Royal Bank of Scotland PLC (RFB)	GBR	90.0	365 days	-	-
National Westminster Bank PLC (RFB)	GBR				
UK "Clearing Banks", other UK based banks and Building Societies					
Santander UK PLC (includes Cater Allen)	GBR	80.0	6 months	-	-
Barclays Bank PLC (NRFB)	GBR	120.0	6 months	-	-
Barclays Bank UK PLC (RFB)	GBR				
Bank of Scotland PLC (RFB)	GBR	100.0	365 days	-	-
Lloyds Bank PLC (RFB)	GBR				
Lloyds Bank Corporate Markets PLC (NRFB)	GBR				
Goldman Sachs International Bank	GBR	100.0	6 months	-	-
Sumitomo Mitsui	GBR	100.0	6 months	-	-
Standard Chartered Bank	GBR	80.0	365 days	-	-
Handelsbanken	GBR	80.0	365 days	-	-
Nationwide Building Society	GBR	40.0	6 months	-	-
Leeds Building Society	GBR	40.0	3 months	-	-
Coventry Building Society	GBR	40.0	3 months	-	-
High Quality Foreign Banks					
National Australia Bank	AUS	40.0	365 days	-	-
Credit Industriel et Commercial	FRA	40.0	6 months	-	-
Landesbank Hessen-Thuringen Girozentrale (Helaba)	GER	40.0	365 days	-	-
DBS (Singapore)	SING	40.0	365 days	-	-
Bayerische Landesbank	GER	40.0	365 days	-	-
National Bank of Canada	CAN	40.0	365 days	-	-
Local Authorities					
County / Unitary / Metropolitan / District Councils		40.0	365 days	5.0	5 years
Police / Fire Authorities		40.0	365 days	5.0	5 years
National Park Authorities		40.0	365 days	5.0	5 years
Other Deposit Takers					
Money Market Funds		40.0	n/a liquid	-	-
Property Funds		5.0	365 days	5.0	10 years
UK Debt Management Account		150.0	365 days	-	-

Based on data as 30 September 2025

Schedule B, North York Moors National Park Authority annual investment strategy 2026/27 specified investments

(All such investments will be sterling denominated, with **maturities up to a maximum of 1 year**, meeting the minimum ‘high’ rating criteria where applicable)

-	Minimum ‘High’ credit criteria	Use
Debt management agency deposit facility	--	In-house
Term deposits – local authorities	--	In-house
Term deposits – banks and building societies **	Colour band green	In-house

Term deposits with nationalised banks and banks and building societies

-	Minimum credit criteria	Use
UK part nationalised banks	Colour band blue	In-house

Other specified investments

-	Minimum ‘High’ credit criteria	Use
UK Government Gilts	UK sovereign rating	In-house buy and hold and Fund Managers
Bonds issued by multilateral development banks	AAA or Government backed	In-house buy and hold and Fund Managers
Bonds issued by a financial institution which is explicitly guaranteed by the UK Government e.g., National Rail	UK sovereign rating	In-house buy and hold and Fund Managers
Treasury Bills	UK sovereign rating	In house and Fund Managers

Collective Investment Schemes structured as Open-Ended Investment Companies (OEICs): -

-	Minimum ‘High’ credit criteria	Use
1a. Money Market Funds (CNAV)	Funds must be AAA rated (MMF rating)	In-house and Fund Managers
1b. Money Market Funds (LVNAV)	Funds must be AAA rated (MMF rating)	In-house and Fund Managers
1c. Money Market Funds (VNAV)	Funds must be AAA rated (MMF rating)	In-house and Fund Managers

North York Moors National Park Authority investment strategy 2026/27 – non-specified investments

-	Minimum credit criteria	Use	Maximum investments	Maximum maturity period
Term deposits – local authorities with maturities greater than 1 year.	-	In-house	£60m	5 yrs
Term deposits – banks and building societies with maturities greater than 1 year.	Colour band Purple	In-house	£60m	5 yrs
Certificates of deposit issued by banks and building societies with maturities greater than 1 year.	Colour band Purple	In-house	£60m	5 yrs
Certificates of deposit issued by banks and building societies with maturities greater than 1 year.	Short-term F1, Long-term A- (Fitch or equivalent)	Fund Managers	£60m	5 yrs
Collateralised deposits.	UK sovereign rating	In-house	£60m	5 yrs
UK Government Gilts with maturities greater than 1 year.	UK sovereign rating	In-house and Fund Managers	£60m	5 yrs
Bonds issued by multilateral development banks with maturities greater than 1 year.	AA or Government backed	In-house and Fund Managers	£60m	5 yrs
Collective Investment Schemes structured as Open-Ended Investment Companies				
Property Funds	Organisations assessed as having “high credit quality”	In-house after consultation with Treasury Management Advisor	£60m	10 yrs

Appendix C North York Moors National Park Authority

Capital Strategy

1. Background

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

1.2 The Capital Strategy comprises a number of distinct, but inter-related, elements as follows:

a) Capital Expenditure (Section 2)

This section includes an overview of the governance process for approval and monitoring of capital expenditure, including the Authority's policies on capitalisation, and an overview of its capital expenditure and financing plans.

b) Capital Financing and Borrowing (Section 3)

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

c) Alternative Investments (Section 4)

This section provides an overview of those of the Authority's position regarding alternative investment options.

d) Section 151 Officer's statement (Section 5)

This section sets out the Section 151 Officer's requirement to report on the affordability and risk associated with the capital strategy.

2. Capital Expenditure

Capitalisation Policy

2.1 Expenditure is classified as capital expenditure when it results in the acquisition or construction of an asset (e.g., land, buildings, roads and bridges, vehicles, plant, and equipment etc.) that:

- will be held for use in the delivery of services, for rental to others, investment or for administrative purposes; and
- are of continuing benefit to the Authority for a period extending beyond one financial year.

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

- 2.2 There may be instances where expenditure does not meet this definition but would be treated as capital expenditure, including:
- where the Authority has no direct future control or benefit from the resulting assets, but would treat the expenditure as capital if it did control or benefit from the resulting assets; and
 - where statutory regulations require the Authority to capitalise expenditure that would not otherwise have expenditure implications according to accounting rules.

Governance

- 2.3 Capital expenditure is a necessary element in the development of the Authority's services since it generates investment in new and improved assets. Capital expenditure is managed through the annual budget as part of the budget setting process and reviewed quarterly as part of performance monitoring arrangements.
- 2.4 The Authority's Financial Procedure Rules provide a framework for the preparation and appraisal of proposed capital schemes and appropriate authorisations for individual schemes to proceed.

Capital Expenditure and Funding Plans

- 2.5 The Authority's capital expenditure plans are set out in **appendix B**, section 3.
- 2.6 When expenditure is classified as capital expenditure for capital financing purposes, this means that the Authority is able to finance that expenditure from any of the following sources:
- Capital grants and contributions - amounts awarded to the Authority in return for past or future compliance with certain stipulations.
 - Capital receipts - amounts generated from the sale of assets and from the repayment of capital loans, grants or other financial assistance.
 - Revenue contributions - amounts set aside from the revenue budget in the Reserve for Future Capital Funding.
 - Borrowing - amounts that the Authority does not need to fund immediately from cash resources, but instead charges to the revenue budget over a number of years into the future.
- 2.7 The implications of financing capital expenditure from 'borrowing' are explained in section 3 below.

3. Capital financing requirement and borrowing

Context

- 3.1 The Authority is required to comply with the CIPFA Prudential Code for Capital Finance in Local Authorities (referred to as the 'Prudential Code') when assessing the affordability, prudence and sustainability of its capital investment plans.

- 3.2 Fundamental to the prudential framework is a requirement to set a series of prudential indicators. These indicators are intended to collectively build a picture that demonstrates the impact over time of the Authority's capital expenditure plans upon the revenue budget and upon borrowing and investment levels, and explain the overall controls that will ensure that the activity remains affordable, prudent and sustainable.
- 3.3 A summary of the actual prudential indicators for 2024/25, and the estimates for 2025/26 through to 2028/29, are provided in **appendix B** Section 3.

Capital financing requirement

- 3.4 When capital expenditure is funded from borrowing, this does not result in expenditure being funded immediately from cash resources but is instead charged to the revenue budget over a number of years. It does this in accordance with its policy for the repayment of debt, which is set out in **appendix B** Section 7.

The forward projections of the CFR reflect:

- Additional capital expenditure from borrowing or further credit arrangements resulting in an increase to the CFR; and
 - Revenue budget provision being made for the repayment of debt, which results in a reduction to the CFR).
- 3.5 The actual CFR for 2025/26 and forward projections, updated for the latest capital expenditure plans, are detailed in **appendix B** section 3

External Borrowing Limits

- 3.6 Please refer to **appendix B** section 3 for details of the Authority's external borrowing limits

Borrowing strategy

- 3.7 Please refer to **appendix B** section 7 for details of the Authority's Borrowing Strategy

Minimum revenue provision

- 3.8 Please refer to **appendix B**, section 8 for details of the Authority's Minimum Revenue Provision.

4. Alternative investments

- 4.1 In accordance with CIPFA's Commercial Property Investment guidance, issued in Autumn 2019, the Authority does not plan to externally borrow to finance commercial investments. Further to this, the Authority currently has no plans in place regarding alternative investments. Should these plans change, then the latest CIPFA guidance will be given due consideration.

5. Section 151 Officer's statement

- 5.1 The Prudential Code for Capital Finance in Local Authorities (the Prudential Code) plays a key role in capital finance in local authorities. Local authorities determine their own programmes for investment that are central to the delivery of quality public services. The Prudential Code was developed by CIPFA as a professional code of practice to support local authorities in taking their decisions. Local authorities are required by regulation to have regard to the Prudential Code when carrying out their duties under Part 1 of the Local Government Act 2003.
- 5.2 In financing capital expenditure, local authorities are governed by legislative frameworks, including the requirement to have regard to CIPFA's Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes.
- 5.3 In order to demonstrate that capital expenditure and investment decisions are taken in line with service objectives and properly take account of stewardship, value for money, prudence, sustainability and affordability, the Prudential Code requires authorities to have in place a Capital Strategy that sets out the long term context in which capital expenditure and investment decisions are made, and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.
- 5.4 The Prudential Code requires the Section 151 Officer to report explicitly on the affordability and risk associated with the Capital Strategy. The following are specific responsibilities of the Section 151 Officer:
- recommending clauses, treasury management policy/practices for approval, reviewing regularly, and monitoring compliance;
 - submitting regular treasury management reports;
 - submitting regular budget reports;
 - reviewing the performance of the treasury management function;
 - -ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
 - ensuring the adequacy of internal audit, and liaising with external audit;
 - recommending the appointment of external service providers;
 - preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management;
 - ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money;
 - ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority;

- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing;
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources;
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long-term liabilities;
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees;
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority;
- ensuring that the authority has adequate expertise, either in house or externally provided;
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed.

5.5 The Capital Strategy provides an overview of the governance process for approval and monitoring of capital expenditure. These processes along with, the Capital Strategy and Prudential Indicators demonstrate that the capital expenditure, investment and financing plans of the Authority are robust, affordable and sustainable.