

PEAK DISTRICT NATIONAL PARK AUTHORITY

CAPITAL STRATEGY 2024/25 – 2027/28

1. Introduction:

- 1.1. The Peak District National Park Authority embraces a vision for sustainability through our Capital Strategy. This guiding document reflects our respect for the park's heritage and our aspirations to enhance its natural beauty. The following principles outline our commitment to prudence & sustainability:
- 1.2. Environmental Land Management: outlines our efforts to support biodiversity and ecosystem services, aligning with DEFRA's vision of enhancing natural capital. Our projects, while modest in scale, are meaningful in their contribution to habitat restoration, water quality, and biodiversity, carbon sequestration and storage, enhancement of cultural heritage supporting our overarching goals of conservation and environmental improvement.
- 1.3. Prudent Financial Management: conveys our commitment to following CIPFA's guidance, focusing on cost-effective capital investments that support the Authority's financial health. We approach our capital program with diligence, aiming for a balanced budget and investments that bring long-term value to the park and its visitors, albeit in a measured way.
- 1.4. Strategic Planning: reflects on how our capital investments fit within the Authority's strategic framework, adhering to CIPFA's principles for a solid capital strategy. These investments are carefully chosen to support the Authority's mission and objectives, such as enhancing visitor facilities and infrastructure, delivering nature recovery and contributing to local economic development, while ensuring sustainability and affordability for the future.

2. Governance & Organisation:

- 2.1. The Peak District National Park Authority diligently upholds the responsibility of managing and preserving the natural beauty of the park. Our actions are guided by a framework of policies and procedures that reflect our commitment to fiscal prudence and environmental land management.
- 2.2. We operate within the parameters set by the Capital Strategy and adhere to the principles outlined by the CIPFA, ensuring that our management of the Authority's assets is both responsible and sustainable. It is our ongoing mission to balance the needs of the park with our obligations, aiming to leave a positive legacy for future generations.
- 2.3. The organisational structure of the Peak District National Park Authority, supported by a comprehensive framework of corporate management, aims to responsibly oversee and maintain the park's valued landscapes:
- 2.4. National Park Authority Members: These Members are responsible for setting the strategic direction of the Authority. They ensure that their decisions support the Authority's conservation objectives and consider the interests of all stakeholders, in accordance with the Authority's governance policies.
- 2.5. Chief Executive: The Chief Executive, currently Phil Mulligan, leads the Authority's administration, emphasising fiscal responsibility. He ensures that financial decisions reflect the community's interests and contribute to the Authority's sustainability goals.
- 2.6. Heads of Service: The Heads of Service oversee the Authority's operational divisions, each aligned with the Authority's mission:

- 2.6.1. Resources: Manages the Authority's finances diligently, underpinning capital decisions with comprehensive business cases and financial analysis.
- 2.6.2. Landscape and Engagement: Directs expenditure towards conserving the natural and cultural environment, supporting land management to sequester more carbon, maintaining and enhancing the access for all priority network, fostering public engagement, and educating visitors about the park's significance.
- 2.6.3. Assets and Enterprise: Manages the Authority's assets and explores business opportunities that generate sustainable revenue, ensuring alignment with the Authority's strategic objectives.
- 2.6.4. Planning: Determines applications for development in line with our adopted policies. Develops and implements planning policies that safeguard the park's landscape, while accommodating sensitive and appropriate development. Enforces against unauthorised development. Promotes understanding and protection of the historic environment.
- 2.7. DEFRA: The Department for Environment, Food & Rural Affairs (DEFRA) provides oversight on the allocation of the National Park Authority Grant, ensuring it supports environmental conservation and enhancement initiatives that benefit the public and align with national policies.

3. Investment Objectives:

- 3.1. Nature Recovery: The strategy prioritises investments in biodiversity and ecosystem projects, such as the Moors for the Future Partnership, to support the Authority's net-zero ambitions. This involves restoring peatlands; enhancing habitats; promoting species diversity and nature friendly farming practices, which are critical for carbon sequestration and climate regulation.
- 3.2. Climate Resilience: A strong commitment to conservation and sustainable practices underpins the Authority's approach to climate resilience. This includes managing land and water resources to reduce the impact of extreme weather events, preserving the park's natural beauty, maintaining safety and ensuring the longevity of its cultural assets.
- 3.3. Community Prosperity: The strategy aims to enhance the economic and social well-being of local communities through investments that create jobs, support local enterprises, and improve access to the park. This fosters a thriving community that benefits from and contributes to the park's success.
- 3.4. Cultural Heritage Conservation & Enhancement: Strategic initiatives for conservation and restoration are vital to protect the park's rich cultural heritage. This includes maintaining historic buildings, landscapes, and archaeological sites, which are not only valuable for education and research but also enhance the visitor experience.
- 3.5. Visitor Experience: Capital investments are directed towards improving facilities and services to create a welcoming and engaging environment for visitors. This includes enhancing trails, visitor centres, and educational programs to help a diverse range of visitors connect with the park's unique qualities.
- 3.6. Financial Sustainability: The strategy emphasises prudent financial management to ensure the Authority's operations and investments remain sustainable. This involves careful planning, monitoring, and evaluation of investments, as well as exploring diverse funding opportunities to support the Authority's objectives.

4. Risk Management:

- 4.1. **Comprehensive Risk Assessment:** This is the cornerstone of the Authority's capital investment strategy, ensuring that all potential risks are identified, assessed, and managed effectively. It involves a systematic process that covers various risk categories, which are crucial for informed decision-making and strategic planning:
- 4.2. **Compliance Risks:** The Authority must adhere to environmental and planning regulations to avoid legal repercussions. This includes compliance with national and local conservation laws and adopted planning policies, which are essential for protecting the park's natural environment and ensuring sustainable development.
- 4.3. **Financial Risks:** Financial risks are managed by a strong approach to project costing and contingency planning. This includes maintaining reserve balances to buffer against funding source volatility, ensuring the Authority's financial stability and resilience.
- 4.4. **Operational Risks:** Operational risks are minimised through robust project management frameworks and continuous monitoring. This ensures that projects are delivered on time, within budget, and meet the desired quality standards.
- 4.5. **Environmental Risks:** Environmental impact assessments are incorporated into project planning to minimise adverse effects on the park's ecosystem. Sustainable practices are promoted to protect the environment and support the Authority's conservation objectives.
- 4.6. **Governance Risks:** Governance risks are mitigated by enhancing decision-making processes and accountability. This involves clear governance structures, roles, and responsibilities to ensure that all actions are in the best interest of the Authority and its stakeholders.
- 4.7. Overall, the Authority's Capital Strategy is designed to proactively manage risks across all areas of operation, aligning with CIPFA's guidance for effective capital management. This comprehensive approach ensures that the Authority can achieve its objectives while maintaining its commitment to conservation, community engagement, and financial sustainability.

5. **Asset Management:**

- 5.1. The AMP for the Peak District National Park Authority is a comprehensive document that aligns closely with the Capital Strategy. It serves as a blueprint for managing the Authority's property assets to support corporate strategy outcomes and the Authority's overarching goals.
- 5.2. The plan emphasises the sustainable management of natural and cultural heritage sites, vital for the Authority's operations and enhancing visitor experiences.
- 5.3. **Capital Strategy Focus:** The Capital Strategy is dedicated to the financial planning and investments needed to realise the AMP's objectives. It involves prioritising capital projects, identifying funding sources, and forecasting future financial needs. This strategic financial planning is essential for the effective allocation of capital to preserve and improve the Authority's assets, ensuring alignment with strategic goals.
- 5.4. **Synergy and Mission Support:** The integration of the AMP with the Capital Strategy underpins the Authority's mission by promoting conservation, accessibility, and sustainable development. This synergy ensures that assets are managed efficiently, with adequate capital investment to support the Authority's conservation efforts and contribute positively to the local economy.
- 5.5. **Asset Management Plan Details:**
 - 5.5.1. **Portfolio Management:** The Authority manages a diverse portfolio of land and buildings, leveraging them to achieve corporate strategy outcomes.
 - 5.5.2. **Sustainable Practices:** A commitment to the sustainable management of valuable natural and cultural sites is central to the plan.

- 5.5.3. Visitor Experience: The AMP aims to enhance visitor experiences, provide for more diverse audiences and access for all; and optimise trading operations for increased revenue.
- 5.5.4. Community Well-being: The plan supports local social and economic well-being by providing facilities for commercial activities.
- 5.5.5. Climate Change Mitigation: It includes strategies for increased investment in carbon emission reduction across all properties and fosters increased carbon sequestration.
- 5.5.6. Financial Planning: The AMP identifies financial needs and explores various funding avenues, such as capital receipts, borrowing, and grants. The strategic planning of asset repairs and maintenance ensures that the Authority's assets retain their value.

6. Background:

- 6.1. Strategic Capital Investments: Over the past decade, the Peak District National Park Authority has made strategic capital investments to enhance its natural beauty and accessibility. These investments have been influenced by external factors such as climate change, which poses a significant threat to the Park's ecosystems and biodiversity. The Authority has responded by upgrading infrastructure to withstand extreme weather events and by enhancing conservation efforts to protect vulnerable species and habitats. Stakeholder influences include local communities and environmental groups, whose involvement has been crucial in shaping projects that align with the Authority's commitment to environmental stewardship.
- 6.2. Market Analysis and Strategic Goals: The Authority's investments in property, fleet, and ICT are informed by market analysis and strategic goals that consider external factors like economic trends and technological advancements. The push for net-zero emissions by 2040 and nature recovery is also shaped by regulatory frameworks and guidance from bodies such as CIPFA. Stakeholders, including local businesses and the tourism industry, influence these investments, ensuring they contribute to a resilient and sustainable Park environment.
- 6.3. Tourism and Visitor Trends: Tourism is a significant external factor impacting the Park. The increase in visitor numbers reflects broader trends in outdoor recreation and wellness tourism. Stakeholders, including tourism operators and local authorities, have influenced the development of visitor facilities to cater to the diverse range of visitors. The rise in younger demographics seeking outdoor adventures has led to targeted investments in activities and facilities that support sustainable tourism and conservation efforts, indicating a positive trajectory for future capital investments.
- 6.4. In summary, the Authority's management of capital projects and investments is a dynamic process influenced by a range of external factors, including environmental challenges, market conditions, and tourism trends. Stakeholder engagement, from local communities to regulatory bodies, plays a pivotal role in ensuring that these investments align with the Authority's strategic objectives and contribute to its long-term sustainability and resilience.

7. Key Principles:

- 7.1. In addition to adhering to the Prudential Code's principles of affordability, prudence, and sustainability, the Authority embraces four fundamental principles that form the cornerstone of our capital strategy, guiding the development of the Capital Programme:
- 7.2. Health and Safety Compliance: Prioritising expenditures to fulfil health and safety obligations for employees and the public, alongside lease and landlord responsibilities, is essential to ensure all properties are hazard-free and legally compliant.

- 7.3. Strategic Asset Alignment: Assets acquired or upgraded must align with the Authority's long-term strategic goals, as outlined in the Asset Management and Authority Plans, including those that generate cost savings or additional revenue.
- 7.4. Whole Life Costing: Capital investments must account for the full lifecycle costs, including initial outlay, ongoing revenue commitments, potential income, and disposal-related finances, ensuring future sale proceeds are reinvested appropriately, consistent with CIPFA guidance on capital receipts.
- 7.5. Sustainable Asset Management: Asset creation and renewal should focus on long-term sustainability, with replacement costs factored into existing financial plans, such as capital or revenue reserves, to ensure continuity without overreliance on new income streams.

8. Capital Budget 2024/25:

Capital Budget Summary 2024/25	New	Additional	Approved	Total
Acquisition of Land and Buildings	1,000.0	0.0	23.5	1,023.5
New Construction & Renovation	725.0	15.0	1,407.1	2,147.1
Vehicles, Plant & Equipment	0.0	0.0	0.0	0.0
Intangible Fixed Assets	0.0	0.0	38.0	38.0
Total Capital Expenditure	1,725.0	15.0	1,468.6	3,208.6
Capital Grants	-500.0	0.0	-202.5	-702.5
Borrowing	-350.0	0.0	-120.1	-470.1
Reserves	-875.0	-15.0	-1,146.0	-2,036.0
Financed from Revenue	0.0	0.0	0.0	0.0
Total Financing	-1,725.0	-15.0	-1,468.6	-3,208.6

- 8.1. The detailed Capital Budget can be viewed in Appendix 1.
- 8.2. Capital Project Categories:
- 8.2.1. New Capital Projects: These initiatives undergo a thorough business case appraisal process and require approval from Senior Management or Members, before procurement and works can commence.
- 8.2.2. Additional Capital Projects: These requests seek additional funds for existing approved projects. They enhance or expand the scope of an already established initiative.
- 8.2.3. Approved Capital Projects: These projects are part of the ongoing Capital Programme. Their funding has been carried forward from previous years, ensuring continuity and alignment with organisational goals.
- 8.3. The projected spend in 2024/25 is £3.2m. In comparison, £1.74m was planned in 2023/24, so there is considerable work required to achieve this ambitious target. However, a number of key roles have now been filled throughout the organisation, which will provide increased capacity to manage the increased workload.
- 8.4. The acquisition of land and buildings relates to the planned corporate property proposal. This scheme is progressing through the approval process and is subject to a robust business case appraisal process.
- 8.5. The construction and renovation allocations are largely the existing programme of repairs to properties at Warslow Moors, which ensures compliance with Health and Safety regulations. Other works at North Lees are required to maintain, or increase the income-generating capacity of those assets.
- 8.6. Funding of £470k relates to internal borrowing. This prudent use of funds ensures the Authority is not exposed to interest rate fluctuations. However, there is an element of lost interest to consider when depleting those invested reserves.

- 8.7. When reserves are used for income-generating investments, the lost interest and capital are repaid through an accounting mechanism called Minimum Revenue Provision (MRP). The PWLB interest rate will be used to determine the annual cost of borrowing and this is recharged to the service. Debt repayments are included in the MTFP.
- 8.8. The Authority anticipates a Capital Grant from DEFRA (£500k) to fund the acquisition of property. Plus, further grant income from a number of public sector bodies and charities.
- 8.9. Funding from reserves is split between the capital receipts reserve (£1.19m) and the strategic use of service reserves.

9. Capital Programme 2024/25 – 2027/28:

Capital Programme 2024/25 - 2027/28	2024/25	2025/26	2026/27	2027/28	Total
Acquisition of Land and Buildings	1,023.5	0.0	0.0	0.0	1,023.5
New Construction & Renovation	2,147.1	995.0	0.0	110.0	3,252.1
Vehicles, Plant & Equipment	0.0	0.0	0.0	250.0	250.0
Intangible Fixed Assets	38.0	0.0	0.0	0.0	38.0
Total Capital Expenditure	3,208.6	995.0	0.0	360.0	4,563.6
Capital Grants	-702.5	0.0	0.0	0.0	-702.5
Borrowing	-470.1	-500.0	0.0	-250.0	-1,220.1
Capital Receipts Reserve	-1,193.0	-295.0	0.0	-110.0	-1,598.0
Other Reserves	-843.0	-200.0	0.0	0.0	-1,043.0
Total Financing	-3,208.6	-995.0	0.0	-360.0	-4,563.6

- 9.1. A detailed version of the 4-year capital programme can be seen in appendix 2.
- 9.2. The continued expenditure on construction and renovation relates to the cycle hire centres at Ashbourne and Waterhouses (400k). Plus, expansion works to the Authority car parks will increase the revenue generating potential of those assets. Works will also continue on the properties at Warslow Moors and improvements to the Millers Dale Viaduct.
- 9.3. Planned cyclical replacement of fleet vehicles is anticipated in year 4.

10. Performance Monitoring & Scrutiny:

- 10.1. Peak District National Park Authority: The Authority is committed to ensuring that business is conducted with integrity and in compliance with legal standards, while also being mindful of the efficient use of public funds. The Budget Monitoring Committee will monitor the progress on capital projects. Scrutiny and approval of the capital programme and budget is the responsibility of all Authority Members.
- 10.2. Governance Code Compliance: Following the CIPFA/SOLACE Framework, the Code of Corporate Governance is reviewed yearly, aiming to reflect a continuous commitment to maintaining sound governance practices.
- 10.3. Governance Effectiveness Review: The Annual Governance Statement provides a reflective evaluation of the governance and risk management processes, striving for improvement and effectiveness.
- 10.4. Internal Audit: the internal audit function is outsourced to Veritau. Project Management processes were the subject of an audit review in 2023 and it is anticipated that the capital programme and monitoring processes will be audited in 2024.
- 10.5. Performance Evaluation Metrics:
- 10.6. The National Park Management Plan (NPAMP): The NPAMP outlines four key aims. These build on the statutory purposes and duty of National Parks while taking account of ongoing pressures between communities, visitors and nature, and key external factors such as climate change and the need for continuing nature recovery. Each Aim has specific Targets and Critical Success Factors to measure against.

- 10.7. Progress Assessment Report: The Annual Monitoring Report offers a thoughtful reflection on the progress towards the Corporate Strategy, helping to inform future goal setting.
- 10.8. Risk Oversight Mechanism: The Corporate Risk Register plays a crucial role in identifying and evaluating risks, contributing to the Authority's efforts to achieve its policy objectives and outcomes.
- 10.9. Strategic Implementation Assurance: Together, these elements contribute to the careful implementation of the Capital Strategy, with the aim of realizing the Authority's strategic outcomes in a cost-effective and goal-aligned manner. The approach underscores a prudent and responsible pursuit of the Authority's long-term goals.

11. Continuous Improvement:

- 11.1. The Peak District National Park Authority's Capital Strategy is a living framework, designed to adapt and improve continually. It ensures financial prudence, asset efficiency, and environmental harmony, all while embracing innovation and maintaining strategic governance. These next five points highlight the Authority's dedication to evolving its strategy for sustainable development and conservation:
- 11.2. Evolving Financial Models: Continuously refine financial strategies to maintain the Authority's fiscal resilience and adapt to economic fluctuations.
- 11.3. Efficient Asset Management: Regularly assess and optimise asset utilisation to ensure peak efficiency and consider strategic asset reallocation or disposal.
- 11.4. Sustainable Practices Integration: Integrate sustainable practices into capital projects, aligning with environmental stewardship and community values.
- 11.5. Innovative Adaptation: Embrace innovative solutions to enhance capital project management, staying ahead of technological advancements.
- 11.6. Strategic and Accountable Governance: Strengthen governance structures to ensure accountability and strategic alignment with the Authority's overarching goals.

Appendix 1 - 2024/25 Capital Budget

	New	Additional	Approved	Total
<u>Acquisition of Land and Buildings</u>				
Land purchases			23.5	23.5
Property purchases	1,000.0			1,000.0
	1,000.0	0.0	23.5	1,023.5
<u>New Construction & Renovation</u>				
Warslow Moors	220.0	15.0	295.0	530.0
North Lees			353.1	353.1
Operational Assets	425.0		659.0	1,084.0
Trails Structures	80.0		100.0	180.0
	725.0	15.0	1,407.1	2,147.1
<u>Vehicles, Plant & Equipment</u>				
Vehicle Replacement	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0
<u>Intangible Fixed Assets</u>				
Asset Management System	0.0	0.0	38.0	38.0
	0.0	0.0	38.0	38.0
Total Capital Expenditure	1,725.0	15.0	1,468.6	3,208.6
<u>Financed by:</u>				
Capital Grants	-500.0	0.0	-202.5	-702.5
Borrowing				
PWLB / Internal Borrowing	-350.0	0.0	-120.1	-470.1
Reserves				
Capital Receipts Reserve	-220.0	-15.0	-958.0	-1,193.0
Other Reserves	-655.0	0.0	-188.0	-843.0
Financed from Revenue	0.0	0.0	0.0	0.0
Total Financing	-1,725.0	-15.0	-1,468.6	-3,208.6

Appendix 2 - 2024/25-2027/28 Capital Programme

	2024/25	2025/26	2026/27	2027/28	Total
Acquisition of Land and Buildings					
Land purchases	23.5	0.0	0.0	0.0	23.5
Property purchases	1,000.0	0.0	0.0	0.0	1,000.0
	1,023.5	0.0	0.0	0.0	1,023.5
New Construction & Renovation					
Warslow Moors	530.0	195.0	0.0	110.0	835.0
North Lees	353.1	100.0	0.0	0.0	453.1
Operational Assets	1,084.0	500.0	0.0	0.0	1,584.0
Trails Structures	180.0	200.0	0.0	0.0	380.0
	2,147.1	995.0	0.0	110.0	3,252.1
Vehicles, Plant & Equipment					
Vehicle Replacement	0.0	0.0	0.0	250.0	250.0
	0.0	0.0	0.0	250.0	250.0
Intangible Fixed Assets					
Asset Management System	38.0	0.0	0.0	0.0	38.0
	38.0	0.0	0.0	0.0	38.0
Total Capital Expenditure	3,208.6	995.0	0.0	360.0	4,563.6
Financed by:					
Capital Grants	-702.5	0.0	0.0	0.0	-702.5
Borrowing					
PWLB / Internal Borrowing	-470.1	-500.0	0.0	-250.0	-1,220.1
Reserves					
Capital Receipts Reserve	-1,193.0	-295.0	0.0	-110.0	-1,598.0
Other Reserves	-843.0	-200.0	0.0	0.0	-1,043.0
Financed from Revenue	0.0	0.0	0.0	0.0	0.0
Total Financing	-3,208.6	-995.0	0.0	-360.0	-4,563.6

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