

North York Moors National Park Authority

Item 2, Public Minutes of the meeting held on 25 September 2023

Present:

Joy Andrews, Jim Bailey, Malcolm Bowes, Michelle Donohue-Moncrieff, Jane Harper, George Jabbour, Patrick James, Bob Marley, Heather Moorhouse, Clive Pearson, Curt Pugh, John Ritchie, Christine Robertson, Janet Waggott, Colin Williamson

Apologies: David Jeffels, John McCue

Officers in attendance:

Tom Hind (Chief Executive), Ian Nicholls (Director of Corporate Services), Briony Fox (Director of Conservation and Climate Change), Chris France (Director of Planning), Joel Brookfield (Director of Recreation and Wellbeing), Richard Smith (Authority Solicitor), Pete Williams (Head of Finance), Mark Antcliff (Woodland Officer), Nathan McWhinnie (Tree and Woodland Officer), Judith Seaton (Executive Support)

Copies of all documents considered are in the minute book

39/23 Minutes

That the public minutes of the meeting held on 19 June 2023, having been printed and circulated, be taken as read and be confirmed and signed by the Chair as a correct record.

40/23 Public question time

There were no questions from members of the public.

41/23 Members Interests

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

42/23 Exclusion of the public

Resolved: That the public be excluded from the meeting during consideration of Items 21 & 22, on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 1,2,3 & 5 of Part 1 Schedule 12A to the Local Government Act 1972.

43/23 Independent person introduction – Keith Wilkinson

The Chair welcomed Keith Wilkinson to the Authority. Keith gave a brief breakdown of his curriculum vitae.

44/23 Appointment of 2 members to the Recreation and Wellbeing Forum and 1 member to the Equality, Diversity and Inclusion Forum

Considered:

The report of the Executive Support Team Leader.

The Chair proposed and Malcolm Bowes agreed to step down as a Member of the Recreation and Wellbeing Forum and resume his position as ex officio Member. Janet Waggott and Jane Harper were proposed and unanimously voted on to the Recreation and Wellbeing Forum. Members agreed to delay appointing the local authority Member to the Recreation and Wellbeing Forum until December NPA to allow for the appointment of a new NYC Member.

Janet Waggott was unanimously appointed to the EDI Forum.

Resolved: That Malcolm Bowes step down and resume his position as ex officio Member on the R&W Forum

Members appointed Janet Waggott and Jane Harper to the R&W Forum to take effect until the Authority AGM in June 2024

Members delay electing 1 local authority Member to the R&W Forum until December NPA after the appointment of a new Member from North Yorkshire Council Janet Waggott be appointed as Member of the EDI Forum to take effect until the Authority AGM in June 2024.

45/23 Governance review – Co-options to National Park Authority

Considered:

The report of the Chief Executive

Members commented:

- A task and finish group should be set up to consist of The Chair and 2 other Members to select and recommend co-opted Members
- Remuneration should be proportionate to the level of contribution of co-opted Members
- Co-option to be an annual appointment and put in place by December 2023

Resolved: That Members approve the proposals for co-options as follows:

1. A task and finish group to be set up consisting of The Chair and 2 other Members
2. 2 co-opted members should initially be sought together with the NYM Youth Voice group and EDI Forum .
3. Contact the Mayoral office of the Combined Authority before establishment to propose the co-option of a representative.
4. The term to be initially one year with the option of extension.
5. Principle of remuneration is accepted with Officers invited to make a recommendation to FRASC.

46/23 Staff and Member Code of Conduct

Considered:

The report of the Solicitor and Monitoring Officer and the Director of Corporate Services

Members commented:

- The documents are concise and clear.
- Members agreed that a further guidance note is not required alongside the Codes of Conduct.
- Discussion on the Ethical Framework resulted in agreement that this is not required as its content is substantively covered in our Codes of Conduct and Annual Governance statement.

Resolved: That Members comment on and approve the revised Member Code of Conduct (Appendix 1) and Staff Code of Conduct (Appendix 2).

That Members ask the Monitoring Officer and Director of Corporate Services to find suitable ways in which to publicise the revised Codes.

47/23 Tree Preservation Order, 2023/2 Appleton Farmhouse, Appleton le Moors

Considered:

The report of the Tree and Woodland Officer

Members discussed the merits of a TPO on a tree within a village environment.

Resolved: That Members confirmed Tree Preservation Order 2023/2 Appleton Farmhouse, Appleton le Moors.

48/23 Tree Preservation Order, 2023/3 land between 82 and 84 High Street, Hinderwell

Considered:

The report of the Tree and Woodland Officer

Members discussed the process of TPOs and if there are any appeal remedies.

Members felt that confirmation of TPOs should be the responsibility of the Planning Committee but also felt Officers should assess our processes in line with our Standing Orders and Scheme of Delegation.

Action: Standing Orders, Scheme of Delegation and process of confirming TPOs to be investigated by officers.

Resolved: That Members confirm Tree Preservation Order 2023/3 land between 82 & 84 High Street, Hinderwell.

49/23 Wass Moor and Pry Rigg Forest Plan and

50/23 Coate Moor Forest Plan

Considered:

The reports of the Woodland Officer

The Woodland Officer outlined the background to the consultation process from 2006. Forestry England presently consults the Authority under a local agreement although this is likely to change as consultation arrangements have been reviewed. Future consultation is likely to be for information purposes only.

Christine Robertson declared a non-prejudicial interest as an employee of Natural England, a statutory consultee, and is not aware of NE's views and has had no dialogue with NE colleagues on the Forest Plans.

Members commented:

- Members feel that we should try and influence Forestry England to give more weight to their management approaches.
- Both Plans list priority species but there is no detail about the actual species benefit of the Forestry England plans. Cote Moor doesn't provide a soil map and there seems to be no consideration of peat from Forestry England.
- Forestry England should be able to demonstrate ecological benefit
- Is future proofing for climate change and disease mitigation carried out?
- Is clear felling carried out on steep sites for economic reasons?
- Recent changes to the Duty of Regard puts a greater onus on Forestry England to further National Park purposes and to contribute to the delivery of the National Park Management Plan.

Action Officers to ask Forestry England to respond to the concerns raised prior to plan approval by Forest services.

Action Officers to consider the process by which Forest Design Plans are considered by Members taking account of the role of the new Conservation and Climate Change Forum.

Resolved: That Members welcome the Wass and Pry Rigg Forest Plan for the contribution it makes to National Park purposes.

Advise Forestry England and Forest Services of any comments that they wish to make.

Resolved: That Members welcome the Coate Moor Forest Plan for the contribution it makes to National Park purposes.

Resolved: If deemed necessary to be brought to Members then TPOs should be considered at Planning Committee subject to the action on the process and delegation of TPOs.

51/23 Thornton le Dale Car Park Access Road

Considered:

The report of the Director of Corporate Services

On the advice of Richard Smith, Authority Solicitor, all North Yorkshire Council Members declared a non-prejudicial interest in this item.

Members discussed the merits of North Yorkshire Council adopting the road and taking on the liability for long term maintenance and ownership.

Resolved: That Members approve the use of the property reserve to a maximum of £30K to enable North Yorkshire Council to bring the access road to the required highway standard and adopt it.

52/23 Chief Executive Officer update

Considered:

The report of the Chief Executive

Members relayed thanks to the Chief Executive as lead officer for National Parks England pushing for the LURB to strengthen the duties on public bodies with regard to National Park purposes and delivery of management plans.

Resolved: That Members note the content of this report making any comment that they wish to.

53/23 Report from FRASC Chair

Considered:

The report of the FRASC Chair

Resolved: That Members note the content of this report.

54/23 Feedback from lead Members on Forums – verbal

Patrick James reported back on the joint ARB/CLM Forum (now Recreation and Wellbeing and Conservation and Climate Change Forums). This focussed on Blue Corridors – looking at the future of rivers in the National Park. The meeting included a short visit to Bransdale. The hope is that the Blue Corridors work will inspire Yorkshire Water and the Environment Agency to fund future work.

The EDI Forum inaugural meeting has been postponed to 1 December to allow sufficient time to arrange attendees and ensure a productive meeting.

55/23 Reports from Members on outside bodies

Considered:

The report of the Executive Support Team Leader

Colin Williamson reported that the NYMNP Trust is now to be named the North York Moors Trust, a new logo and website has been designed by James Metcalfe the Trust Director. Presentations from Heather McNiff from the Outdoor Learning Team Health and Wellbeing, green social prescribing and geocaching. The Trust has funded the sum of £2k for the relocation of a milking parlour to the Ryedale Folk Museum. There is a Trust volunteer day digging ponds at Scawton this week.

Christine Robertson indicated that there had not been a recent meeting of CNP. A one-to-one meeting with the CNP CEO has been rescheduled several times.

Clive Pearson was unable to attend the meeting of the York and North Yorkshire Housing Board. Clive updated Members on the issues of affordable and community led housing in the National Park. Only 1 community led housing project is in progress at Lealholm starting in 2018 but has encountered many difficulties.

Resolved: That the report be noted by Members.

56/23 On the record

Considered:

The report of the Executive Support Team Leader

Resolved: That the report be noted by Members.

57/23 Other business

There was no other business discussed.

.....(Chair)
11 December 2023

Public Summary of Items considered "in private" at the meeting of the North York Moors National Park Authority on 25 September 2023

Private minutes

Members agreed that the private minutes of the meeting held on 19 June 2023, having been printed and circulated, be taken as read and be confirmed and signed by the Chair as a correct record.

North York Moors National Park Authority

Item 3, Public Question Time

When?

Public Question Time will be at the beginning of each meeting, immediately after the Minutes of any previous meeting have been agreed, and will be limited to a maximum of 15 minutes of questions and answers in total.

What?

- Only questions will be allowed and these must relate to the business of the Authority
- Any questioner will be limited to two minutes maximum speaking time
- Supplementary questions will only be allowed for purposes of clarifying an earlier answer
- If answers cannot be provided on the day a reply in writing will be offered

How?

Any questions must be delivered in writing to the Head of Corporate Services at least two clear working days before the meeting. The Chair will then call questioners at the meeting in the order questions were received.

Answers to questions will normally be given by the Chair.

Exclusions?

No question relating to an individual recipient of services will be allowed, as appropriate alternative channels exist for such inquiries.

The opportunity to ask questions under this scheme does not apply to staff or their representatives, since other mechanisms are available.

No questions can be accepted which relate to matters which would normally be dealt with in private session because they relate to exempt information, for example:-

- Legal actions
- Financial and business affairs of other organisations
- Individual members of staff
- Trade Union negotiations

No questions can be accepted where there is a statutory procedure in place for public consultation, for example:-

- Development control matters
- Traffic regulation orders
- Public rights of way orders, etc

Notice of questions should be sent to :

Head of Corporate Services, National Park Office, Old Vicarage, Bondgate, Helmsley, YO62 5BP. Tel: 01439 772700.

North York Moors National Park Authority

11 December 2023

Item 7, Appointment of a Member to Recreation and Wellbeing Forum

1. Purpose of the report

- 1.1 To appoint 1 Member to the Recreation and Wellbeing Forum (R&W) until the Authority AGM in June 2024.

2. Background

- 2.1 Since the Authority AGM in June, Sarah Oswald's term of office as Secretary of State Member ceased on 30 June and Bridget Fortune resigned from North Yorkshire Council on 17 July. This left 2 vacancies on the R&W Forum, 1 was filled by Secretary of State Member Janet Waggott at the September NPA.
- 2.2 This leaves 1 vacancy for a Local Authority Member for the R&W Forum.

3. Financial and staffing implications

- 3.1 There are no financial or staffing implications relating to this appointment.

4. Legal and sustainability implications

- 4.1 There are no legal and sustainability implications.

5. Recommendation

- 5.1 That Members elect 1 Local Authority Member to the R&W Forum.

Contact Officer:

Judith Seaton

Executive Support Team Leader

01439 772586

Item 8, Auditors verbal update

North York Moors National Park Authority

Monday 11 December 2023

Item 9, Final Statement of Accounts and Letter of Representation

1. Purpose of the report

- 1.1 To present to Members the final Statement of Accounts (SoFA), which is included in Appendix A and the Letter of Representation which is included at Appendix B for signing on completion of the audit.

2. Background

- 2.1 As a result of the Environment Act 1995 the North York Moors National Park Authority is recognised as a separate corporate body which is required to produce its own Statement of Financial Accounts (SoFA).
- 2.2 The draft SoFA including the Annual Governance Statement was signed by the Section 151 Officer on 1st June 2023 and was published on the Authority website.
- 2.3 It is a statutory requirement that a full audit is completed each year. Our auditors for 2022/23 are Grant Thornton.

3. Audit of the Accounts

- 3.1 The audit has been conducted by Grant Thornton in two parts. The first is the financial audit of the Statement of Financial Accounts and the second is the value for money audit. The report on the value for money audit was presented to the Finance, Risk and Audit Standards Committee in November.
- 3.2 There have been no changes to the outturn numbers in the accounts as presented to the Finance, Risk and Audit Standards Committee in May.
- 3.3 There are a number of adjustments between the draft and final Statement of Accounts, most of which were highlighted in the draft Grant Thornton ISA260 report which went to FRASC in August. These included :-
 - Recognition of a £1.4m pension asset in the balance sheet.
 - Accounting for the sale of the Bondgate property as an asset held for sale.
 - A number of minor changes to notes, the narrative statement and Annual Governance Statement.
- 3.4 At the time of the agenda being published on the website, the pension assurance letter from the auditors of the pension scheme is still awaited and the audit cannot be fully signed off without it. There are therefore two recommendations in the report dependent upon whether the assurance letter is received in time for the meeting.

4. Conclusion

- 4.1 The audit of the Statement of Final Accounts has been completed subject to no changes being required following receipt of the letter of assurance from the pension scheme auditors. The deadline for the financial element of the accounts was 30 September 2023 but as a result of the calculation of the surplus on the pension scheme and the letter of assurance from Deloitte, it has not been possible to complete in this timescale. The vast majority of the audit was complete by the end of September.
- 4.2 It has been a good audit. There has been a sizeable adjustment to the recognition of the pension surplus which was expected. Otherwise, there have been mostly minor issues raised and no changes to the outturn figures presented to FRASC in May.
- 4.3 Our thanks once again to Grant Thornton for a positive working relationship throughout the audit and all officers who have been involved.

5. Financial and staffing implications

- 5.1 None.

6. Contribution to National Park Management Plan

- 6.1 It is a requirement for the Authority to produce a Statement of Accounts and complete and external audit each year. A positive audit conclusion is one of the key financial targets and provides evidence of good financial controls, governance and financial sustainability at the Authority.

7. Legal and sustainability implications

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

8. Recommendations

- 8.1 If pension letter of assurance is received before the meeting and is to the satisfaction of the auditors :-
- That Members approve the Statement of Final Accounts for the financial year ended 31 March 2023 and for the following documents to be signed after the meeting :-
- Statement of Financial Accounts – Chair and Chief Executive.
 - Annual Governance Statement – Chair and Chief Executive.
 - Letter of Representation – Chair and Chief Executive.
- 8.2 If pension letter of assurance is not received before the meeting :-
- That Members approve the Statement of Final Accounts subject to the letter of assurance indicating no material changes to the Statement of Financial

Accounts. If there are no material changes, signing off the accounts is delegated to Chair of NPA and Chief Executive in consultation with Chair of FRASC and the S151 Officer. If the letter of assurance does indicate material change to the accounts, the Statement of Financial Accounts will be brought back to a future meeting.

Appendices A & B, to item 9 have been uploaded separately

North York Moors National Park Authority

11 December 2023

Item 10, Final medium term financial strategy

1. Purpose of the report

1.1 To provide Members with an update to the medium-term financial strategy (MTFS) which underpins the Authority’s Strategy and Business Plan.

2. Background

2.1 The MTFS is an annual report that provides a five-year financial forecast. It includes any changes in assumptions ahead of the Business Plan milestones for 2024/25 that will come initially to NPA in December and the setting of the 2024/25 detailed budget in March.

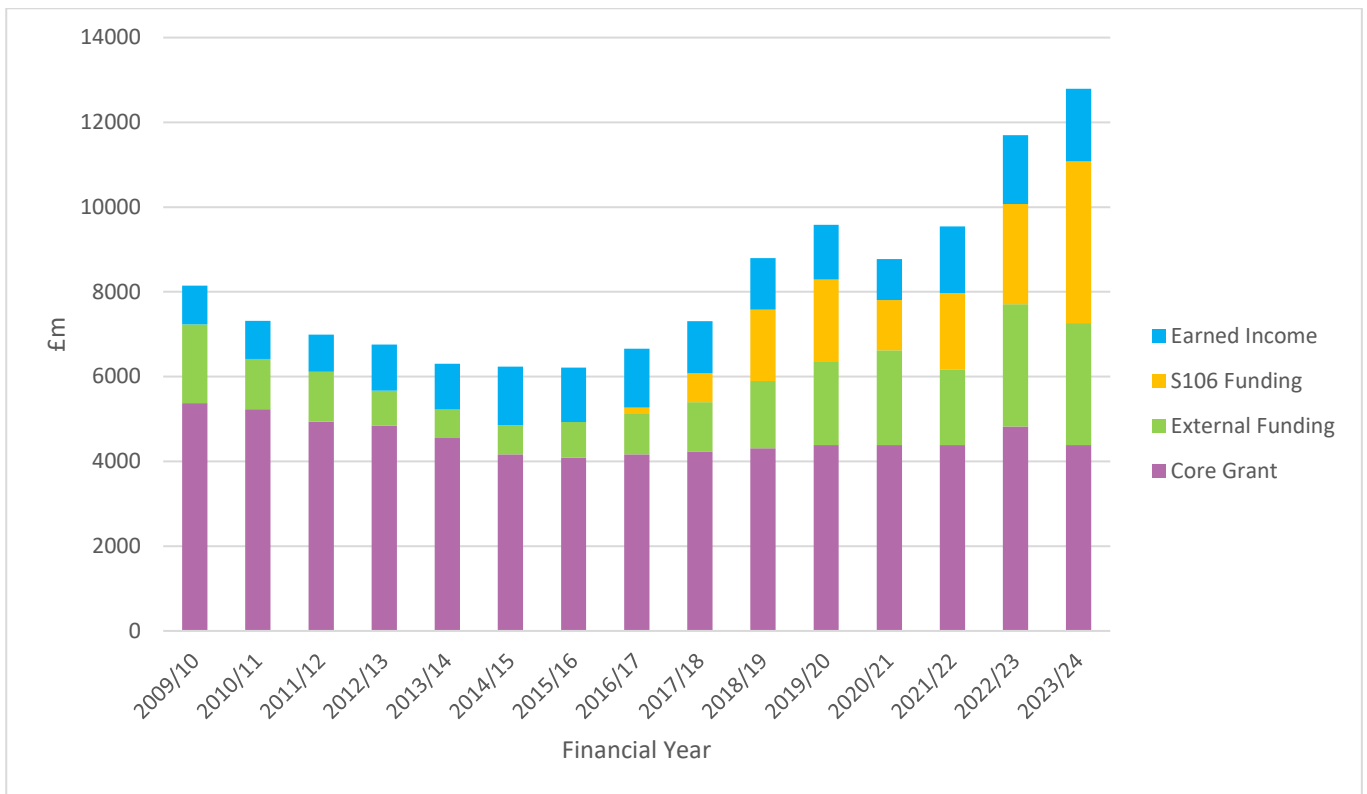
2.2 The MTFS is updated to reflect a number of assumptions, notably the challenge of pay and overhead inflation which is impacting all organisations and businesses in the UK. The Strategy, Business Plan and MTFS are documents which go hand in hand and are updated annually to ensure that business planning is reflective of the financial position and vice versa. The report also details the potential risks in the sector and includes sensitivity analysis where appropriate.

2.3 At all times, the Strategy and Business Plan need to be financially sustainable. To fund revenue budgets from reserves is not sustainable.

2.4 The MTFS last year showed a balanced position in the next two years but showed an increasing gap in future years.

-	23/24	24/25	25/26	26/27	27/28
Last year’s MTFS surplus/(deficit)	31	87	-99	-165	-295

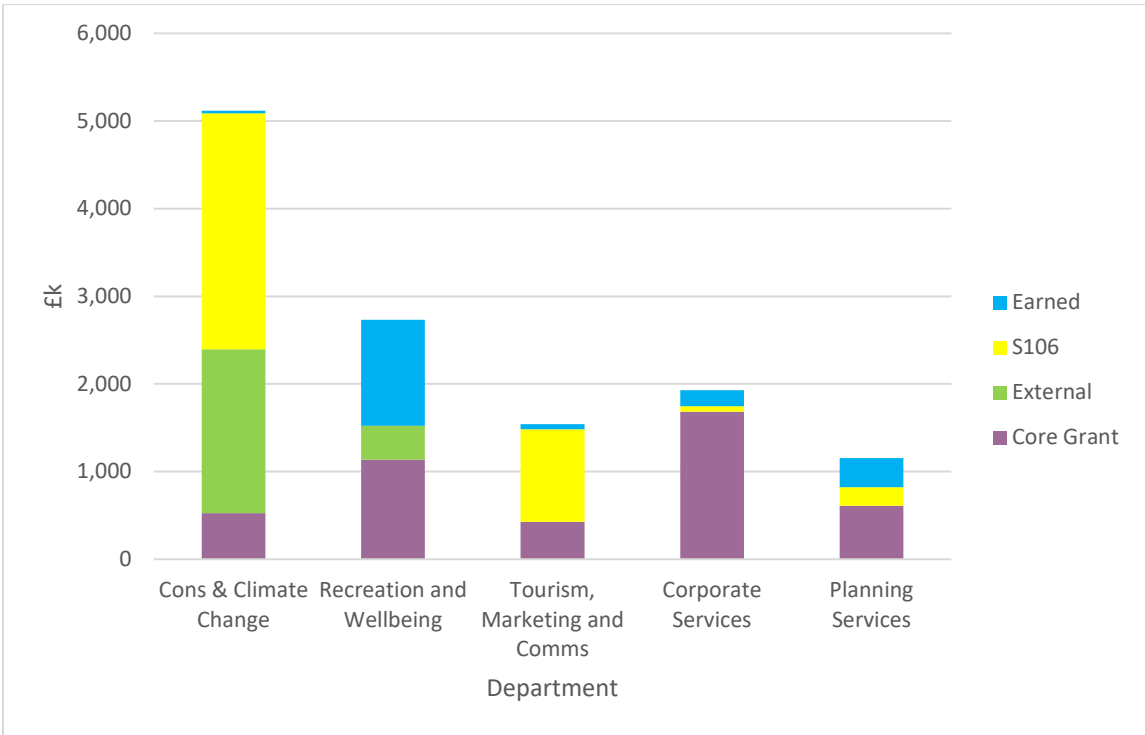
2.5 The chart below helps to illustrate the funding changes over the last 15 years and how income from alternative sources is helping to mitigate the loss of DEFRA income.



3. The financial approach to the Strategy and Business Plan

- 3.1 There have been no changes in the last year to the funding picture with reliance on core grant being replaced by a move to generate more income from different sources. The freeze in the core grant from DEFRA continues to show that diversifying income sources for delivery is the only way to continue to ensure that the Authority delivers the maximum outcomes possible for the National Park. The larger economic picture continues to provide uncertainty with a number of factors resulting in continued inflationary pressure which has driven a cost-of-living squeeze in the UK. It is important that the Authority takes a prudent but ambitious approach in setting its Strategy and Business Plan, with the MTFS ensuring that we are prepared and can address any issues in the future.
- 3.2 Our strategy of growing the Authority by becoming a more project-based organisation is proving to be successful with our expenditure having grown from an original expenditure budget of £12.8m to £13.3m in this financial year, an additional £0.5m of delivery. The strategy is built around four key elements: our brand profile and reputation, partnership working, investing in our people, property and systems and maintaining good customer service. Officers believe our strategy remains fit for purpose.
- 3.3 Whilst the plan is prudent, with reasonable assumptions underpinning the financial strategy, it is important that the Authority continues to be ambitious about our organisation, our approach to income generation and how we deliver in the most efficient way possible. It is the responsibility of everyone at the Authority to identify the opportunities in their services to increase delivery of services through external funding, grow earned income and deliver our services in the most efficient way possible.

- 3.4 With cost savings through efficiencies becoming increasingly difficult to achieve, we are maximising use of all our income streams to optimise the delivery of key services and we have not seen any impact on the business plan objectives and outcomes to date.
- 3.5 Our core funding needs to support our corporate and statutory services as these cannot be funded from other sources. As these costs increase but the DEFRA grant remains frozen, the proportion of the grant that funds these services is increasing. This makes it harder each year to fund other services from the DEFRA grant. We therefore need to seek opportunities wherever possible to source alternative funding to enable delivery of services.
- 3.6 For most services, becoming more project based and less reliant on core funding is becoming ever more essential to us being able to continue to deliver our statutory purposes and Business Plan objectives. Conservation and Climate Change activities are now largely project-based and externally funded. Over the last year, we have sought to identify and implement similar approaches to our Recreation and Wellbeing activities, for example, in relation to outdoor learning.
- 3.7 The Authority also needs to move away from a focus on earned income in isolation and consider more carefully levels at which income earning services and projects either make profit or are subsidised by core grant. We also need to take a more commercial approach in deciding whether to invest or divest of earned income services which are a net cost to the Authority. We must see all our income streams as key components of delivering our Business Plan.
- 3.8 The chart below helps to illustrate the funding diversification in delivering services.



- 3.9 If we don't or can't maximise opportunities to defray core-funded activities, then it is likely that we will need to consider the future of some services that we

currently provide. Increasing pressures on the core grant means that there may be tough decisions to take in the future.

4. Key financial risks

4.1 Inflation and interest

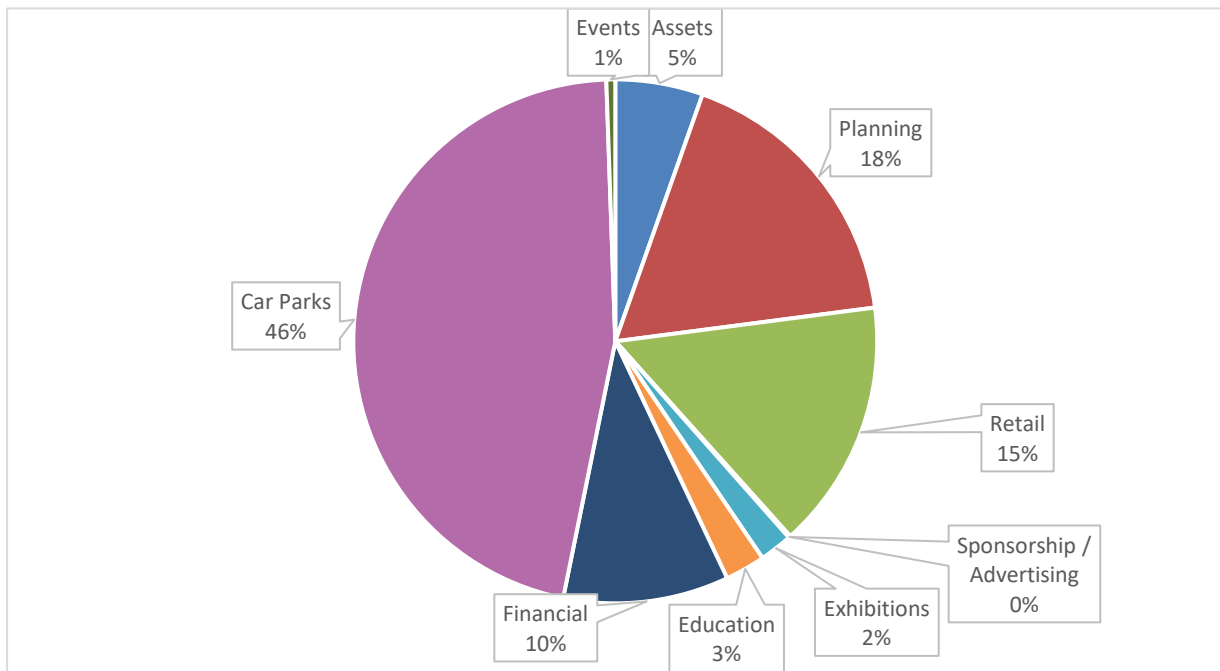
4.1.1 In recent years we have seen the impact of war, the pandemic and Brexit on the economy and have reflected the potential impact that this may have on inflation and interest rates in the future. There is no doubt that the level of inflation provides the greatest risk to our financial position in the medium-term. From the peak of inflation, we are starting to see a gradual decrease with CPI inflation reducing from a high of 11.1% in October 2022 to 4.6% in October 2023 and RPI is 6.1% compared to 14.2% peak in October 2022. But with the challenge of doing fewer things well, it is now important to try to keep certain budgets rising in line with inflation. We continue to increase all applicable overhead budgets by inflation in the MTFS and the assumption in 2023/24 of 13% is looking prudent being made up of 4% catch-up for 2022/23 and 9% for 2023/24. The latest OBR forecasts which were released alongside the autumn statement indicate that inflation is not expected to return to the Government 2% target level until Q2 2025. The MTFS assumes that overhead inflation will be 4% in 2024/25 reducing to 2% from 2025/26. However, we have seen how external factors can influence inflation, so we continue to review this ahead of setting the budget in March 2024.

Pay inflation in 23/24 equated to around 6.5% for the Authority for the second year in a row with an extra £1,925 applied to each pay band. That is c£150k additional pressure on core grant funded budgets. Pay awards are included in the MTFS at the level of inflation, so 4% for 2024/25 and 2% thereafter, but we have seen increasing pressure on people's finances through the cost-of-living crisis which has resulted in higher pay awards so this is noted as an area of risk, as currently we don't have any information on what the local government pay offer will be for 2024/25. Pay is a substantial part of the Authority's finances and core budgets, so any increase in pay has a considerable impact and results in the need to find additional income or savings.

4.1.2 Until the last couple of months, the Bank of England has increased interest rates at each monthly review to try to control inflation with the rate in October 2023 standing at 5.25%. At present, the Authority benefits from higher interest rates with c.£6m of cash invested but no borrowing. But the increasing rates could impact adversely if future borrowing was required. The MTFS takes a prudent approach to including investment interest income in the budgets. This is because this money is predicated on favourable interest rates and cash balances with the former being unpredictable and cash balances which will reduce as reserves are spent and external funding projects with retrospective claims reduce the level of cash in the bank on a day-to-day basis. Future long-term plans should not be based on interest investment returns.

4.2 Funding sources

- 4.2.1 The Authority has four key areas of income, all of which are key to the MTFS and delivering the Strategy & Business Plan.
- 4.2.2 DEFRA funding. The Comprehensive Spending Review (CSR) in 2021/22 led to a three-year flat cash settlement to National Parks for the period 2022/23-2024/25. That is in line with our previous expectations and has been extended to assume flat cash throughout the five years of this MTFS. There is some degree of risk to this assumption. In addition to the core National Park Grant, the Authority will move into its fourth year of the highly successful Farming in Protected Landscapes (FiPL) grant scheme with £1.4m of funding expected to enable delivery of works across the National Park in 2024/25. It is assumed at this stage that this FiPL funding will end in March 2025.
- 4.2.3 Earned income. Current levels of car parking, planning and visitor centre income are at challenging levels. The last year has seen initiatives which have increased income from our existing assets. Projects are underway to look at all our assets and income generating services to see whether we are maximising their potential. The MTFS does not include any notional targets that are not attached to specific delivery. An additional £79k of income is included for further specific initiatives in 2024/25 from this project including the expansion of Newton-Under-Roseberry car park and our drive to increase footfall at Danby Lodge and our other car parks. No additional income outside of annual inflation increase are included at this stage beyond 2024/25. Growing income and margin is one way of increasing our overall funding position. New initiatives will continue to be sought, with margin the key focus rather than just income. The cost-of-living crisis could impact on the number of people visiting the National Park which correlates to earned income streams, with tighter household budgets and increased petrol prices potentially having an impact. This will be monitored closely, but there have been no changes in the MTFS for this and it is considered one of the areas of risk that needs to be monitored every year through quarterly reporting and forecasts. The chart below indicates where our earned income comes from.



4.2.4 External funding. The MTFS includes a target to grow external income from £1.5m per year to £2.5m over the next four years. We have been very successful for some time in bringing in external funding; recent successes mean that we are likely to see close to £4m of spend from external funding in 2023/24, which makes the current target look unambitious. There are further opportunities to help deliver our business plan objectives through external project funding. A limiting factor however is the core resources required to develop long-term project proposals and then to support their delivery through the corporate functions such as finance and IT, which generally external funders do not allow to be included in funding bids. External funding enables us to deliver far more outcomes for the National Park and the future strategy will need to look at how we best use the core grant to leverage additional funding. Culturally, it will mean the Authority becomes significantly more project-based in its approach with more areas of our work following the path that much of our conservation work has taken. It will not be possible to sustain all areas of current activity through core funding and changes will need to be made to the type of work we deliver and how we deliver it. Additionally, resources to generate additional external funding are likely to be the limiting factor to growth, so we need to look at how we use the core grant to ensure that we maximise its ability to resource the growth strategy through alternative income streams including bolstering the core resource to enable delivery.

4.2.5 S106 funding. This funding is for compensation and mitigation for the residual impacts of the harm caused to the Special Qualities of the National Park from major development. Whilst there are restrictions on how this can be spent, it is treated as an integrated income stream within services to assist with delivery of Business Plan objectives whilst continuing to be accounted for separately as compensatory spend against the development. The Authority continues to receive approximately £2.6m per annum from Anglo-American in relation to the development of the Woodsmith polyhalite mine to fund mitigation works. We also

have a significant S106 relating to the Boulby mine with a contribution of approximately £1.0m per annum for the next 4 years and around £0.6m per annum for the following 20 years. This funding is for the residual impacts of the harm caused as a result of the continuing development at Boulby Mine beyond its previously approved timescale. Annually, there are 4 mitigation contributions; Landscape, Tourism, Heritage, ENV Policy 8 (Peat Restoration) and a contribution for monitoring. These all reduce after the first 5 years from commencement of development as landscape impact from the development will reduce due to removal of some of the mine infrastructure. The funding is prioritised for spending in the north of the park and the landscape element will support our work on woodland management, boundary enhancement, dark skies enhancement, access works and work on the River Esk. Tourism and Heritage elements are focussed in and around Staithes. These funds do have inflation rises each year which provides protection against cost pressures.

4.3 **Property**

- 4.3.1 Officers have undertaken an initial review of the Authority's property assets. There is a substantial financial risk with the review considering a number of potential strategies, all of which require substantial funding. This includes adapting buildings to become more carbon neutral as well as essential repairs and maintenance which have built up after a period of under-investment. Whilst there is currently a reserve set aside to fund some of the project costs, substantial additional funding will be required. Funding options are being considered as part of the review, but there is the potential option to borrow which will incur capital and interest repayments. There are currently no financial impacts from the project built into the business plan until there is more certainty. As part of the review, one office at Beaconsfield has been sold which will generate £30k per annum of immediate savings which have been incorporated into the MTFS.
- 4.3.2 There is now a smoothing reserve with annual contributions from revenue to help fund a rolling capital programme on our buildings to avoid a build-up of capital requirements occurring again in the future. The level of this contribution may be amended annually as detailed budget review takes place but currently stands at £50k per annum.
- 4.3.3 One of the impacts of the pandemic has been the introduction of blended working at the Authority and the ability to reduce the number of people working at key office sites at all times. It has led to the ability to make some savings in the Authority and will allow us to reduce the amount of office space that we use into the future with a combined home and office working strategy being adopted.
- ### 4.4 **Large capital projects**
- 4.4.1 Substantial multi-year capital projects are expected to be delivered through the rest of this Business Plan period including many through external funding where overspend risk sits with the Authority. Cost overrun risk is mitigated by the Authority through close project management, but it continues to be a risk factor in the Authority's budgets. Project contingencies should always be considered for

all financial projections on large projects and an annual assessment of levels of contingency reserves carried out as part of the budget process, including assessment of potential risk from up-and-coming large scale projects.

4.4.2 Some externally funded projects also require a long-term legacy plan to sustain the work once the initial grant funded phase is completed. This adds an additional demand on both financial and staff resource. For each individual project, this element is usually a relatively small proportion of the overall project spend but cumulatively, this can start to have a significant impact on our longer-term resource requirement. Legacies for Land of Iron and Ryevitalise are already included. Impact of legacies need to be considered at the inception of the project.

4.5 Local Government reorganisation and devolution

4.5.1 Changes in the architecture of local government are not seen as presenting a risk to the Authority with existing collaboration agreements continuing into the new unitary authority. North Yorkshire Council is a key strategic partner for the National Park and will play an important role in the delivery of the National Park Management Plan. From an Authority perspective it is essential that we continue the work of building and maintaining a strong, strategic relationship with the new Council, a role for both Members and Officers.

4.5.2 North Yorkshire devolution provides a further dimension and potential partnership and funding opportunities with the Mayoral Combined Authority set to integrate the functions of the Local Enterprise Partnership with whom the National Park Authority has a strong relationship. But this will require a proactive approach from us to ensure that the MCA recognises the significance of the National Parks to the region and the relevance of its role in delivering Management Plan objectives.

5. Key assumptions and sensitivity analysis

5.1 DEFRA Grant

5.1.1 There have now been 5 years of flat cash settlements, a trend which is expected to continue. The core grant is fundamental to ensuring that the National Park can continue to deliver its business objects, it being crucial to funding corporate and planning costs as well as the costs required to enable the Authority to leverage additional external funding – these increasingly becoming the priority for DEFRA grant funding. The latest agreement represents a three-year settlement to 2024/25 albeit with funding frozen at the National Park Grant level set in 2021/22. This represents a real term cut in funding and is assumed to continue through the five-year MTFs. A freeze is already challenging in terms of being able to continue the functions of the Authority but is even more challenging in a period of higher inflation and pay awards.

5.1.2 Each 1% change to the level of DEFRA grant equates to £44k.

5.2 Pay

5.2.1 Employee costs are the Authority's single largest item of expenditure. The estimated 2024/25 gross pay budget to be funded from DEFRA grant and earned income is expected to be £3.9m.

5.2.2 The current MTFS included a pay award assumption of 4% per annum for 2024/25 decreasing to 3% in 2025/26 and 2% thereafter which reflects the MTFS last year. Each 1% equates to £39k. On the basis of the above assumptions, this means that by 2028/29 an additional £0.5m needs to be found for pay to sustain the current levels being funded from earned income and core grant. The recent autumn statement included an increase to the living wage levels which will impact on the apprentice schemes. The implications of this will be included in the budget papers.

5.2.3 There is also a pension risk to consider. The 2022 triennial valuation has indicated that investment performance has again performed well and despite an increase in liabilities the pension rate and the scheme is 117.9% funded. This means the pension contribution rate will increase slightly to 15.6% in 2023/24 increasing to 16% by 2025/26. This equates to a £6k, £12 and £18k impact over the next three years. The 2025/26 rate is assumed to continue through the MTFS period. The pension fund at the end of 2022/23 is in surplus, which indicates that risk of an increase is low. However, with the economy currently quite unpredictable, caution is taken over any decrease in rates and holding the rates at 16% seems the prudent option. A worst-case scenario rate of 21% at the next valuation in 2026/27 will result in the Authority needing to fund an additional c£150k of pension costs.

5.3 **Overhead inflation**

5.3.1 In this Business Plan period, budgets are being inflated by levels approximate to inflation in the economy. Current inflation rates mean that this is adding extra pressure to the business plan budgets. Each 1% increase in general overhead inflation equates to approximately £15k of additional cost to the Authority. The current MTFS assumes 4% in 2024/25 and 2% thereafter. This means that over the five-year MTFS, there will be an additional £180k to find to cover overhead inflation.

5.3.2 One of the largest changes since the last MTFS is the impact of utility costs. We have signed up to a new agreement to deliver our gas and electricity at an increase of 150% which equates to an additional £140k. This has been built into the new MTFS.

5.3.3 It is assumed that any inflation whether pay or overhead in external funding projects is covered from within the funding, either through use of contingencies and cautious inflationary estimates in applications – or from project re-engineering if required.

5.4 **Key income streams**

5.4.1 Car parking income is c£830k in 2024/25. This includes c£50k of growth in income. A number of initiatives to increase visitors to car parks, length of stay and

compliance as well as the expansion of Newton-Under-Roseberry have helped to increase car park income and make the target more achievable than in previous years.

- 5.4.2 Cost of living challenges could impact on visitor numbers, which will have a corresponding impact on income, although we have not seen the impact of this risk to date in 2023/24. We also know that the weather can be an impacting factor in high season periods. Nothing is factored in for this, but it does add an increased risk to volume of tickets sold. The table below illustrates the value of any shortfall in income with every 1% resulting in £8,300 less income.

24/25 MTFS Income	Decrease of 1%	Decrease of 5%	Decrease of 10%
651,000	-8,300	-41,500	-83,000

- 5.4.3 Planning application volumes increased during the pandemic with income increasing from £220k to £300k. This was factored into the MTFS last year. Application numbers returned to pre-pandemic levels in 2022/23 but have fallen further since with income now running at c. £180k. Income in the MTFS at this stage is retained at the £220k level throughout in terms of volume, but an anticipated additional £60k from confirmed planning application fee increases is included and will be introduced from 6th December 2023. Application volumes will continue to be closely monitored to fully understand the impacts of the post pandemic environment and cost of living crisis in this area.

- 5.4.4 The table below illustrates the potential impacts of a reduction in planning income, should there be external factors impacting on volumes of applications.

22/23 MTFS Income	Decrease of 1%	Decrease of 5%	Decrease of 10%
280,000	-2,800	-14,000	-28,000

- 5.4.5 Visitor centres, gallery and events income streams remain at the same level throughout albeit with increased prices to cover inflation in the cost of sales. Previous increases to donation and sponsorship targets have been removed. Officers see some opportunity for cash funding to emerge from sponsorship agreed through National Parks Partnerships (for example the BMW Recharge in Nature fund). Donations are now raised by and for the National Park Trust. As a strategic, charitable partner that can collect gift aid on most donations, officers believe it would be better for the opportunity for donations to be developed and marketed by the Trust.

- 5.4.6 The education income has reduced as it rolls out the strategy of reducing the work done delivering curriculum in schools in favour of more education work linked into the delivery of our external funding pipeline of projects such as our

projects on the Rye and the Esk. This strategy has the potential to deliver increasing levels of outdoor learning overall whilst reducing the pressure on core funding.

5.4.7 There is a pipeline of initiatives for income generation which are expected to help to mitigate part of future deficits. These are being included at the point they crystallize into projects with realistic savings projects, rather than including generic targets that are not linked to any specific delivery.

5.5 Future match funding

5.5.1 The strategy of generating external funding to help deliver more substantial projects has been very successful with sizeable projects such as Land of Iron, Ryevitalise and visitor centre developments.

5.5.2 The Ryevitalise project requires the Authority to commit to significant match funding through both reserves and revenue. The ability to use revenue is limited and we have c£270k set aside in reserves as one-off funds to match fund future projects. Therefore, we need to look to other sources of income such as S106 funding to enable this delivery where match is required.

5.5.3 Future projects need to consider match funding elements, whether the core is funded and any potential legacy financial impacts post project completion.

5.6 Reserves

5.6.1 Most of the £5.94m reserves balance (detailed in Appendix 1) is either restricted or already earmarked. It is expected that most of the committee-approved reserves will spend over the period of the MTFS. The balances of income in advance for S106 and external funding will remain in reserves. The value of remaining non-ringfenced reserves is expected to reduce to c£1.0m over the MTFS period, made up predominantly of the general working balance and contingency reserves which are set to be 10% of gross expenditure excluding S106 and small balances on smoothing reserves.

5.6.2 To manage risk, the Authority continues to hold the £435k (set at 5% of gross expenditure less S106) as a general working balance plus a contingency reserve which currently stands at £291k and the aim is to increase this to the same as the general working balance reserve over the next two years. All reserves are allocated. A full review of the level of this reserve will be conducted alongside the budget paper in February to monitor whether this level is sufficient to manage the risk of the Authority.

5.6.3 It is recommended that the reserves contributions process is maintained in order to help to smooth the capital impacts of replacement of our IT, vehicles and property, although the levels will be reviewed as part of the budget process. The levels remain the same in the MTFS.

6. Key financial indicators

6.1 The Business Plan is underpinned by key performance indicators. The areas of financial focus are below: -

- External income target of £2.5m by 2026/27 and in each year thereafter.
- Non-core grant income to be a minimum of 55% of total income.
- Core staff costs to make up no more than 50% of core DEFRA grant.
- Corporate and democratic core costs after recharges to be less than 5% of total spend.

6.2 There is a need to review these indicators to check if they are still relevant for the 2024/25 budget. Core staff costs making up no more than 50% of core grant is becoming almost impossible to achieve with the increases in pay combined with frozen core grant. The corporate and democratic core costs are also less relevant to the strategy. An update to the KPIs for 2024/25 will be provided in the budget paper in February.

7. MTFS update and deficit mitigation

7.1 The table below illustrates the expected bottom line for the next five years incorporating all of the assumptions as laid out in the report.

Medium-Term Financial Strategy	2023/24 Budget £k	2024/25 Budget £k	2025/26 Budget £k	2026/27 Budget £k	2027/28 Budget £k	2028/29 Budget £k
Income						
Conservation & Climate Change	4,023	3,189	2,817	2,859	2,915	2,973
FIPL	1,047	1,402	0	0	0	0
Recreation Management	1,963	1,597	1,624	1,636	1,649	1,662
Marketing & Comms	1,068	1,113	1,135	1,158	1,181	1,205
Corporate	242	245	160	121	123	124
Planning	505	544	554	565	576	587
Unsecure External Funding Target	0	244	2,051	2,058	2,052	2,047
Total Income	8,849	8,334	8,342	8,399	8,497	8,597
Expenditure						
Conservation & Climate Change	-4,682	-3,714	-3,351	-3,403	-3,470	-3,538
FIPL	-1,047	-1,402	0	0	0	0
Recreation management	-3,018	-2,734	-2,801	-2,855	-2,910	-2,966
Marketing & Comms	-1,483	-1,540	-1,571	-1,597	-1,624	-1,655
Corporate	-1,899	-1,928	-1,985	-2,035	-2,085	-2,136
Planning	-1,101	-1,154	-1,166	-1,189	-1,212	-1,235
Unsecure External Funding Target	0	-244	-2,051	-2,058	-2,052	-2,047
Total Expenditure	-13,231	-12,716	-12,925	-13,137	-13,353	-13,577
DEFRA Core Grant	4,382	4,382	4,382	4,382	4,382	4,382
Surplus (+) / Deficit (-)	0	0	-201	-357	-474	-597

- 7.2 Additional income from car parking initiatives and changing the funding sources for some work away from core grant have already mitigated the deficit in 2024/25 caused by the increased cost of utilities. Beyond 2024/25, the deficit gap continues to widen as pay and overhead inflation increases whilst DEFRA funding remains frozen within the assumptions in the MTFS. Future mitigation for the deficits, which will reach £597k by the end of the MTFS period will need to come from a combination of earned income generation and strategic changes to delivery. This is a continuation of the strategy to find alternative funding for services so that the core grant supports corporate and planning functions as well as supporting the core functions required to leverage external funding for delivery. Ultimately, it will require moving more services to be based on project delivery that is funded externally and may ultimately result in decisions about what services to continue with the ethos of doing fewer things well as opposed to continuing all services with delivery standards compromised. Directors will continue to implement proposals that will help to drive this strategic direction. Funding deficits from reserves is not a sustainable solution.
- 7.3 The budget process will provide a more detailed review of the 2024/25 proposals.

8. Conclusion

- 8.1 The economic environment continues to be extremely challenging and unpredictable. External factors continue to influence the economy resulting in high inflation. High inflation has a knock-on impact to pay inflation which in light of a flat cash DEFRA settlement is resulting in increasing deficits for the Authority. Inflation is however beginning to ease but remains the greatest financial risk for the Authority at this point, highlighted by the OBR forecasts indicating that the return to the 2% Government target level will be delayed until Q2 2025.
- 8.2 The MTFS this year is reporting a balanced position in 2024/25 rising to £597k deficit by 2028/29. There is a strategy to mitigate the deficit during this period. The increasing deficit in the MTFS will need to be mitigated, funding deficits from reserves is not a sustainable solution. There may be tough choices ahead if pressure on core funding continues to increase.
- 8.3 The mitigation of the deficit does not impact on our ability to deliver the requirements of the Business Plan next year but if any of the assumptions in the MTFS were to worsen, as per the sensitivity analysis in the paper, then further measures may need to be taken which may compromise the ability to deliver some services.
- 8.4 The Authority reserves are expected to reduce over the period. There are insufficient reserves to fund ongoing deficits, so increase income or reduced cost will be necessary to ensure balanced budgets are set.

9. Next steps

- 9.1 The formal process for the development and approval of the 2024/25 budget at member level is as follows;

Detailed 2024/25 budget draft	FRASC	February 2024
Final Detailed 2024/25 budget	NPA	March 2024

10. Financial and staffing implications

10.1 As detailed in the report.

11. Contribution to National Park Management Plan

11.1 A medium-term financial strategy based on reasoned assumptions is critical to ensure the financial sustainability of the management plan and the business plan ambitions.

12. Legal and sustainability implications

12.1 There are no legal issues as a result of this report.

13. Recommendations

13.1 That Members approve the Medium-Term Financial Strategy.

Contact Officer:

Pete Williams

Chief Finance Officer

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Appendix 1

Reserves summary (£k)	2022/23 Closing position	Comment
General working balance reserve	435	Minimum working cash balance – 5% of gross expenditure excluding S106
Contingency reserve	291	To manage risk and future deficits – 5% of gross exp excl S106 by 2027
Risk Reserves	726	-
TELI Match funding	112	Remaining funds to support Land of Iron legacy projects
Woodsmith section 106 reserve	2937	Income received in advance for S106 agreement
Blue Corridors income	42	Income received in advance for Blue Corridors project
Ryevitalise income	249	Income received in advance for Ryevitalise project
S106/External funding restricting reserves	3,340	-
Smoothing reserve: vehicle replacements	123	£86k p.a. contribution to reserves to fund rolling 10yr vehicle purchase programme
Smoothing reserve: IT replacements	141	£45k p.a. contribution to reserves to fund rolling 10yr IT capital programme
Smoothing reserve: property reserve	507	£50k p.a. contribution to reserves to fund rolling 10yr property programme including project property overheads
Projects: future match funding pot	200	To match fund future projects
Projects: Ryevitalise match funding	153	Ryevitalise agreed match funding
Projects: other	749	Specific funds agree by committee for a number of projects
Committee approved reserves	1,873	-
Total reserves balance	5,939	-

North York Moors National Park Authority

11 December 2023

Item 11, Authority Business Plan Priorities 2024/25

1. Purpose of the report

- 1.1 To summarise the milestones that Officers have identified as priorities to deliver the Authority's strategy and Business Plan in 2024/25.

2. Background

- 2.1 The Authority's strategy and Business Plan covers a five-year period and was approved by National Park Authority (NPA) Members in March 2022. The Business Plan sets annual milestones to be delivered within the financial year. As we are in the process of defining departmental budgets for the next financial year, Officers have also been considering what we believe to be the priority milestones (i.e. the work we will undertake/ deliver) next year.
- 2.2 A full review of milestones for 2024/25 will be presented to Members for approval in March 2024 along with the annual budget proposal.

3. Strategic context

- 3.1 Our strategy remains to grow the work of the National Park Authority by becoming a more project-based organisation. This will enable us to maximise our delivery of Management Plan objectives whilst reducing reliance on core Defra funding, which has fallen by c.40% in real terms over the last decade.
- 3.2 Officers are confident that our strategy remains fit for purpose. Our Business Plan target of achieving £2.5m of external funding by the end of the 5-year period has already been exceeded, thanks to a strong project portfolio, track record of delivery and effective team working across the NPA. We are confident of our ability to leverage additional external funding but doing so will require further adaptation of our work programme and a bolstering of our core and corporate services to meet growing demands of a broader project-based programme of activity.
- 3.3 Our strategy is supported by four pillars: raising the profile of our work, strengthening partnerships, investing in our people and property and delivering excellent customer service. Over the last year our communications activities have sought to improve the way we communicate and promote our conservation work, alongside promoting the National Park as a destination. A key focus of this has been to improve the way we document what we do on the ground through higher quality photography and videography, alongside a more strategic social media presence. It has also included working more closely with land managers to help share our collective story and goals.

- 3.4 In terms of partnerships, the most significant opportunity in the next financial year is to harness the strengthened duties placed on relevant authorities to further National Park purposes and a new Protected Landscape Outcomes Framework. Using these duties and targets our aim is to strengthen engagement with key partners on the delivery of Management Plan objectives.
- 3.5 Our people are fundamental to the effectiveness of the organisation and impact of our work. Having drawn up an Organisational Development Plan and refreshed our values this year, we will implement a new appraisal scheme, pay & reward package and leadership development programme in the next financial year.
- 3.6 Throughout, our delivery focus will remain on the three key Management Plan Priorities identified and agreed by Members last year: nature recovery, climate change, health and wellbeing.

4. Priorities for 2024/25

4.1 Landscape-scale nature recovery

Our overall approach to nature recovery remains to focus on landscape and catchment scale approaches to delivery. As we enter the final phases of delivery of the Ryevitalise project, our work will focus on the river Esk and coastal streams catchment and the Linking Levisham landscape recovery project at Levisham and Newtondale. Our work on the Esk and coastal streams will bring together an array of conservation and engagement programmes into a more strategic, catchment approach. In terms of Levisham we will strengthen the partnership now forged with Forestry England, NE, NYMR and Yorkshire Wildlife Trust to make Newtondale a flagship site for landscape-scale nature recovery of national importance. We will also progress and complete work to develop a local nature recovery plan for the North York Moors in support of our two Local Nature Recovery Strategies (LNRS).

4.2 Climate change and carbon reduction

Our priority next year will be to develop a plan and roadmap to support the Management Plan ambition that the National Park makes a significant contribution to meeting regional net zero and carbon negative ambitions. This will build on existing baseline analysis to identify plausible pathways to net zero for the landscape and help demonstrate leadership, working with local businesses and communities.

4.3 Health and wellbeing

We will deliver pilot projects on green social prescribing by developing nature-based prescriptions that can be offered in the National Park, whilst linking more closely into GP surgeries and healthcare providers. We will refresh our targeted transport work to integrate priority audiences with new health and wellbeing opportunities. We will deliver the Arts and Culture strategy via the newly established Partnership; this will include a series of engagement events, exhibitions and artist commissions based on aspects of the National Park

2024/25 will be a pivotal year for the completion of improvement works to establish the Coast to Coast route as a National Trail.

4.4 Property

Our focus in 2024 will be to develop fully costed plans for the renewal of our HQ & southern ranger depots and obtain the necessary planning permissions and Member approvals to deliver the next, critical phase, of our property refresh. We will also identify and recommend appropriate financing decisions to Members.

4.5 Commercial strategy

The purpose that lies behind our commercial strategy is to ensure we offer visitors the best experience at our Authority assets. The main area of attention will be the regeneration plans at Danby Lodge, completing the refresh of the play area and improvement works to the grounds and installation of tramper access routes and wellbeing trails. We plan to expand the number of events (both ours and externally organised) which utilise our assets. We will undertake further signage improvements and works to upgrade facilities at Cawthorne Camps and deliver further car park and toilet enhancements.

4.6 Local Plan & Design Codes

As well as commencing preparatory work on a new Local Plan for the North York Moors, we will conclude the preparation of a new mandatory design code for the National Park. This will provide a really important opportunity to strengthen consultation and engagement with our local community. This will help the Authority respond to some of the concerns and challenges raised in our recent residents' survey and improve awareness of our planning role and options for new policies moving forward.

5. Conclusions

- 5.1 These priorities establish where Officers propose to focus our effort, resource and attention in the next financial year. These will form part of a suite of milestones that will be submitted to Members for approval in March 2024 and support the delivery of agreed five-year Business Plan objectives.

6. Financial and staffing implications

- 6.1 The priorities identified here are incorporated into our MTFs. As we continue to grow our external project portfolio and grow the Authority, it is likely that we will need to bolster our core, corporate resources.

7. Contribution to National Park Management Plan

- 7.1 The Strategy and Business Plan is critical to the delivery of many of the Management Plan's outcomes and objectives as it describes the contribution of the Authority's activities towards delivering the Management Plan.

8. Legal and sustainability implications

8.1 None.

9. Recommendation

9.1 That Members note the contents of this report and offer any comments.

Contact Officer:

Tom Hind

Chief Executive Officer

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North York Moors National Park Authority

11 December 2023

Item 12, NYMNPA Decarbonisation Plan 2023 - 30

1. Purpose of the report

- 1.1 To seek Members' approval for a draft Decarbonisation Plan that sets out how the Authority will deliver its carbon reduction priorities outlined in the Strategy and Business Plan.

2. Background

- 2.1 The Strategy and Business Plan set a target of reaching net zero scope 1 and 2 emissions by 2030 with an interim target of a 75% reduction by 2027. These emissions relate directly to the Authority's operations and not the wider National Park.
- 2.2 The Defra family has committed to achieve a science-based target of 42% reduction in scope 1 and 2 emissions ¹ by 2033 from a 2019/20 (pre-Covid) baseline across.
- 2.3 The purpose of a Decarbonisation Plan is to describe how the NPA intends to replace fossil fuel reliant systems with low carbon alternatives (e.g., Electric Vehicles, low-carbon energy generation) to reach net zero emissions by 2030. The plan also considers wider emissions reductions (scope 3).

3. Scope of the plan

- 3.1 The Plan identifies the key activities that will need to take place to reduce emissions across all its operations and assigns these to specific owners responsible for their delivery.
- 3.2 Activities are grouped into *heat, electricity and transport* pathways that describe the sources of our emissions.
- 3.3 Scope 3 emissions are also contained in the plan. These emissions associated with the goods and services the Authority procures staff as well as commuting

¹ Scope 1 covers emissions from sources that an organisation owns or controls directly – for example from burning fuel in our fleet of vehicles (if they're not electrically-powered).

Scope 2 are emissions that a company causes indirectly and come from where the energy it purchases and uses is produced. For example, the emissions caused when generating the electricity that we use in our buildings would fall into this category.

Scope 3 encompasses emissions that are not produced by the company itself and are not the result of activities from assets owned or controlled by them, but by those that it's indirectly responsible for up and down its value chain. An example of this is when we buy, use and dispose of products from suppliers. Scope 3 emissions include all sources not within the scope 1 and 2 boundaries.

and home working. Although outside the Authority's direct control, the Authority can aim to reduce these emissions through embedding sustainable procurement policies and working practices. Scope 3 pathways are: water, waste, material use and working from home.

- 3.4 A final category, natural environment, attempts to quantify the negative emissions (carbon sequestration) associated with any land owned by the Authority. This is for the purpose of understanding/maximising the sequestration potential of these assets, not for offsetting Authority emissions.
- 3.5 Progress against the plan will be tracked quarterly by SLT and reported annually to Members at the January Conservation and Climate Change forum.

4. Progress to date and projected pathway to net zero

- 4.1 To date the Authority has made good progress in its efforts to decarbonise with net emissions having decreased by 52% since 2018/19.
- 4.2 The largest contributors to this reduction have been the decarbonisation of the visitor centres, the purchase of green electricity and the sale of Beaconsfield.
- 4.3 The remaining scope 1 and 2 emission reductions will come from the transition to EV fleet and decommissioning the remaining gas boilers within the current Helmsley properties. Subject to adequate funding, delivering these actions in line with the dates stipulated in the Plan shall ensure the Authority meets its ambitious targets.

5. Financial and staffing implications

- 5.1 The plan contains indicative sources of funding against each activities contained the plan are contained in the plan. The main sources identified are maintenance budgets, capital reserves and external funding (where applicable).
- 5.2 The most significant areas of expenditure are likely to be:
 - 1. The replacement of heavy corporate fleet with EV.
 - 2. The replacement of light/medium corporate fleet with EV.
 - 3. Installation of low carbon heat source in any of our premises
 - 4. Investments in building fabric efficiency at visitor centres.
 - 5. Investment in generation infrastructure.
 - 6. EV charge infrastructure (corporate use).
- 5.3 EV technologies are currently still costly to deploy in comparison with equivalent combustion vehicles. Costs are beginning to come down as the technology becomes cheaper to manufacture and competition increases, however the availability of medium/heavy EV vehicles is currently practically and cost prohibitive.

6. Contribution to National Park Management Plan

6.1 The Plan is central in delivering Objective 3: Ensure our working environment and systems are efficient and minimize our negative impact on the environment. Specifically, it will deliver the following Business Plan objectives:

- NPA net Scope 1 and 2 emissions to fall by 75% by 2027.
- Replace all Authority vehicles with zero carbon emissions as soon as 'fit for purpose' vehicles become available.
- Deliver a costed programme of works for Sutton Bank and Danby Lodge National Park Centres to reach net zero.
- New Procurement framework and policy takes into account environmental credentials of suppliers.

7. Legal and sustainability implications

7.1 The contents of the plan are directly related to improving the sustainability of the Authority's operations. There are no legal implications to the report.

8. Recommendation

8.1 That Members approve the contents of the Plan.

Contact Officer:

Tom Stephenson

Head of Climate Change and Carbon Reduction

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Background documents to this report

1. North York Moors National Park Authority Decarbonisation Plan 2023 - 2030

North York Moors National Park Authority

11 December 2023

Item 13, UK National Park's Race to Zero Application

1. Purpose of this report

- 1.1 To seek Members' support for the North York Moors National Park becoming a signatory to the UN's Race to Zero climate change campaign.

2. Background

- 2.1 The Race to Zero is UN-backed campaign seeking to accelerate global action on climate change mitigation. [Race To Zero Campaign | UNFCCC](#) The campaign involves organisations pledging to reach (net) zero greenhouse gas emissions (GHG). Members then publish and enact climate change reduction plans in line with the scientific consensus on the global effort needed to limit warming to 1.5C, reporting progress annually.
- 2.2 A co-ordinated initiative to encourage all 15 UK National Parks to sign up to Race to Zero is being led by the all-Parks climate change and energy officer group. Participating in the initiative is seen as a means of catalysing local climate action and an opportunity to demonstrate how National Parks can deliver a climate leadership role, helping the UK to hit its ambitious climate targets.

3. The Race to Zero Campaign

- 3.1 Race to Zero is a global campaign to rally leadership and support from businesses, cities, regions, to commit toward or beyond a fair share of the 50% global GHG reduction needed by 2030 and to reach net zero by 2050 at the latest.
- 3.2 It constitutes a coalition of net-zero initiatives, representing 11,309 non-State actors including 8,307 companies, 595 financial institutions, 1,136 cities, 52 states and regions, 1,125 educational institutions and 65 healthcare institutions.
- 3.3 Joining the scheme requires members to commit to five actions:
 1. Pledge: to take concrete action toward or beyond a fair share of the 50% global GHG reduction by 2030, and net zero by 2050 at the latest
 2. Plan: within 12 months develop an evidence-based emissions reduction plan in line with the pledge.
 3. Proceed: take immediate action towards meeting the pledge.
 4. Publish: commit to report data and actions in relation to meeting the pledge, publicly and at least annually - feeding into the UNFCCC Global Climate Action Portal.
 5. Persuade: align lobbying and advocacy activities with net zero by proactively supporting climate policies consistent with the Race to Zero criteria.

- 3.4 The 'fair share' committed to in the Pledge must be based on Science Based Target Initiative methodology. Targets are considered 'science-based' if they are in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement – limiting global warming to 1.5°C above pre-industrial levels. The UN assessment team has indicated that the baselines undertaken for National Parks by Small World Consulting over the last two years would be an appropriate underpinning methodology.
- 3.5 Each National Park will need to make a separate application to join, and memberships will be assessed in their own right. To date 9 of the 15 UK National Parks have committed to joining the scheme, the remaining National Parks are considering membership. The climate change and energy officer group is keen to have all National Parks signed up by March 2024 in order to make a media announcement about UK National Parks being the first globally to sign up to the initiative.

4. Current policy and commitments

- 4.1 As a recap, North York Moors NPA has already made the following climate commitments:
- The National Park Management Plan Objective 1 states the National Park should play a significant part in achieving the regional ambition of being a carbon negative economy by 2040.
 - The National Parks England delivery plan for Climate Leadership was agreed by English NPAs in 2020. It stated that we would work collectively, and with constituent authorities, towards becoming 'Net zero' by 2040.
 - The December in 2022 the Authority endorsed the York and North Yorkshire Routemap to Carbon Negative that targets reaching net negative emissions by 2034 and achieving carbon negativity by 2040. This work as led by the Local Enterprise Partnership
 - The NPA has committed to a net zero date of 2030 for its organisational GHG emissions, this will be delivered through the NYMNPA Decarbonisation Plan.
- 4.2 Since 2021 the Authority has worked with Small World Consulting to understand the baseline emissions of the National Park and support work on developing a trajectory towards reaching net zero in line with a fair share of decarbonisation. The report prepared recognises that the recommended levels of ambition in decarbonisation and carbon sequestration efforts, including land use change, will need time to ratchet up. The high levels of ambition for different sectors described in the report are likely to take several years to achieve, given that post-COVID emissions have largely rebounded. In addition, decarbonisation trends to date have been relatively small in magnitude compared to what we know is required for keeping global warming below the safer 1.5C limit from the Paris Agreement. These factors are expected to push the projected net zero year back by several years. Therefore, an adjusted decarbonisation target for the North York Moors National Park is proposed of 2039.

- 4.3 The report takes a consumption-based approach to carbon baselining. Consumption and production-based approaches are two different ways of counting the climate impact of an entity or region by adding up quantities of GHG emissions. An area such as a National Park's contribution to climate change extends beyond the direct GHG emissions within its geographic boundary. There are GHG emissions associated with the provision of all products and services used and very rarely does an area consume only what is produced within its boundary. Considering GHG emissions only within a given geographic area is likely to understate the overall contribution to climate change for areas that are net importers of goods and services.
- 4.4 The decision to adopt a consumption-based approach for the original Small World Consulting reports created for each National Park was taken to more accurately reflect the economic nature of National Parks and to demonstrate high ambition in subsequent emission reduction targets.
- 4.5 The forthcoming Protected Landscapes Outcomes Framework will contain GHG emission reduction targets for National Parks and National Landscapes that link to the UK government's own legally binding target. These targets will likely be set on a production/territorial basis as this is the current basis on which emissions are reported by local authority areas (including National Parks) to government. Presently, the 25 Year Environment Plan Outcome indicator framework does contain an interim indicator that targets consumption-based emissions (J1: Carbon footprint and consumer buying choices), it is unclear on how this will translate into the Protected Landscapes targets.

5. Advantages of joining

- 5.1 Joining the scheme would help demonstrate National Parks' collective climate leadership at local, national and international levels. Doing so would be consistent with the current Management Plan and the NPE delivery plan for Climate Leadership. Developing a decarbonisation action plan for the North York Moors National Park would be required as part of the 'Plan' phase of Race to Zero and is seen by officers as a necessary step in determining plausibly how the National Park could play its role in achieving net zero. The action planning will involve further technical expert analysis and planning with a range of stakeholders including landowners and managers, local communities and businesses, visitors, UK Government and other public and third sector agencies.
- 5.2 As part of the Defra funding for the Protected Landscapes Partnership in England, National Parks England have secured a financial allocation to support NPAs in work needed to support the 'Plan' phase of Race to Zero, notably in the form of additional consultancy from Small World Consulting. This will help to refine the net zero pathway suggested in the original report, principally around land-use targets.

6. Risks to be considered

- 6.1 The Authority is expected to be required to report on progress towards the National Park (as a territory) achieving net zero emissions as part of the Protected Landscapes Outcomes Framework. These targets will likely be set on a territorial/production basis with sub-targets developed for each landscape. Race to Zero membership will require its own reporting leading to a risk of duplicating reporting effort. This could be compounded by the fact that each set of targets may be utilising differing methodologies (production vs consumption).
- 6.2 Adopting a consumption-based approach carries the risk of less accurate emissions data and the impact of mitigation efforts on consumption-based emission are harder to assess due to the nature of how these emissions are calculated. A pragmatic, best-endendeavours approach will be needed in these instances.
- 6.3 Signing-up will have implications for the Authority's current emissions commitments and how it reports them going forwards.

7. Financial and staffing implications

- 7.1 Potential for staff time to fulfil the annual reporting requirements of the scheme.

8. Contribution to National Park Management Plan

- 8.1 The work described in this report to deliver strategic leadership for climate mitigation is directly related to Management Plan Outcome 1 – A resilient landscape at the forefront of addressing climate change and nature recovery.

9. Legal and sustainability implications

- 9.1 None at this point.

10. Recommendation

- 10.1 Officers recommend that the Authority proceed with an application to join the Race to Zero campaign given its ability to help deliver our Management Plan outcomes. It is hoped the risk around reporting can be addressed collectively by the National Park family working with Defra colleagues.

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North York Moors National Park Authority

11 December 2023

Item 14, Tree and Woodland Strategy

1. Purpose of the report

- 1.1 To inform Members of the Authority's new Tree and Woodland Strategy and request the adoption of the Strategy.

2. Amendments to the draft Strategy

- 2.1 The Tree and Woodland Strategy (see Appendix 1) was presented to Members of the Conservation and Climate Change Forum on 2 October 2023. The Forum discussed the content of the Strategy and suggested two amendments. Officers have subsequently suggested a third amendment.
- 2.2 The reference to encouraging the use of wood fuel on page 6 was deleted due to concerns over pollution and because the Authority has no remit for this activity.
- 2.3 It was suggested that an aspirational target should be added for the restoration of ancient woodland as there is a National Park Management Plan target for woodland creation. On reflection Officers felt that as specific numerical targets for woodland restoration are included in the Authority's Business Plan it was considered that figures were not needed in this strategic document. However, an aspirational statement similar to that found in the previous Management Plan was recognised as helpful in directing the Authority's actions.
- 2.4 Therefore the importance of ancient woodlands and veteran trees has been emphasised by additional wording in page 4 of the Strategy (in bold below):

Ancient woodlands - **All ancient woodland sites will either be in favourable ecological condition or in active restoration towards this.** Prioritise woodland management work on ancient woodland sites which have important woodland soils and species rich ground flora, especially where these have been planted with conifers. Ensure developments and sporting activities do not adversely affect biodiversity value of ancient woodland sites and other important habitats. Ancient woodland and veteran trees are irreplaceable assets and will be protected in line with the National Planning Policy Framework and the Keepers of Time policy. There will be no net loss of woodland priority habitats. **All veteran trees will be retained and protected apart from in wholly exceptional circumstances.**

- 2.5 Although not raised by Members or Officers during their discussions on 2 October 2023, subsequently Officers felt it would be helpful to include clarification about when woodland creation projects would be referred to Members. This was last considered in a paper to Authority on 18 December 2006 where the following was agreed:

'Officers have struggled to come up with objective and appropriate criteria on which to base referrals to Members and have concluded that scale and proximity to settlements are the key elements. In order to better involve Members in new planting proposals of a significant size it is, therefore, suggested that all proposals for areas exceeding 20 hectares (or 10 hectares where they are within 1 Kilometre of a village as defined in the Local Development Framework) will be reported to Members. Given the time constraints with these consultations it is proposed that they should be reported to either the Conservation Committee (now known as the Conservation and Climate Change Forum) or full Authority or Planning Authority in that order of preference, dependent on the timing of the consultation.'

- 2.6 The 2022 Management Plan ambition to significantly accelerate woodland creation and the anticipation of larger scale projects in order to achieve this means that the 2006 thresholds are no longer appropriate. Instead Officers would propose the following wording be included on page 3 of the Tree and Woodland Strategy:

"The Authority's Members will be informed of woodland creation proposals if Officers consider that the project warrants this due to its significant nature."

- 2.7 Significant nature is defined as when the proposals are considered to have a negative impact on National Park purposes or if the Forestry Commission consider that an Environmental Impact Assessment is required. Members would be consulted via the Conservation and Climate Change Forum.

3. Financial and staffing implications

- 3.1 The adoption of the Strategy does not have any financial or staffing implications.

4. Contribution to National Park Management Plan

- 4.1 The Tree and Woodland Strategy will deliver against many of the objectives under the Management Plan's 6 Outcomes.

5. Legal and sustainability implications

- 5.1 None.

6. Recommendation

- 6.1 That Members adopt the Tree and Woodland Strategy with the changes proposed in Section 2.

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