Statement of Accounts

2018/19

North York Moors National Park Authority

Statement of Accounts
2018/19

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Narrative Statement

Introduction

1. The North York Moors National Park Authority was constituted on 1st April 1997 under the Environment Act 1995, and took over the responsibilities previously undertaken by North Yorkshire County Council through its North York Moors National Park Committee.

   The Authority's Accounts for the year ended 31st March 2019 are presented in the format laid down in the "Code of Practice on Local Authority Accounting in the United Kingdom 2018/19" (The Code) - issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and in accordance with the International Accounting Standards Board (IASB) Framework for the preparation and presentation of Financial Statements as interpreted by The Code. The Code is based upon International Financial Reporting Standards (IFRS).

   The Statements included in the Accounts are as follows:

   a) **The Narrative Statement** – the purpose of this is to indicate the most significant matters impacting on the Authority's financial position. In particular it shows the Authority's performance against budget for the financial year and the resources used.

   b) **The Independent Auditor's Report** – this explains the Auditor's responsibilities in relation to the Statement of Accounts. It also expresses an opinion on the Accounts and shows how this opinion was reached. The report also gives a conclusion on value for money in terms of the arrangements for securing economy, efficiency and effectiveness.

   c) **The Statement of Responsibilities for the Statement of Accounts** – this outlines the Authority's responsibilities for the Accounts under Local Government legislation and any other requirements. It also shows the legal and professional responsibility for the Accounts of the Treasurer.

   d) **The Movement in Reserves Statement** – this shows the movement in the year on the different reserves held by the Authority, analysed into usable reserves and other unusable reserves. Usable reserves are available to support the National Park's spending plans. The surplus on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. The net increase/decrease before transfers to Earmarked Reserves line shows the statutory General Fund Reserve before any discretionary transfers to or from Earmarked Reserves undertaken by the Authority. Unusable reserves are kept to manage the various accounting adjustments required for the accounts to comply with regulations and accounting rules. They are non-cash and consequently are not available for the use in the provision of National Park services.

   e) **The Comprehensive Income and Expenditure Statement** – which shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices. It shows income receivable and expenditure incurred in the year by the Authority in order to undertake its activities and services. It includes gains or losses which do not arise out of the operation of the Authority's activities and includes adjustments relating to the revaluation of assets or actuarial valuation of the pension fund assets and liabilities.

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

g) **The Cash Flow Statement** – this shows the change in cash and cash equivalents of the Authority during the reporting period. The Statement shows how the Authority generated and used cash and cash equivalents by classifying cash flows as Operating, Investing and Financing Activities. The amount of net cash flows arising from Operating Activities is a key indicator of the extent to which the operations of the Authority are funded by way of grant income or from the recipients of services provided by the Authority. Investing Activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from Financing Activities are useful in predicting claims on future cash flows by providers of capital to the Authority.

h) **Notes to the Core Financial Statements** – these provide further details and explanation of the figures included in the Core Financial Statements.

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

2. The Authority is an admitted body to the North Yorkshire Pension Fund. Members' attention is drawn to Note 25, which discloses the status of the Authority's overall liability in relation to its participation in the Local Government Pension Scheme (LGPS). As at 31st March 2019, the net liability (assets minus liabilities) stood at £3.741m, a change of £0.579m on the previous year's value (£4.320m). The Authority's assets increased by 8.8% in the year and liabilities increased by 5.7% due to changes in the actuarial assumptions used to value them.

3. There are no non-adjusting post Balance Sheet events to report.

Summary of Revenue Spending

4. The main components of the Revised Budget for 2018/19 and a comparison with the actual position are set out over the page. These figures are based on the annual outturn as reported to the North York Moors National Park Finance, Risk, Audit and Standards Committee (FRASC) in May 2019. They do however exclude statutory accounting adjustments such as the use of assets which are reflected in the Comprehensive Income

and Expenditure Statement on Page 14. A reconciliation of the two sets of figures is proved in the Expenditure and Funding Analysis on Page 29.

5. Financial performance in the year resulted in a small transfer into reserves. It was expected that there would be a transfer from reserves, but a refocus of resource onto external funding bids rather than conservation grant work, efficiencies in the local plan delivery and improved performance in visitor centre and gallery income have resulted in

Summary of Revenue Expenditure for 2018/19 as at 31 March 2019

Outturn 2017/18 £000		Current Budget 2018/19 £000	Outturn at 31 March 2019 £000	Year End Variance 2018/19 £000
	Expenditure			
883	Conservation of the Natural Environment	1,027	936	(91)
887	Conservation of Cultural Heritage	1,614	1,380	(234)
1,142	Recreation Management and Transport	1,226	1,288	62
1,571	Promoting Understanding	1,636	1,633	(3)
813	Rangers, Estate & Volunteers	812	787	(25)
708	Development Management	751	721	(30)
312	Forward Planning & Communities	344	311	(33)
377	Corporate & Democratic Core	109	330	221
6,693	**Total Function Expenditure**	**7,519**	**7,386**	**(133)**
728	Section 106 Compensation & Mitigation	1,344	1,252	(92)
7,421	**Total Expenditure**	**8,863**	**8,638**	**(225)**
	Income			
(288)	Conservation of the Natural Environment	(290)	(291)	(1)
(609)	Conservation of Cultural Heritage	(1,225)	(1,020)	205
(684)	Recreation Management and Transport	(704)	(797)	(93)
(517)	Promoting Understanding	(564)	(641)	(77)
(4)	Rangers, Estate & Volunteers	(4)	(6)	(2)
(224)	Development Management	(266)	(241)	25
(52)	Forward Planning & Communities	(60)	(50)	10
(92)	Corporate & Democratic Core	(34)	(56)	(22)
(2,470)	**Total Function Income**	**(3,147)**	**(3,102)**	**45**
(728)	Section 106 Compensation & Mitigation	(1,344)	(1,252)	92
(3,198)	**Total Income**	**(4,491)**	**(4,354)**	**137**
4,223	**Net Expenditure**	**4,372**	**4,284**	**(88)**
	Financed by			
4,235	National Park Grant	4,308	4,308	0
(12)	Transfer (to)/from Reserves	64	(24)	(88)
4,223		**4,372**	**4,284**	**(88)**

the surplus. Reserves have increased overall, the majority of which relates to ring-fenced income for S106 Compensation and Mitigation and externally funded projects. The majority of the remaining reserves have been allocated to capital projects. Whilst there has been some spend in year on these, this is expected to increase in 2019/20.

6. Major expenditure and income variances against budget have their origin as follows:

Expenditure and Income Variances

Expenditure	Variance	Explanation
Conservation of the Natural Environment	(91)	Underspends on connectivity of £38k due to increased focus on externally funded connectivity projects such as Rye and Esk. Employee costs lower than expected due to vacancies and additional costs for Director post not required for the full year £45k plus lower recharges (see corporate and democratic core).
Conservation of Cultural Heritage	(234)	Reduced costs as a result of delays in the Land of Iron project partially offset by reduced income. Lower recharges (see corporate and democratic core).
Recreation Management & Transport	62	Higher spend on National Trails and Unclassified Unsurfaced Roads projects due to additional income received in year. Higher car park costs due to replacement of vandalised or stolen meters and increased apprentice vehicle running costs including the increasing cost of diesel is offset by lower employee costs as a result of vacancies in the year and lower recharges (see corporate and democratic
Promoting Understanding	(3)	Higher £43k costs on Coastal Communities Fund as a result of project timing are offset by additional grant income below. Lower recharges (see corporate and democratic core).
Rangers, Estate & Volunteers	(25)	Lower recharges (see corporate and democratic core).
Development Management	(30)	An enforcement case has resulted in legal fees exceeding budget by £19k. This is offset by lower costs in processing planning applications due to the mix of application types £11k and lower recharges (see corporate and democratic core).
Forward Planning & Communities	(33)	Local Plan budgets were £20k lower after avoiding the need to update technical work on housing following changes to Government policy plus less casual staff time was needed than forecast as the team were able to reduce the amount of resource used during the consultation period and the final quarter of the year. Lower recharges £13k (see corporate and democratic core).
Corporate & Democratic Core	221	Internal recharges were £206k lower than budgeted. This is due to the central budget for job revaluations being moved to the budgets where salary changes were made, reductions in budgets at Q1 to help mitigate overspends and an error in the budgeted recharge basis for two posts resulting in more costs being retained in the core. Power and rates costs for the Old Vicarage and Beaconsfield were higher than budget in the year due to a combination of inflation and an increase in space being occupied in the buildings £10k. In addition, more unexpected maintenance was required than would normally be expected with works to the boiler and driveway £10k. Funds set aside for HMRC audit were not required £7k.
Total Function Expenditure Variance	**(133)**	

Expenditure and Income Variances

Income	Variance	Explanation
Conservation of the Natural Environment	(1)	
Conservation of Cultural Heritage	205	Lower income due to slippage in the project reflected in lower costs above.
Recreation Management & Transport	(93)	National Trails and Unclassified Unsurfaced Roads project income offset by increased costs £71k. Car park income was £3k lower than the revised budget. This was excellent performance good results in most months of the year more than offsetting a poor Easter and ticket machine thefts. Education has generated £6k additional income in the year through its activities. Unexpected income from Over Silton in the year of £6k.
Promoting Understanding	(77)	Coastal Communities Fund grant was higher than expected but this is offset by costs above £45k. Exhibitions and visitor centre exceeded income by £28k and £7k respectively. The former was achieved while maintaining the cost budgets and was boosted by an increased proportion of exhibitions with work for sale in the year.
Rangers, Estate & Volunteers	(2)	
Development Management	25	Lower S106 income due to reduced opportunities to charge applicants plus lower planning fees as a result of a change in the mix of planning applications than assumed in the budget.
Forward Planning & Communities	10	Lower Burdens / Brownfield Grants from Ministry of Housing, Communities and Local Government than anticipated.
Corporate & Democratic Core	(22)	Higher donations plus higher interest as a result of the increased Bank of England rate in year and higher cash balances due to slower spend in reserves.
Total Function Income Variance	**45**	

7. The most significant items of expenditure incurred by the Authority are employees at £3.9m (£3.6m in 2017/18). During 2018/19 the Authority employed 124 full time equivalent staff (118.5 in 2017/18).

8. In 2018/19, the Authority spent £485k on capital expenditure of which £199k was funded from revenue expenditure. The remaining capital expenditure was funded from capital contributions and capital receipts. The total capital expenditure represents 5.6% of the Authority's total gross expenditure.

   The equivalent figures for 2017/18 are that £199k was spent on capital expenditure. £173k was funded from revenue expenditure and £26k from capital receipts. The total capital expenditure represented 2.7% of the Authority's total gross expenditure.

9. The Revenue Working Balance – the Authority seeks to maintain a permanent Balance Sheet reserve as a contingency against unexpected events and the actual position at 31st March 2019 is £320k.

10. The accounting policies are set out formally in the Statement of Accounting Policies on Page 17. The policies adopted in 2018/19 are compliant with the "Code of Practice on Local Authority Accounting in the United Kingdom 2018/19" (The Code).

11. The Authority has never borrowed any money for capital purposes, and with no intention to do so in the foreseeable future, does not have in place any arrangement for borrowing facilities. The Authority does have a facility arrangement with North Yorkshire County Council whereby any daily overdraft balances are consolidated into the County Council's Bank Accounts on a daily basis. However, this facility does not represent an overdraft facility, it is used to manage day-to-day cash flow balances (not to fund capital expenditure) and represents an on-going investment of cash balances for investment purposes.

12. The Authority monitors an agreed set of Performance Indicators on a regular basis and the results are reported to the Finance, Risk Audit and Standards Committee (FRASC). An Annual Scrutiny Meeting takes place each July to enable Members to review performance on the Business Plan objectives and targets.

Strategy and Key Future Risks

13. The Authority's successful track record in securing grant funding provides much to celebrate but it is increasingly clear that this is putting pressure on the core resources as new income is tied to specific projects and activities.

14. In order to achieve the Park's purposes, the Authority has been keen to maximise the use of its resources and earmark available reserves to provide match funding. This has been a successful strategy and has enabled the Authority to lever significant additional funding. However moving forward as core costs rise, should income fail to keep pace it is likely that resources for match funding will have to be curtailed unless core savings and efficiencies can be delivered and stretch income targets can be achieved.

15. There is currently considerable financial pressure in the public sector, with increasing costs in other sectors adding the pressure on the public purse. This does provide some uncertainty around future funding for the National Parks and this is the context that we are working in.

16. The final report from the National Parks review will be available in the Autumn 2019. The impacts from this will need to be assessed to understand how they will impact on the Authority.

17. Whilst DEFRA grant will increase by 1.72% per annum in 2019/20 as part of the current agreement, pay and price increases are higher and consequently the gap between expenditure and income has the potential to widen. Funding levels beyond 2019/20 are uncertain as the current agreement comes to an end. The Authority does rely on core funding to help support generation of earned and external income streams.

18. A medium term financial strategy is updated annually involving Members, with the latest in September 2018. This helps to develop and set the overall Authority strategy and is an integral part of the Business Plan, looking at all resources including volunteers. It demonstrates the continuing financial pressure and indicative future deficits that need to be mitigated.

Changes in Accounting Policies and Presentation of the Accounts

19. Following The Code’s adoption of IFRS 9 Financial Instruments, the Authority’s accounting policies relating to this area were reviewed. Minor changes have been reflected in paragraph 8 of the Statement of Accounting Policies for Financial Instruments as the categories of financial instruments carried by the Authority (cash, on-call deposits and a loan) continue to be accounted for at amortised cost. The accounting policy now reflects a requirement to review all of its financial assets held at amortised cost to assess the risk of expected future cash flows not being received.

20. The Code’s adoption of IFRS 9 Financial Instruments has resulted in minor changes to the Presentation of the Accounts, specifically to Disclosure Notes 7 Financial Instruments and 10 Long Term Debtors.

21. Minor changes have been reflected in paragraph 2 of the Statement of Accounting Policies for Accruals of Income and Expenditure to reflect the introduction of IFRS 15 by The Code. IFRS 15 stipulates the accounting treatment for recognising revenue from contracts with customers. The Authority has reviewed its current practice in this area and the authority currently meets the requirements of IFRS 15 so no practical changes in how the Authority recognises revenue from contracts with customers is required in the 2018/19 accounts.

Independent Auditor’s Report to the Members of the Authority

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Statement of Responsibilities for the Statement of Accounts

The Authority is required:

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

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

In preparing the Statement of Accounts, the Treasurer has:

a) Selected suitable accounting policies and applied them consistently;
b) Made judgements and estimates that were reasonable and prudent;
c) Complied with The Code.

The Treasurer has also:

a) Kept proper accounting records that were up to date;
b) Taken reasonable steps for the preventions and detection of fraud and other irregularities.

Certificate of the Treasurer

I certify that the Statement of Accounts 2018/19 presents a true and fair view of the financial position of the North York Moors National Park Authority as at 31st March 2019.

K L. Iveson
Section 151 Officer and Treasurer to the North York Moors National Park Authority
North Yorkshire County Council
County Hall
Northallerton
DL7 8AD
Date: 29th July 2019

Signed on behalf of the North York Moors National Park Authority

I confirm that these Accounts were approved by the National Park Authority on 29th July 2019 following completion of the External Audit

Chair
North York Moors National Park Authority

Core Financial Statements

Movement in Reserves Statement

Movements in Reserves during 2018/19	Usable Reserves General	Usable Reserves Earmarked	Unusable Reserves	Total Reserves
	£000	£000	£000	£000
Balance as at 1 April 2018	**122**	**2,017**	**2,936**	**5,075**
Surplus/(deficit) on the Provision of Services (Page 14)	(88)	0	0	(88)
Other Comprehensive Income & Expenditure (Page 14)	0	0	1,588	1,588
Total Comprehensive Income & Expenditure	**(88)**	**0**	**1,588**	**1,500**
Adjustments between Accounting Basis & Funding Basis Under Regulations (Note 4)	602	0	(602)	0
Net Increase/(decrease) before Transfer to Earmarked Reserves	514	0	986	1,500
Transfers (to)/from Earmarked Reserves	(381)	381	0	0
Increase/(decrease) in 2018/19	133	381	986	1,500
Balance as at 31 March 2019 Carried Forward	**255**	**2,398**	**3,922**	**6,575**

Movements in Reserves during 2017/18	Usable Reserves General	Usable Reserves Earmarked	Unusable Reserves	Total Reserves
	£000	£000	£000	£000
Balance as at 1 April 2017	**994**	**1,201**	**2,462**	**4,657**
Surplus/(deficit) on the Provision of Services (Page 14)	(506)	0	0	(506)
Other Comprehensive Income & Expenditure (Page 14)	0	0	924	924
Total Comprehensive Income & Expenditure	**(506)**	**0**	**924**	**418**
Adjustments between Accounting Basis & Funding Basis Under Regulations (Note 4)	450	0	(450)	0
Net Increase/(decrease) before Transfer to Earmarked Reserves	(56)	0	474	418
Transfers (to)/from Earmarked Reserves	(816)	816	0	0
Increase/(decrease) in 2017/18	(872)	816	474	418
Balance as at 31 March 2018 Carried Forward	**122**	**2,017**	**2,936**	**5,075**

Comprehensive Income and Expenditure Statement for Year Ended 31 March 2019

2017/18 Gross Expenditure £000	2017/18 Income £000	2017/18 Net Expenditure £000		2018/19 Gross Expenditure £000	2018/19 Income £000	2018/19 Net Expenditure £000
946	(288)	658	Conservation of the Natural Environment	1,002	(291)	711
911	(609)	302	Conservation of Cultural Heritage	1,197	(1,020)	177
1,207	(684)	523	Recreation Management & Transport	1,355	(797)	558
1,566	(517)	1,049	Promoting Understanding	1,851	(641)	1,210
879	(4)	875	Rangers, Estates & Volunteers	910	(6)	904
806	(224)	582	Development Control	787	(241)	546
329	(51)	278	Forward Planning & Communities	329	(50)	279
801	(728)	73	Section 106 Compensation & Mitigation	913	(1,252)	(339)
357	(47)	310	Corporate and Democratic Care	536	(2)	534
7,802	**(3,152)**	**4,650**	**Cost of Services**	**8,880**	**(4,300)**	**4,580**
			Other Operating Income & Expenditure			
		(27)	Gain on disposal of fixed assets			(19)
			Financing & Investment Income & Expenditure			
		16	Interest payable and similar charges			16
		(18)	Interest and investment income			(27)
		120	Pensions interest cost ad expected return on assets			106
			Grant Income			
		(4,235)	National Park Grant			(4,308)
		0	Capital Contributions			(260)
		506	**(Surplus)/deficit on Provisions of Services**			**88**
		0	(Surplus)/Deficit on the revaluation of long-term assets			(327)
		(940)	Actuarial losses/(gains) on pension assets/liabilities			(1,277)
		16	Impairment (gains) / losses non-current assets			16
		(924)	**Other Comprehensive Income and Expenditue**			**(1,588)**
		(418)	**Total Comprehensive Income and Expenditure**			**(1,500)**

Balance Sheet as at 31 March 2019

31 March 2018 £000	Notes		31 March 2019 £000
4,611	5	Property, Plant & Equipment	4,997
2,745	5	Heritage Assets	2,781
0		Intangible Assets	0
116	10	Long Term Debtors	100
7,472		**Non Current Assets**	**7,878**
101	8	Inventories	97
754	9	Short Term Debtors	1,038
2,017	11	Cash and Cash Equivalents	2,117
2,872		**Current Assests**	**3,252**
(771)	12	Short Term Creditors	(636)
0		Short Term Provisions	0
(771)		**Current Liabilities**	**(636)**
(178)	24	Finance Lease	(178)
0		Provisions	0
(4,320)	25	Pension Liability	(3,741)
(4,498)		**Long Term Liabilities**	**(3,919)**
5,075		**Net Assets**	**6,575**
122	16	General Fund Reserve	255
2,017	16	Earmarked Reserves	2,398
2,139		**Usable Reserves**	**2,653**
4,176	13	Revaluation Reserve	4,472
3,110	14	Capital Adjustment Account	3,221
0	7	Financial Instruments Adjustment Account	0
(4,320)	15	Pension Reserve	(3,741)
(30)	16	Accumulated Absences Account	(30)
2,936		**Unusable Reserves**	**3,922**
5,075		**Total Reserves**	**6,575**

Cash Flow Statement for Year Ended 31 March 2019

2017/18 £000		Notes	2018/19 £000
	Operating Activities		
(506)	Net Surplus on the Provision of Services		(88)
	Adjustment to Net Surplus on the Provision of Services for Non-Cash Movements		
199	Depreciation	5	236
0	Impairment & Revaluations	5	145
134	Movement in Creditors	12	(133)
(264)	Movement in Debtors	9	(284)
(5)	Movement in Inventories	8	4
0	Movement in Provisions		0
450	Pension Liability	25	698
0	Carrying Value of Non-Current Assets Written Out on Disposal	5	8
0	Other Non-Cash Items Charged to the Provision of Services		0
514			**674**
(11)	**Adjustment for items included in the net surplus or deficit on the provision of services that are investing and financing activities**		**(271)**
(9)	**Net Cash Flows from Operating Activities**		**315**
	Investing Activities		
(199)	Purchase of Property, Plant & Equipment	5	(485)
26	Other Receipts for Investing Activities		286
(184)	**Net Cash Flows from Investing Activities**		**(199)**
(16)	**Financing Activities**		**(16)**
(193)	**Net Increase in Cash and Cash Equivalents**		**100**
2,210	Cash and Cash Equivalents at the Beginning of the Reporting Period	11	2,017
2,017	**Cash and Cash Equivalents at the end of the reporting period**		**2,117**

Notes to the Core Financial Statements

1. Statement of Accounting Policies

1. General

The Statement of Accounts summarises the Authority's transactions for the 2018/19 financial year and its position at the year-end of 31st March 2019. These Accounts have been prepared in accordance with the "Code of Practice on Local Authority Accounting in the United Kingdom 2018/19" (The Code): issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The accounting policies adopted have been used consistently throughout the current and prior period. Any significant non-compliance with The Code is disclosed as part of the relevant Financial Statement.

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

The Statement of Accounts is prepared on a going concern basis, as per the requirements of The Code. This means that the accounts are based on the assumption that the Authority will continue in operational existence for the foreseeable future.

2. Accruals of Income and Expenditure

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

- Revenue is defined as income arising as a result of the Authority's normal operating activities and where income arises from contracts with service recipients it is recognised when or as the Authority has satisfied a performance obligation by transferring a promised good or service to the service recipient;

- Revenue is measured as the amount of the transaction price which is allocated to that performance obligation;

- Supplies are recorded as expenditure when they are consumed. Where there is a gap between the date that supplies are received and their consumption, the value of un-used supplies are carried as inventories on the Balance Sheet at year-end;

- Expenses in relation to services received are recorded as expenditure when the services are received rather than when the payments are made;

- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract; and

- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

3. Cash and Cash Equivalents

Cash equivalents are short-term investments that are of a highly liquid nature. Cash is represented by cash in hand and deposits with financial institutions repayable on short notice without penalty. The Authority has determined that cash equivalents are investments that require more than 3 months' notice to withdraw.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand.

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

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

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

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

5. Charges to Revenue for Non-Current Assets

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

- Depreciation attributable to the assets used by the relevant service; and
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which losses can be written off.

Depreciation, revaluation and impairment losses are replaced by the contribution in the General Fund Balance by way of an adjusting transaction between the Capital Adjustment Account (which is shown as a reserve within the Unusable Reserves within the Balance Sheet) and the Movement in Reserves Statement.

6. Employee Benefits

Benefits Payable during Employment
Short-term employee benefits are those due to be settled within 12 months of the year-end. They include benefits such as salaries, paid annual leave and paid sick leave, for current employees, and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of any type of leave entitlements earned by employees but not taken before the year-end which

employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to surplus/deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that the holiday benefits are ultimately charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

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

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

7. Post-Employment Benefits

Employees, subject to certain qualifying criteria, are eligible to join the Local Government Pension Scheme (LGPS), which provides members with defined benefits earned as employees working for the Authority. For the North Yorkshire area, this is administered by North Yorkshire County Council.

The LGPS is accounted for as a defined benefit scheme:

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

- The assets are included in the Balance Sheet at fair value;
  - quoted securities at current bid price;
  - unquoted securities at professional estimate;
  - unitised securities at current bid price; and
  - property at market value.

- The change in the net pensions liability is analysed into ten components:
  - **current service cost** – the increase in liabilities as a result of years of service earned this year, allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
  - **past service cost** – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years, debited to the surplus/deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement;

- **interest cost** – the expected increase in the present value of liabilities during the year as they move one year closer to being paid, debited to the Financing/Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- **remeasurement assets** – the improvement in the value of assets held at the start of the year and includes an adjustment following each triennial valuation;
- **remeasurement liabilities** – reflects adjustments made following each triennial valuation, and adjustments due to changes to financial assumptions and to demographic assumptions determined at the start and end of the financial year;
- **gains or losses on settlements and curtailments** – the results of actions to relieve the Authority of liabilities or events that reduce the expected future service or accrual of benefits of employees, debited or credited to the surplus/deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement;
- **actuarial gains and losses** – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions, debited to the Pensions Reserve;
- **contributions paid to the North Yorkshire Pension Fund** – cash paid by scheme participants and the Authority as determined by the regulations;
- **benefits paid** – transfers to or from the Authority with the associated adjustment to attributable assets and liabilities; and
- **administrative expenses** – the cost of investment and are treated as a reduction in the return on investments.

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

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

8. Financial Instruments

Financial instruments are formally defined within The Code as contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The term financial instrument covers both financial assets and financial liabilities and covers the most straightforward financial assets and liabilities such as trade receivables and trade payables and the most complex ones such as derivatives and embedded derivatives.

The Authority's accounting policies that are relevant to financial instruments comply with the requirements of The CIPFA Code of Practice on Treasury Management which sets out a framework of operating procedures in relation to Treasury Management.

The Authority's accounting policies also comply with the adoption of IFRS 9 Financial Instruments by the CIPFA Code of Practice on Local Authority Accounting. The Authority's Financial Assets are cash, on-call deposits, and a loan, all of which continue to be carried at amortised cost. As per the requirements of IFRS 9, the Authority now reviews all of its financial assets held at amortised cost to assess the risk of expected future cash flows not being received.

9. Grants

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

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

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

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

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

The accounting treatment for grants is in accordance with IAS 20 Accounting for Government Grants.

10. Inventories

Inventories have been included in the Accounts at cost price. In general, obsolete and slow moving items are written-off during the year. It is considered that this difference in treatment does not have a material effect on the Accounts.

11. Leases

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

The Authority, as lessee, has entered into leasing arrangements of both an Operating and Finance Lease nature. Where it is judged that substantially all of the risks and rewards incidental to the ownership of an asset have been transferred to the National Park Authority, then the lease is classified as a Finance Lease. A Finance Lease gives rise to the recognition of the fixed asset on the Balance Sheet together with a corresponding liability for future payments. Rental payments made under a Finance Lease are apportioned between a charge to write down the lease liability within the Balance Sheet and an element for finance charges. These charges are based upon the original rent payable on the lease agreement.

Rentals paid under Operating Leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the service benefitting from the use of the leased property, plant or equipment. Charges are made on a straight line basis over the life of the lease, even if this does not match the pattern of payments.

The Authority acts as the lessor on a number of properties under Operating Lease arrangements. Rental income is credited to the Provision of Services on a straight line basis over the period of the lease.

12. Overheads and Support Services

The cost of Support Services such as Finance, Information Technology, Personnel, and Customer Services are recharged to the appropriate functional headings. This is on the basis of various recharge calculations related to the Support Services expenditure being allocated.

All recharges of Support Services costs are consistent with the principles outlined in the CIPFA Service Reporting Code of Practice (SeRCOP).

13. Property, Plant and Equipment

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

Recognition
All expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential i.e. repairs and maintenance is charged as an expense when it is incurred.

Measurement
Assets are initially measured at cost, comprising

- The purchase price; and

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

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

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

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

Property, Plant and Equipment is valued on the basis required by CIPFA in accordance with the Statements of Appraisal and Valuation Standard issued by The Royal Institution of Chartered Surveyors (RICS). Asset Valuations are carried out on an agreed on-going basis by Align Property Partners.

Assets are classified into the groupings required by The Code.

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

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

A full revaluation of property is undertaken every five years. A desktop review of property is also undertaken annually to ensure valuations reflect a true and fair view of the carrying value of assets at the Balance Sheet date.

A Revaluation Reserve for those assets recorded at fair value is held in the Balance Sheet, made up of unrealised revaluation gains relating to individual assets, with movements in valuations being managed at an individual asset level. Any decreases in value of an asset are recorded against the Revaluation Reserve to the extent that a balance of accumulated gains is recorded against the individual asset. Where the decrease in value is in excess of any balance held within the Revaluation Reserve the reduction is then charged to the relevant service line within the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains gains recognised since its implementation on 1st April 2007. Gains arising before that date have been consolidated into the Capital Adjustment Account.

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

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

Where an impairment loss is charged to the Comprehensive Income and Expenditure Statement but there were accumulated revaluation gains in the Revaluation Reserve for that asset, an amount up to the value of the loss is transferred from the Revaluation Reserve to the Capital Adjustment Account.

De-Minimis
Individual assets below the value of £5k will not be recorded in the asset register and will be charged in the Comprehensive Income and Expenditure Statement in the appropriate service line unless the terms of a grant require it to be applied to capital expenditure.

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

- Buildings (but not the land on which they stand) are depreciated over their remaining useful lives. Estimates of useful life are determined for each property and where material, for components of those properties as part of the valuation process. 13 Bondgate (Helmsley), Old Vicarage (Helmsley), Sutton Bank Visitor Centre, Moors Centre (Danby) and Spout House (Chopgate) buildings are depreciated over 40 years, as advised by Align Property Partners. All other buildings are depreciated over 30 years with the exception of the buildings at Sawmill Lane Depot (Helmsley) which are depreciated over 20 years; and

- Vehicles, plant, furniture and equipment are depreciated over a number of years depending on the nature of the asset (e.g. vehicles 5 years, equipment 3 to 5 years).

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

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

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

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

Amounts received in excess of £5k are categorised as capital receipts and the balance credited to the Usable Capital Receipts Reserve, and will only be used to finance new capital investment. Receipts are appropriated to the General Fund Reserve in the Movement in Reserves Statement.

Revaluation Reserve
The Revaluation Reserve was established with a balance of zero as at 1st April 2007. This reserve has been used solely to account for changes in asset values (either upwards or downwards) following revaluation after 1st April 2007.

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

14. Heritage Assets

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

The Authority has agreed criteria for the acquisition of land in order to achieve statutory purposes. The Authority develops plans for the specific actions in relation to the preservation and management of heritage assets. It is anticipated that any acquisition of heritage assets will be made by donation or acquisition for statutory purposes. Where an item is acquired and it is deemed appropriate, valuations will be sought from an independent external valuer.

Heritage assets are measured at valuation where available and the asset is recognised within the Balance Sheet. Valuations are reviewed with sufficient frequency (as indicated in Note 5b) to ensure measurement remains current.

Where the Authority considers that obtaining full valuations for assets would involve a disproportionate cost in comparison to the benefits to the users of the Financial Statements the asset is not recognised in the Balance Sheet, but included in the accounts as a disclosure.

Where heritage assets are held within the Balance Sheet, the carrying amounts will be reviewed where there is evidence of impairment i.e. where an item has suffered physical deterioration or breakage or where doubts arise to authenticity. Any impairment is recognised in accordance with the Authority's general policies on impairment.

If it is agreed to dispose of any heritage assets, the proceeds are accounted for in accordance with the Authority's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements for capital receipts.

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

15. Provisions and Contingent Liabilities

Provisions

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

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

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

Contingent Liabilities

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

The Authority has identified one contingent liability as at 31st March 2019.

16. Reserves

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

Certain reserves are kept to manage the accounting process for non-current assets, financial instruments, and retirement and employee benefits and do not represent usable resources for the Authority; these reserves are explained in the relevant policies. These reserves are ‘non-cash’ reserves, and do not impact on utilisation of the National Park Grant.

17. Presentation of Accounting Statements

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

18. VAT

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

19. Treasury Management

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

20. Critical Judgements in Applying Accounting Policy

In applying the accounting policies set out above, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events involving the following areas:

- Grant Income - Judgement is required to determine whether the Authority can be reasonably assured that the conditions of grant and contribution income received have been met before recognising them as income in the Comprehensive Income and Expenditure Statement. Where conditions require specified expenditure to have taken place, the grant monies will not be recognised until this has happened. Equally where conditions specify that a grant or contribution must be re-paid in the event of non-expenditure, the income is not recognised until the conditions of the grant have been met.

- Leases - The IFRS Code requires the Authority to consider the classification of leases between the categories of finance and operating on an annual basis. The distinction between the two categories is not clearly defined by the IFRS Code and an element of judgement is required to make the assessment in line with best practice.

- Heritage Assets - Heritage assets are non-current assets which are intended to be preserved in trust for future generations because of their historical, artistic, scientific, technological, geophysical or environmental qualities. They are held and maintained by the Authority principally for their contribution to knowledge and culture. As a result accurate valuations for Heritage Assets may not be available but are measured at valuation where available and the asset is recognised within the Balance Sheet.

All the Heritage Assets have been included in the full revaluation this year so the risk involved in the critical judgements should be minimal this year.

21. Assumption Made About the Future and Other Major Sources of Estimation

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

Property, Plant and Equipment
Assets are depreciated over the useful economic life that the asset (or components of the assets where appropriate) will be operational. The useful economic life of an individual asset is dependent upon maintaining an appropriate level of repair and maintenance expenditure on that asset. Should insufficient expenditure be incurred to properly maintain an asset then it may be the case that the useful economic life of that asset is reduced; this might give rise to an impairment or accelerated depreciation being required.

Pension Liability
Estimation of the net liability to pay future pensions depends upon a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, mortality rates and expected returns on pension fund assets. Sensitivity analysis around certain assumptions has identified that the following changes to the current estimated pension deficit of £3.741m would occur if alternative assumptions were to be applied:

- A +0.1% p.a. change in the discount rate to be applied would reduce the pension deficit by £585k

- A +0.1% p.a. change in pay growth would increase the deficit by £122k

- A +0.1% p.a. change in inflation would increase the deficit by £475k

- An additional 1 year increase in life expectancy would increase the deficit by £849k

A negative change would result in the above movements being reversed.

22. Events after the Balance Sheet Date

Under IAS 10 Events after the Reporting Period, the Authority is required to disclose the date that the financial statements are authorised for issue. This establishes the date after which events will not have been recognised in the Statement of Accounts.

The Statement of Accounts for 2018/19 was authorised on 29th May 2019 by the Treasurer.

23. Future Changes to International Financial Reporting Standards (IFRS)

CIPFA are considering the implications of adopting IFRS 16 Leases. This standard was originally expected to be adopted in the Statements of Accounts for 2019/20 but this has been deferred for a year and will not be adopted until 2020/21.

2. Expenditure and Funding Analysis

Expenditure and Funding Analysis 2018/19	Outturn Figures	Capital Charges	Capital Expenditure Funded from Revenue	Pension Adjust with IAS19	Interest Received	Finance Lease Asset	Net Expenditure in Final Accounts
	£000	£000	£000	£000	£000	£000	£000
Conservation of the Natural Environment	**645**	14	0	52	0	0	**711**
Conservation of Cultural Heritage	**125**	10	0	42	0	0	**177**
Recreation Management & Transport	**487**	48	(19)	42	0	0	**558**
Promoting Understanding	**1,041**	213	(112)	84	0	(16)	**1,210**
Rangers, Estate & Volunteers	**782**	76	(3)	49	0	0	**904**
Development Control	**485**	13	0	48	0	0	**546**
Forward Planning & Communities	**262**	3	0	14	0	0	**279**
S106 Compensation & Mitigation	**(359)**	0	0	20	0	0	**(339)**
Corporate & Democratic Core	**326**	4	(64)	241	27	0	**534**
Net Cost of Services	**3,794**	**381**	**(198)**	**592**	**27**	**(16)**	**4,580**
Loss on Disposal							**(19)**
Interest Payable							**16**
Interest Received							**(27)**
Net Pensions Interest Cost							**106**
National Park Grant							**(4,308)**
Capital Contributions							**(260)**
Deficit on Provision of Services							**88**
Surplus on Revaluation of Fixed Assets							**(327)**
Actuarial (gains) / losses on Pension Assets / Liabilities							**(1,277)**
Impairment (gains) / losses on Non-Current Assets							**16**
Total Comprehensive Income & Expenditure							**(1,500)**

Amounts Reported for Resource Allocation Decisions

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Statement is that specified by the CIPFA Code of Practice. This is the same basis used to make decisions about resource allocation, which are taken by the Authority's Finance, Risk, Audit and Standards Committee (FRASC). However these reports are prepared on a different basis from the accounting policies used in the financial statements.

In particular, no charges are made in relation to capital expenditure (whereas depreciation, revaluation and impairment losses in excess of the balance on the revaluation Reserve and amortisations are charged in the Comprehensive Income and Expenditure Statement).
Actual capital expenditure and income is included in the committee reports but taken out of the Comprehensive Income and Expenditure Statement, which just show revenue.

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

The outturn position reported to committee is summarised in the Explanatory Foreword on Page 5, and therefore the detailed report is not included here. A reconciliation to show the difference is shown above.

Comparison Expenditure and Funding Analysis 2017/18	Outturn Figures	Capital Charges	Capital Expenditure Funded from Revenue	Pension Adjust with IAS19	Interest Received	Finance Lease Asset	Net Expenditure in Final Accounts
	£000	£000	£000	£000	£000	£000	£000
Conservation of the Natural Environment	**595**	10	0	53	0	0	**658**
Conservation of Cultural Heritage	**278**	9	(26)	41	0	0	**302**
Recreation Management & Transport	**457**	31	(6)	41	0	0	**523**
Promoting Understanding	**1,014**	50	(76)	77	0	(16)	**1,049**
Rangers, Estate & Volunteers	**810**	79	(65)	51	0	0	**875**
Development Control	**525**	11	0	46	0	0	**582**
Forward Planning & Communities	**260**	3	0	15	0	0	**278**
S106 Compensation & Mitigation	**55**	0	0	18	0	0	**73**
Corporate & Democratic Core	**285**	7	0	0	18	0	**310**
Net Cost of Services	**4,279**	**200**	**(173)**	**342**	**18**	**(16)**	**4,650**
Loss on Disposal							**(27)**
Interest Payable							**16**
Interest Received							**(18)**
Net Pensions Interest Cost							**120**
National Park Grant							**(4,235)**
Capital Contributions							**0**
Deficit on Provision of Services							**506**
Surplus on Revaluation of Fixed Assets							**0**
Actuarial (gains) / losses on Pension Assets / Liabilities							**(940)**
Impairment (gains) / losses on Non-Current Assets							**16**
Total Comprehensive Income & Expenditure							**(418)**

3. Income and Expenditure by Nature

The income and expenditure of the Authority's principal services recorded in the budget for the year are as follows:

	2018/19	2017/18
	£000	**£000**
Fees, Charges & Service Income	(2,781)	(2,130)
Government Grants	(321)	(340)
Section 106 Compensation & Mitigation Income	(1,252)	(728)
Total Income	**(4,354)**	**(3,198)**
Employee Expenses	3,928	3,643
Other Service Expenses	4,710	3,846
Total Expenditure	**8,638**	**7,489**
Net Expenditure	**4,284**	**4,291**

4. Adjustments between Accounting Basis and Funding Basis under Regulations

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

2018/19	Usable Reserves General Fund Reserve	Capital Receipts Reserve	Movement in Unusable Reserves
	£000	£000	£000
Adjustments involving the Capital Adjustment Account			
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement			
Charges for depreciation, amortisation and impairment of non-current assets	382		(382)
Carrying Value of non-current assets written out on disposal	8		(8)
Transfer of Sale Proceeds Credited as part of the Gain/Loss on Disposal to the CI&E	(27)		27
Capital contributions	(260)		260
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement			
Capital expenditure charged against the General Fund	(199)		199
Adjustments involving the Capital Receipts Reserve			
Transfer of Sales proceeds credited as part of the gain/loss on disposal to the Statement of Comprehensive Income		27	(27)
Use of capital receipts		(27)	27
Adjustments involving the Pensions Reserve			
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	1,199		(1,199)
Employer's pension contribution payable in the year	(501)		501
Adjustment involving the Accumulating Compensated Absences Adjustment Account			
Amount by which Officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year, in accordance with statutiry requirements	0		0
Total Adjustments	**602**	**0**	**(602)**

2017/18	Usable Reserves General Fund Reserve	Capital Receipts Reserve	Movement in Unusable Reserves
	£000	£000	£000
Adjustments involving the Capital Adjustment Account			
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement			
Charges for depreciation, amortisation and impairment of non-current assets	198		(198)
Carrying Value of non-current assets written out on disposal			
Transfer of Sale Proceeds Credited as part of the Gain/Loss on Disposal to the CI&E	(26)		26
Capital contributions			
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement			
Capital expenditure charged against the General Fund	(173)		173
Adjustments involving the Capital Receipts Reserve			
Transfer of Sales proceeds credited as part of the gain/loss on disposal to the Statement of Comprehensive Income		26	(26)
Use of capital receipts		(26)	26
Adjustments involving the Pensions Reserve			
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	923		(923)
Employer's pension contribution payable in the year	(472)		472
Adjustment involving the Accumulating Compensated Absences Adjustment Account			
Amount by which Officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year, in accordance with statutiry requirements	0		0
Total Adjustments	**450**	**0**	**(450)**

5. Property, Plant and Equipment and Heritage Assets

a) Movements in Property, Plant and Equipment

Movements in 2018/19	Land & Buildings £000	Vehicles, Plant & Equipment £000	Total £000
Historical or Revalued Gross Cost	**4,511**	**1,172**	**5,683**
Additions in year	54	431	485
Cost of disposals in year	0	(36)	(36)
Revaluations at 31 March 2019:			
Recognised in the revaluation reserve	116	0	116
Recognised in the provision of services	(145)	0	(145)
Gross value at 31 March 2019	**4,536**	**1,567**	**6,103**
Depreciation b/f	(175)	(898)	(1,073)
Depreciation for 2018/19	(75)	(161)	(236)
Accumulated depreciation of disposals	0	28	28
Revaluations:			
Recognised in the revaluation reserve	175	0	175
Recognised in the provision of services	0	0	0
Net value at 31 March 2019	**4,461**	**536**	**4,997**

Movements in 2017/18	Land & Buildings £000	Vehicles, Plant & Equipment £000	Total £000
Historical or Revalued Gross Cost	**4,439**	**1,111**	**5,550**
Additions in year	72	128	200
Cost of disposals in year	0	(67)	(67)
Revaluations at 31 March 2018:			
Recognised in the Revaluation Reserve	0	0	0
Recognised in the Provision of Services	0	0	0
Gross Value at 31 March 2018	**4,511**	**1,172**	**5,683**
Depreciation b/f	(91)	(850)	(941)
Depreciation for 2017/18	(83)	(115)	(198)
Accumulated depreciation of disposals	0	67	67
Revaluations:			
Recognised in the Revaluation Reserve	0	0	0
Recognised in the Provision of Services	0	0	0
Net Value at 31 March 2018	**4,337**	**274**	**4,611**

b) Heritage Assets

Heritage assets are non-current assets which are intended to be preserved in trust for future generations because of their historical, artistic, scientific, technological, geophysical or environmental qualities. They are held and maintained by the Authority principally for their contribution to knowledge and culture.

The following heritage assets held in the Balance Sheet at valuations:

	2018/19	2017/18	2016/17	2015/16	2014/15
	£000	£000	£000	£000	£000
At 1 April	**2,745**	**2,745**	**3,028**	**3,024**	**2,889**
Revaluation	36	0	(283)	4	135
At 31 March	**2,781**	**2,745**	**2,745**	**3,028**	**3,024**

Heritage Assets held by the Authority consist of:

- The Levisham Estate (approximately 1,347 Hectare of moorland, woodland and grassland)
- Spout House, Bilsdale (single storey Grade 1 listed building)
- Cawthorne Moor (approximately 42 Hectares of woodland with Roman Camp and Bronze Age Barrow)

Heritage assets are included within the Balance Sheet at valuation. A full valuation of the Authority's land and buildings (including those classified as Heritage Assets) was undertaken in 2018/19, as part of the 5 year rolling programme of revaluation by RICS registered valuers, Align Property Partners as at 31st March 2019. A desktop valuation of the Authority's land and buildings (including Heritage Assets) will be undertaken each year prior to the next full revaluation.

c) Depreciation

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

- Buildings (but not the land they stand on) HQ, Sutton Bank Visitor Centre, Moors Centre, 13 Bondgate (Hemsley) & Spout House – 40 years
- All other buildings – 30 years (with the exception of Saw Mill Lane Depot – 20 years)
- Vehicles – 5 years
- Heritage Assets – infinite lives with no depreciation charge applied

d) Revaluations

The Authority carries out a programme at least every 5 years that ensures all Property, Plant and Equipment that is required to be measured at fair value is re-valued. Furthermore, in order to ensure the carrying amounts of the Authority's land and buildings are kept up to date, a desktop valuation of Land & Buildings is also undertaken annually. Land and buildings were last fully re-valued as at 31st March 2019 by Align Property Partners. The basis of valuation is disclosed in Policy 13 Statement of Accounting Policies.

e) Financing of Property, Plant and Equipment

The capital expenditure on fixed assets of £485k, (£199k in 2017/18) was financed as follows:

	31 March 2019	31 March 2018
	£000	£000
Revenue	198	173
Capital contributions	260	0
Capital receipts	27	26
Capital grant	0	0
	485	**199**

f) Capital Schemes

The key capital schemes were the replacement of a vehicle, replacement of equipment, ongoing improvements of the car park at Sutton Bank, refurbishment of the Danby Moors Centre and IT equipment purchases.

	31 March 2019	31 March 2018
	£000	£000
Land & Buildings	54	72
Vehicles, Plant & Equipment	354	96
IT & Other Equipment	77	31
	485	**199**

g) Analysis of Property

The list below gives an indication of the significant fixed assets of the Authority as at 31st March 2019:

Land	**Acres**
Land related to operational use	3,500

Buildings	**Number**
National park centres	2
Other operational buildings	1
Public conveniences	7
Administrative buildings	2

6. Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the next table (including the value of assets acquired under finance leases, together with the resources that have been used to finance it). When capital expenditure is to be financed in future years by charges to revenue, as assets are used by the Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. The CFR is analysed as follows:

	2018/19	**2017/18**
	£000	**£000**
Opening Capital Financing Requirement	**179**	**179**
Capital Investment		
Property, Plant & Equipment	485	199
Source of Finance		
Capital receipts	(27)	(26)
Capital contributions	(260)	0
Sums set aside from Revenue		
Direct revenue contributions	(198)	(173)
Minimum Revenue Provision	0	0
Closing Capital Financing Requirement	**179**	**179**

The Capital Financing Requirement arises as a result of the classification of the building element of Moors Centre Lease as a Finance Lease under IFRS. The Prudential Framework for Capital Finance establishes a statutory basis for the

Minimum Revenue Provision to be charged in relation to Finance Leases. This states that charges should be made to revenue equal to the element of the rental payable for any year to write down the balance sheet liability.

7. Financial Instruments

a) Financial Assets: Cash, Loans and Receivables

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

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

The Authority's Treasury Management is provided via a collaboration arrangement with NYCC under the CIPFA Code of Practice on Treasury Management. The code sets out a framework of operating procedures to reduce treasury risk and improve understanding and accountability regarding the Treasury position of the Authority.

The CIPFA Code of Practice on Treasury Management requires:

- A Treasury Management Policy Statement (TMPS) stating North Yorkshire County Council's policies and objectives for its treasury management activities; and

- A framework of Treasury Management Practices (TMPs) setting out the manner in which North Yorkshire County Council will seek to achieve the policies and objectives set out above and prescribing how it will manage and control those activities.

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

- Risk management;

- Performance measurement;

- Decision making and analysis;

- Approved instruments, methods and techniques;

- Organisation, clarity and segregation of responsibilities and dealing arrangements;

- Reporting requirements and management information arrangements;

- Budgeting, accounting and audit arrangements;
- Cash and cash flow management;
- Money laundering;
- Training and qualifications;
- Use of external service providers; and
- Corporate governance.

b) Financial Instrument Balances

	31 March 2019	31 March 2018
	£000	**£000**
Bank current accounts	(109)	(214)
Short-term deposit with NYCC Treasury	2,226	2,231
	2,117	**2,017**
Long Term Debtors (see Note 10)		
Loan	100	116
Total - Financial Instruments	**2,217**	**2,133**

The figures shown above consist of the nominal value of loans plus accrued interest at that date. This complies with the requirements for financial instruments in accordance with the Code and adoption of IFRS 9.

All Financial Instruments continue to be carried at amortised cost after the adoption of IFRS 9.

c) Fair Value of Assets and Liabilities Carried at Amortised Cost

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

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

- A review of bad debts was performed at the balance sheet date and no impairments have been applied.

d) Disclosure of Nature and Extent of Risk Arising from Financial Instruments

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

- Credit Risk – the possibility that other parties may fail to pay amounts due to the Authority;

- Liquidity Risk – the possibility that the Authority might not have funds available to meet its commitments to make payments; and

- Market Risk – the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rate movements.

e) Procedures for Managing Risk

Through the collaboration arrangement with NYCC, the Authority complies with the CIPFA Prudential Code, the CIPFA Treasury Management in the Public Services Code of Practice and the Department for Communities & Local Government Investment Guidance issued through the Local Government Act 2003. Risk is managed in the following ways:

- By NYCC adopting the requirements of the code of practice

- The approved prudential indicator limits set out for the following three years:
  - The Authority's overall borrowing limits
  - Its maximum and minimum exposures to fixed and variable interest rates
  - Its maximum annual exposures to investments maturing beyond a year

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

The Authority does not generally allow credit for its debtors. Analysis of invoices outstanding as at 31st March 2019, which are included within the £1,038k short-term debtors, can be analysed by age as follows:

	31 March 2019	31 March 2018
	£000	£000
Less than 3 months	163	72
3 to 6 months	4	5
6 to 12 months	6	37
More than 12 months	12	43
	185	**157**

Liquidity Risk
The Authority has next day access to investments and is funded centrally by DEFRA. Grant funding is known in advance so working balances can be managed. The Authority does not have any external borrowing.

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

Amounts Arising from Expected Credit Loss
As per the requirements of The Code as a result of the adoption of IFRS 9, The Authority has assessed its investments and concluded that any expected credit loss is not material, therefore no allowances have been made.

8. Inventories

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

	Stock for Resale		Footpath Maintenance Stock		Total	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000	£000	£000
Balance at 1 April	**83**	**80**	**18**	**16**	**101**	**96**
Purchases	125	129	67	52	192	181
Inventory utilised in year	(130)	(126)	(66)	(50)	(196)	(176)
Balance at 31 March	**78**	**83**	**19**	**18**	**97**	**101**

9. Short Term Debtors

The Short-Term Debtors recorded on the balance sheet can be analysed as follows:

	31 March 2019	31 March 2018
	£000	£000
Central government bodies	754	517
Other local authorities	38	22
Other entites and individuals	203	180
Payments in advance	43	35
	1,038	**754**

Provision for Doubtful Debt
A £10k provision has been made for doubtful debts in 2018/19.

10. Long Term Debtors

A £177k loan over 12 years to Esk Energy (Yorkshire) Limited was advanced in 2012/13 (£20k) and 2011/12 (£157k). This loan arrangement is subject to a formal signed legal agreement. There was a balance of £116k as at 31st March 2018 and a repayment was made in 2018/19 of £16k, thus the balance of this loan is £100k as at 31st March 2019.

The loan is also classified as a financial instrument and further information appears in Note 7 Financial Instruments.

11. Cash and Cash Equivalent

The balance of cash and cash equivalents is made up of the Authority's current bank accounts and short term deposit with North Yorkshire County Council (See Note 7b).

12. Short-term Creditors

The short-term creditors recorded on the balance sheet can be analysed as follows:

	31 March 2019	31 March 2018
	£000	£000
Central government bodies	83	59
Other local authorities	65	69
Other entities and individuals	318	208
Accumulated absences	30	30
Income in advance	140	405
	636	**771**

13. Revaluation Reserve

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

- Re-valued downwards or impaired and the gains are lost;
- Used in the Provision of Services and the gains are consumed through depreciation; or
- Disposed of and the gains realised.

The Reserve contains only revaluation gains accumulated since 1st April 2007, the date that the reserve was created.

	2018/19	2017/18
	£000	£000
Balance at 1 April	**4,176**	**4,214**
Upward revaluation of asset	327	0
Difference between fair value depreciation and historical cost depreciation	(31)	(38)
Balance at 31 March	**4,472**	**4,176**

14. Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provision. The Account is debited with the cost of acquisition or enhancement as depreciation; impairment losses and amortisation are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis).

	2018/19	2017/18
	£000	£000
Balance at 1 April	**3,110**	**3,086**
Reversal of items relating to capital expenditure debited or credited to the Statement of Comprehensive Income		
Charges for depreciation and impairement of non-current assets	(236)	(198)
Revaluation losses on Plant, Property and Equipment	(145)	0
Amounts of non-current assets written off on disposal to Statement of Comprehensive Income	(8)	0
Write down long term debtor	(16)	(16)
	(405)	**(214)**
Adjusting amount written out of the Revaluation Reserve	31	38
Net written out amount of the cost of non-current assets consumed in year	**(374)**	**(176)**
Capital financing applied in year:		
Use of capital receipts	27	26
Capital grants & contributions credited to the SCI	260	0
Capital expenditure charged against the general fund	198	174
	485	**200**
Balance at 31 March	**3,221**	**3,110**

15. Pension Reserve

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

The Authority participates in the North Yorkshire Pension Fund.

	2018/19	2017/18
	£000	£000
Balance at 1 April	**(4,320)**	**(4,809)**
Remeasurement of net defined benefit liability	1,277	940
Reversal of items relating to retirement benefits debited/credited to the surplus/deficit on the Provision of Services	(1,199)	(923)
Employers pension contributions and direct payments to pensioners payable in year	501	472
Balance at 31 March	**(3,741)**	**(4,320)**

16. Transfers to/from Earmarked Reserves

This shows the amounts set aside from the General Fund in earmarked reserves to provide financing for future expenditure plans and the amounts posted back into the General Fund 2018/19. The National Trails Reserve and Car Park Income Generation Reserve are two new reserves for 2018/19.

	Balance at 31 March 2018	Movement to Reserves 2018/19	Movement from Reserves 2018/19	Net Movement	Balance at 31 March 2019
	£000	£000	£000	£000	£000
Emergency Reserve	320	0	0	0	320
Capital & Maintenance Reserve	888	0	(211)	(211)	677
TELI Reserve	228	287	(52)	235	463
Section 106 Reserve	288	380	(26)	354	642
National Trails Reserve	0	36	(24)	12	12
NYMNR Reserve	30	0	0	0	30
Project Reserve	264	48	(158)	(110)	154
Car Park Income Generation Reserve	0	100	0	100	100
Other Earmarked Reserves	0	0	0	0	0
Total Earmarked Reserves	**2,018**	**851**	**(471)**	**380**	**2,398**
General Fund	122	366	(232)	134	256
Total Usable Reserves	**2,140**	**1,217**	**(703)**	**514**	**2,654**

	Balance at 31 March 2017	Movement to Reserves 2017/18	Movement from Reserves 2017/18	Net Movement	Balance at 31 March 2018
	£000	£000	£000	£000	£000
Emergency Reserve	320	0	0	0	320
Capital & Maintenance Reserve	250	638	0	638	888
TELI Reserve	228	0	0	0	228
Section 106 Reserve	384	107	(203)	(96)	288
NYMNR Reserve	0	30	0	30	30
Project Reserve	0	264	0	264	264
Other Earmarked Reserves	19	0	(19)	(19)	0
Total Earmarked Reserves	**1,201**	**1,039**	**(222)**	**818**	**2,018**
General Fund	994	31	(903)	(872)	122
Total Usable Reserves	**2,195**	**1,070**	**(1,125)**	**(55)**	**2,140**

17. Agency Services

The Authority has contracts with the following Local Authorities to provide services. The charges for 2018/19 and 2017/18 are as follows:

	2018/19	2017/18
	£000	£000
North Yorkshire County Council	114	79
Scarborough Borough Council	123	101
	237	**180**

18. Member's Allowance

The total amount of member's allowances paid during 2018/19 was £64k (£56k in 2017/18).

19. Disclosure of Remuneration

The Public Sector Accounts and Audit Regulations 2011 require that the Authority discloses the number of employees whose remuneration falls in each bracket of a scale in multiples of £5,000 starting with £50,000. The definition of remuneration includes gross pay and certain expense allowances but excludes NIC's as they do not form part of the individual's remuneration.

	Number of Employees	
Band	**2018/19**	**2017/18**
£50,000 - £54,999	0	2
£55,000 - £59,999	2	1
£60,000 - £64,999	0	0
£65,000 - £69,999	0	0
£70,000 - £74,999	0	1
Over £74,999	1	0

The regulations also require that certain senior employees whose salary is £50,000 or more per year must be listed by way of job title.

	2018/19	2017/18
	£	**£**
Chief Executive		
Total remuneration excluding pension contribution	87,000	74,453
Employers pension contribution	15,660	13,402
Total remuneration including pension contribution	**102,660**	**87,855**
Director of Planning		
Total remuneration excluding pension contribution	59,160	56,211
Employers pension contribution	9,685	8,691
Total remuneration including pension contribution	**68,845**	**64,902**
Director of Park Services		
Total remuneration excluding pension contribution	0	53,000
Employers pension contribution	0	9,540
Total remuneration including pension contribution	**0**	**62,540**
Director of Conservation		
Total remuneration excluding pension contribution	55,080	52,142
Employers pension contribution	9,914	9,386
Total remuneration including pension contribution	**64,994**	**61,528**

The Local Government pension scheme is a contributory scheme and in addition to the payments made by the Authority, employees are required to contribute a percentage calculated in accordance with salary bandings. Employees also have options to make additional contributions to the scheme to increase their benefits against which the Authority makes no further contribution.

The Chief Executive has asked that this note confirms that an additional contribution was made from his salary of £8k.

In 2018/19 the Chief Executive claimed £160.00 (£234.00 in 2017/18) in expenses for reimbursement of expenditure incurred whilst on Authority business and did not receive any benefits in kind.

20. Exit Packages and Termination Benefits

There were no compulsory redundancy or other exit packages paid out to employees in either 2018/19 or 2017/18.

21. External Audit Cost

The Authority has incurred the following costs in relation to External Audit:

	2018/19	2017/18
	£000	£000
Fees payable for external audit services	9	12
	9	**12**

22. Grant Income

The Authority credited the following grants and contributions to the Comprehensive Income and Expenditure Statement in 2018/19:

	2018/19	2017/18
	£000	£000
Credited to Grant Income		
National Park Grant (NPG)	4,308	4,235
Credited to Services		
Natural England	142	149
English Heritage	25	75
Forestry Commission	1	3
Environment Agency	41	26
North Yorkshire County Council	73	49
Redcar & Cleveland Borough Council	0	0
DCLG	34	35
Other local authorities	5	3
Total government revenue grants (excluding NPG)	**321**	**340**
Lottery funding	874	500
Other Grants	383	252
Total revenue grants (excluding NPG)	**1,578**	**1,092**

23. Related Party Transactions

The Authority is required to disclose material transactions with related parties. These are bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority; the bodies identified are:

Central Government has effective control over the general operation of the Authority. It is responsible for providing the statutory framework, within which the Authority operates, provides the largest proportion of its funding and prescribes the terms of many of the transactions with other parties. Details of transactions with government departments in terms of grants are set out in Note 22.

Members of the Authority have direct control over the Authority's financial and operating policies. The Register of Members' Interests, which authorities are required to maintain, in accordance with the National Park Authority Members Code of

Conduct, and any disclosures of direct or indirect pecuniary interests made in accordance with section 94 of the Local Government Act 1972, were examined.

The Authority has 20 Members, 11 are appointed from the Councillors of the County, Borough and District Councils that the National Park geographical boundary encompasses. Of these, North Yorkshire County Council has 4 seats, Scarborough BC 2 seats, Redcar & Cleveland and Ryedale DC 2 seats each, and Hambleton DC 1 seat. The remaining members are Defra appointments, 5 Secretary of State and 4 Secretary of State Parish. All transactions with the appropriate councils in 2018/19 are included within the primary financial statements and relevant Disclosure Notes reported in these accounts.

It should be noted that the Treasurer (Section 151 Officer) of the Authority is also an Assistant Director for North Yorkshire County Council. The Authority's Monitoring Officer is the Director of Legal and Democratic Services at Scarborough Borough Council.

Three Members and one officer of the Authority serve on the North York Moors National Park Trust board of nine.

Officers have day to day control of the running of the Authority's affairs. Zero Material Related Party Transactions took place with Members during 2018/19.

Related Party	Income	Expenditure	Net	Comment
North Yorkshire County Council	(87,357.75)	182,664.46	95,306.71	Creditor of £9,600 and debtor of £16,649.40 at 31st March 2019.
Scarborough Borough Council	(20,968.19)	257,699.10	236,730.91	Creditor of £26,492.26 at 31st March 2019.
Ryedale District Council	(6,266.24)	5,573.31	(692.93)	
Redcar & Cleveland Borough Council	(2,182.00)	0.00	(2,182.00)	
Hambleton District Council	(66.66)	0.00	(66.66)	
North York Moors National Park Trust	0.00	1,358.00	1,358.00	
Total	**(116,840.84)**	**447,294.87**	**330,454.03**	

24. Leases

Finance Leases
The Authority has one finance lease for the Moors Visitor Centre at Danby.

A revised lease was negotiated from October 2009 for 63 years, and is now carried as Property, Plant and Equipment in the Balance Sheet at the following net amounts.

	31 March 2019	31 March 2018
	£000	£000
Other land & buildings	98	198
	98	**198**

The Authority is committed to making minimum payments under these leases comprising settlement of the long term liability; these minimum lease payments do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following future rent reviews.

	2018/19	2017/18
	£000	£000
Finance Lease Liabilities		
Non-current	178	178
Finance costs payable in future years	680	696
Minimum Lease Payments	**858**	**874**

The minimum lease payments are to be paid over the following periods:

	Finance Lease Interest Payments		Finance Lease Liabilities	
	2018/19	2017/18	2018/19	2017/18
	£000	£000	£000	£000
Not later than one year	16	16	0	0
Later than one year and not later than five years	79	79	1	1
Later than five years	585	601	177	177
	680	**696**	**178**	**178**

Operating Lease
As at the 31st March 2019, the Authority was not committed to making any payments under operating leases in 2018/19.

25. Defined Benefit Pension Scheme

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

The Authority participates in the Local Government Pension Scheme. For the North Yorkshire area this is administered by North Yorkshire County Council. It is a funded defined benefit career average salary scheme, meaning that the Authority and its employees pay contributions into a fund. These contributions are set, which accumulate in a fund, at a level intended to meet pensions liabilities as they fall due.

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

As at 31st March 2019, the Authority has paid all pension contributions due in the 2018/19 financial year, to the North Yorkshire Pension Fund.

2017/18 £000	Comprehensive Income and Expenditure Statement	2018/19 £000
	Net Cost of Service	
(793)	Current Service Cost	(841)
0	Curtailments	(241)
0	Past Service Cost	(241)
(10)	Administrative Cost	(11)
	Financing and Investment Income	
(120)	Net Interest Expense	(106)
(923)	**Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Service**	**(1,440)**
	Remeasurement of the net defined benefit liability	
940	Actuarial gains and (losses)	1,277
17	**Total Post Employment Benefits charged to the Comprehensive Income and Expenditure Statement**	**(163)**
	Movement in Reserves Statement	
(923)	Reversal of net charges made to the surplus or deficit for the Provision of Services for Post Employment benefits in accordance with the code	(1,199)
472	Actual amount charged against the General Fund Balance for employers pension contributions in the year	501
(451)		**(698)**

The cumulative amount of actuarial gains recognised in the Comprehensive Income and Expenditure Statement to 31st March 2019 is a gain of £1.28m (£0.94m gain in 2017/18).

The line 'Net Interest Expense' under Financing and Investment Income reflects the cost of future pension benefits at the start of the year discounted by one less year, less the assumption for the growth of assets during the year.

The liabilities show the underlying commitments that the Authority has in the long term to pay retirement benefits. The total liability of £3.7m has a substantial impact on the net worth of the Authority as recorded in the Balance Sheet and the table below summarises the Authority's share of the assets and liabilities of the scheme:

	31 March 2019	31 March 2018
	£000	£000
Estimated share of liabilities in scheme	(27,844)	(26,303)
Estimated share of assets in scheme	24,103	21,983
Authority's net liability	**(3,741)**	**(4,320)**
Pensions liabilities at beginning of year	**(26,303)**	**(25,066)**
Current service cost	(852)	(803)
Interest cost	(680)	(648)
Contributions by scheme participants	(188)	(181)
Actuarial (loss)/gain	(67)	(135)
Curtailments	0	0
Benefits paid	487	530
Past service cost	(241)	0
Pensions liabilities at end of the year	**(27,844)**	**(26,303)**
Pension assets at the beginning of the year	**21,983**	**20,257**
Movement in assets in year:		
Interest Income	574	528
Remeasurement (loss)/gain	1,344	1,075
Employer contributions	501	472
Contributions by scheme participants	188	181
Benefits paid	(487)	(530)
Pension assets at end of year	**24,103**	**21,983**
Deficit	**(3,741)**	**(4,320)**

The key risks for North Yorkshire Pension Fund are described in the Risk Register for the Fund which can be found on North Yorkshire County Council's website. One of these risks is that investment returns will be lower than forecast due to adverse conditions in financial markets. To mitigate this, the Fund invests in a range of asset classes (equities, property, fixed income, alternatives, cash), and in more than one strategy within each asset class, such as global equity, UK equity and Emerging Market equity. Another risk is that solvency will deteriorate either through poor investment returns or adverse changes in the assumptions used to value liabilities. Two options to mitigate this include increasing contribution rates and extending deficit recovery periods. Further details on the investment strategy and the deficit reduction plan are available at www.nypf.org.uk.

	31 March 2019 Years	31 March 2018 Years
Mortality Assuptions:		
Longevity at 65 for current pensioners		
Men	22.2	22.9
Women	25.3	26.4
Longevity at 65 for future pensioners		
Men	23.9	25.1
Women	27.2	28.7

Assets in the Pension Fund are valued at fair value, principally market value for investments, totalling £24.1m at 31st March 2019 (£22.0m at 31st March 2018), and consists of the following categories.

	Fair Value of Scheme Assets	
	2018/19	2017/18
	£000	£000
Equity Instruments	13,594	14,245
Property	2,025	1,759
Government bonds	4,580	3,627
Corporate bonds	0	0
Cash/Liquidity	1,181	44
Other	2,723	2,308
Total Assets	**24,103**	**21,983**

The actuarial gain identified as movements on the Pensions Reserve in 2018/19 can be analysed into the following categories, measured as absolute amounts and as a percentage of assets or liabilities at 31st March 2019 with comparative data for the previous four financial years:

	2018/19	2017/18	2016/17	2015/16	2014/15
	£000	£000	£000	£000	£000
Difference between the expected and actual return on assets	(1,344)	(1,075)	(2,729)	544	(1,577)
Difference between actuarial assumptions about liabilities and actual experience	54	126	(2,199)	(205)	0
Changes in the financial assumptions used to estimate liabilities	1,124	(1)	5,321	(1,566)	3,912
Changes in the demographic assumptions used to estimate liabilities	(1,111)	0	358	0	0
	(1,277)	**(950)**	**751**	**(1,227)**	**2,335**

The total contribution expected to be made to the Local Government Pension Scheme by the Authority in the year to 31st March 2020 is £507k.

26. Material Contingent Liabilities

GMP Indexation and Equalisation

Guaranteed Minimum Pension (GMP) is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension prior to April 1997 – all public service schemes including the LGPS were contracted out. Prior to April 2016 the Government ensured that both state and scheme pensions, when combined, kept pace with inflation through top up payments.

Reforms to the State Pension system in 2016 removed the Government top up payments to members with GMP who reached State Pension Age (SPA) from 5 April 2016 and introduced an 'interim solution' making the LGPS responsible for paying the full increases on GMPs for those individuals. This cost was accounted for in 2017.
In 2018 the Government extended the 'interim solution' to further individuals, while a High Court separately ruled that equalisation for the effect of unequal GMPs is required and that schemes have a duty to equalise benefits for men and women in relation to GMPs. HM Treasury have subsequently confirmed that the 'interim solution' provides a method to equalise GMP benefits.

The NYPF is a funded arrangement with NYCC and other employers paying contributions based on the results of regular valuations, with the next valuation due as at 31 March 2019. The 2019 valuation of the fund is expected to include the liability of the extended 'interim solution' and as such could potentially result in increased employer contribution rates in the future. However, due to a number of unknown factors the impact cannot yet be determined.

Annual Governance Statement

1. Scope of Responsibility

1.1 The North York Moors National Park Authority ('the Authority') is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions which includes arrangements for the management of risk.

1.2 The Authority has adopted an Ethical Framework, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government and forms part of the overall governance framework in operation by the Authority. A copy of the Authority's Values Statement and Ethical Framework is available on our website http://www.northyorkmoors.org.uk in the publications section or can be obtained from; Head of Corporate Services, North York Moors National Park Authority, The Old Vicarage, Bondgate, Helmsley, YO62 5BP. This statement explains how the Authority has complied with the code and also meets the requirements of the Accounts and Audit Regulations 2015.

2. The Purpose of the Governance Framework

2.1 The governance framework comprises the values, systems and processes for the direction and control of the Authority and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services in pursuit of National Park purposes.

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

2.3 The governance framework has been in place for the year ended 31 March 2019 and up to the date of approval of the annual report and statement of accounts.

3. The Governance Framework

3.1 Accountability

National Park Authorities are independent, special purpose bodies working within the framework of local government. Their unique governance arrangements combine elements of accountability to central government (via DEFRA and DCLG) and to local communities reflecting the needs of national and local customers. Local accountability is achieved via the appointment of elected Members by local government and other mechanisms.

3.2 The other mechanisms are varied involving the statutory appointment of Parish Councillors elected by the Parish Forums to the Authority and a wide variety of voluntary actions. The

Authority makes great effort to ensure that voluntary actions are as open, inclusive and transparent as possible. They include the following;

- Customer Service Excellence success has continued with the Authority being fully compliant with all 57 elements of the Standard and 'Compliance Plus' (best practice) in 10 of these. The 2018 assessment took place in May 2018 and this level of performance was maintained. The 2019 assessment will take place on 30 May.
- The arrangement of regular Parish Forums which are attended by Members, the Chief Executive and Directors this is supplemented by an annual Joint Parish Forum. Members of the public can ask questions without giving notice at these events.
- The Authority has two other Forums (Awareness, recreation & Business and Conservation & Land Management); membership is drawn from a wide range of interested parties as well as Authority Members to discuss topical issues in relation to Awareness, Recreation and Business and Conservation and Land Management
- Representatives of groups of users otherwise under-represented as Members (young people, disabled people, BME groups and volunteers) address the Authority meeting directly. There is a quarterly Disability Advisory Group in which Officers work jointly with representatives of a variety of disability groups.
- Periodic surveys of satisfaction with Authority Services are undertaken plus quadrennial Park wide surveys of residents' views.
- The Scheme of Delegation allows members of the public and representatives of the parish to address the Planning committee. Full Authority meetings and Finance, Risk, Audit & Standards committee meetings are open to the public and there is the opportunity for the public to ask questions at the former.
- Wide and effective consultation mechanisms using a number of different communication channels, for example, face to face consultation, the use of social media, on-line and paper based consultation. Feedback on the outcome of consultation is also shared in a similar variety of formats.
- User groups such as the regular Primary Land Users Group, Disability Advisory Group and officer attendance sectoral groups and at Parish Council meetings.
- Standards are reviewed in consultation with the Independent Person on an annual basis.
- Feedback to the Authority can take place in person, by phone, letter, e-mail or using a variety of social media.

3.3 The Authority regularly monitors Complaints and Compliments and reports these to the Finance, Risk, Audit and Standards Committee (FRASC) which also considers any reports from the Local Government Ombudsman. Processes are also in place to deal with complaints against Members via the Authority's Finance, Risk, Audit and Standards Committee, which has an independent person to advise it.

3.4 In 2018/2019, the Authority received 18 complaints, 7 were justified or partially justified. In the same time period the Authority also received 76 compliments. Details of all these are reported quarterly to Members. During the year the Local Government Ombudsman reported on 2 complaints.

- *Complaint Ref: 17007580* - Report issued: upheld; maladministration and injustice (note: complaint began in 2017 but concluded in 2018).
- *Complaint Ref: 18001118* – Report issues: not upheld.

3.5 There was one formal Member complaint in 2018/19 (included in the 18 complaints referenced in paragraph 3.4). In accordance with the Member Complaints procedure, the Deputy Monitoring Officer carried out an initial assessment of the allegations to determine whether or not they merited a formal investigation. The assessment was that no breach of the Code of Conduct or other applicable rules had occurred, that no parts of the complaint merited formal investigation, and that no further action was necessary.

3.6 The Authority's governance framework seeks to ensure that the principles of good governance are embedded into all aspects of its work. This has been achieved by the adoption of the Ethical Framework which aims to embed the Authority's core values into the day to day operations of the Authority. Both the Ethical Framework and Staff Code of Conduct were updated in 2015 with reviews planned in 2020/21.

3.7 The Authority's objectives are defined and established by the National Park Management Plan. The Management Plan review was approved in December 2016 following engagement with partners and stakeholders. Progress against the overall long term objectives of the Management Plan can be identified via regular reporting against a broad range of targets and strategic indicators.

3.8 The Business Plan (2017-2020) includes forecasts of income and expenditure over the medium term, allocating indicative resources to the objectives based upon the best available information. This forms the basis of the Medium Term Financial Strategy and assists in identifying any potential financial risks. This is reviewed annually as part of the budget setting process and ensures that resources and objectives are appropriately aligned.

3.9 The Authority is currently working on a draft Local Plan. This is supported by a Working Group of 11 Members which met twice in 2018/19. Following initial consultation in September 2016, the Authority carried out three further rounds of consultation on the Authority's draft Local Plan, including a full 'Preferred Options' version of the draft in over an eleven week period from July 2018. Consultation was supported by fifteen drop-in events with a total of 70 individuals or organisations providing views.

3.10 The Authority has an established Committee Structure with an associated Scheme of Delegation (revised in 2018) to ensure that decisions are taken in the most appropriate and effective manner. The Scheme of Delegation allows swift and effective policy and decision making by Members and managerial and operational decision making by officers within a framework of accountability to Government and local people.

3.11 Compliance with the regulations, procedures and statutory requirements is facilitated by a comprehensive set of appropriate controls. Policies are in place to regulate how the Authority's Members and staff use the resources available to them. Regular internal audits are conducted by external auditors, providing assurance that the procedures are being adhered to. The Authority receives legal advice and Monitoring Officer support as appropriate in all aspects of its work via a contractual arrangement with Scarborough Borough Council. Advice includes detailed input into significant Committee papers, particularly the work of the Authority's Planning Committee. The Whistleblowing Officer role is externalised via this contract to increase objectivity and independence.

3.12 The management of risk within the business is embedded into the activity of the Authority. A risk register is maintained to identify significant operational risks and describe the mitigation measures in place to control them.

Managing the risk management process is the responsibility of the Head of Corporate Services; the Risk register itself is discussed by the Senior Leadership Team and agreed by Members in the spring of each year. Direct responsibility for controlling individual risks is delegated to the officer most closely involved in the operation that would be affected. More strategic risks, and the mitigation measures to control them, are included in the Authority's Business Plan.

3.13 The routine financial management of the Authority is described in detail by the Financial Regulations (revised in 2018). The annual budget is approved by the full Authority prior to the commencement of the financial year. The Senior Leadership Team receives reports on expenditure and income against the expected position at their monthly meetings and take appropriate action to address any significant deviation from the plan. The quarterly meetings of the FRASC receive a formal report on the financial position, including a description of any significant virements that have been made. In November of each year, the annual budget is fully reviewed and revised to reflect the anticipated out-turn for the whole year.

3.14 The Authority is compliant with the CIPFA Statement on The Role of the Chief Financial Officer (2016) with the exception of two issues which reflect the arrangements in place to provide certain services under contract. The Authority's Chief Financial Officer (s151 Officer) is the Assistant Director of Strategic Resources at North Yorkshire County Council. Her role as one of the three statutory officers and her professional qualifications and experience are consistent with the Statement. The arrangements for the Chief Financial Officer also give the Authority access to services of a specialist nature, such as Treasury Management and Insurance / risk management etc. The Finance function is now delivered under a Collaboration Agreement with North Yorkshire County Council, which provides resilience and opportunities to access more specialist expertise as required.

3.15 The Chief Financial Officer has direct access as required to the Chief Executive and Members of the Authority, and contributes to the meetings of the SLT as appropriate. She has line management responsibility for the NYCC staff working on financial matters within the Authority, and works closely with the Authority's CEO/Head of Corporate Services.

3.16 Performance Management is conducted via the FRASC which meets every quarter. This committee receives reports on finance, risk management, complaints and compliments and it monitors performance against the Authority's Headline Indicators and Corporate Management performance indicators. The Senior Leadership Team receives progress reports on the headline indicators where the data is collected on a monthly cycle.

4. Review of Effectiveness

4.1 The Authority has responsibility for reviewing the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the Authority who have responsibility for the development of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies.

4.2 This review is used to inform the contents of the Annual Governance Statement which is prepared by the Head of Corporate Services in consultation with the Chief Executive, Monitoring Officer, Chief Financial Officer and key Members.

4.3 The following key areas of work were due to be completed in 2018/19;

- Completion of the work and associated training in relation to the Finance Regulations, Scheme of Delegation and Standing Orders;
- Prepare the Authority's systems for the implementation of the General Data Protection Regulations in May and associated training for staff;
- Ensure that all new staff in particular are familiar with the Officers' Code of Conduct and fully comply with their obligations.
- Given the continued expansion of the Authority's operations, notably in delivering a variety of externally funded projects, ensure that the resources deployed in key areas are sufficient to support the greater volume of legal and corporate support work

4.4 Good progress has been on all of these items during 2018/19. The Finance Regulations, Scheme of Delegation and Standing Orders have been revised and approved; the work required for the implementation of GDPR was completed successfully; reminders and guidance about the Code of Conduct have been given to all staff; and, additional corporate support has been provided to support externally funded projects.

5. Governance Actions

5.1 The following areas have been identified to be addressed in 2019/20;

- Further publicity for the Staff Code of Conduct;
- Group training for Members in the light of the report of the Committee on Standards in Public Life, published in January 2019 on Ethical Standards in Local Government;
- A planned programme of external scrutiny by the Monitoring Officer to ensure that the officers' and Members' codes of conduct are being properly followed
- Work will be undertaken to procure a revised Legal Services contract to commence on 1 April 2020 to ensure that both continued high quality and good value for money legal support is in place for Members and Officers.
- Organise the elections for Parish members of the Authority;
- Pursue the points raised about governance in the National Parks Review consultation, particularly in terms of the timeliness of appointing Secretary of State members;
- Take advice from the Monitoring Officer about potential clarification of the wording of the members' complaints process;
- Consider the implications of any recommendations coming from the National Parks Review with reference to governance;
- Light touch review of our Values in light of significant organisational changes over recent years with this helping to inform revisions to the Codes of Conduct and Ethical Framework in 2020/21.

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

Signed:

…………………………………………
A. Wilson (Chief Executive)

Date…………………………………..

…………………………………………
J Bailey (Chairman)

Date…………………………………..

On behalf of the Members and senior officers of the North York Moors NPA.