



Lake District  
National Park

# Statement of Accounts 2024/25

V2a Audited and signed

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# Narrative Report

## FOR THE PERIOD 1 APRIL 2024 TO 31 MARCH 2025

### Introduction

The Lake District National Park Authority (LDNPA) is an independent local authority, forming part of the system of local government in the Lake District. It does some, but not all, of the work that is done by the unitary authorities in other areas of the country. Other local authorities operating inside the Lake District National Park have an important role to play.

The National Parks and Access to the Countryside Act 1949, subsequently amended by the Environment Act 1995, sets out key responsibilities through two statutory purposes for National Parks:

To conserve and enhance the Parks' natural beauty, wildlife and cultural heritage; and  
To promote opportunities for the understanding and enjoyment of the special qualities (of the Parks) by the public.

The Authority's services are delivered so as to contribute to the 2030 Vision for the Lake District National Park. The Vision sets out the strategic aims of the Lake District National Park Partnership, which is comprised of many key stakeholders with an interest in the future of the Park. The Vision is:

*"The Lake District National Park will be an inspirational example of sustainable development in action. A place where a prosperous economy, world class visitor experiences and vibrant communities come together to sustain the spectacular landscape, its wildlife and cultural heritage. Local people, visitors, and the many organisations working in the National Park, or have a contribution to make to it, must be united in achieving this."*

The Partnership's near-term objectives are set out in the Partnership's Plan. The plan will ensure that the Lake District's World Heritage Site Status is protected and that we remain on track to achieving our 2030 Vision of the Lake District. A refreshed Partnership Plan was adopted on 20<sup>th</sup> October 2021 and work on the next full iteration of the plan has commenced.

The Authority's strong working relationships with all member organisations within the Partnership are essential to its success in effective service delivery, working together to combine expertise and skill sets in the most effective ways. This model of operation allows the Authority to add significant value to the delivery of the Partnership's Plan. The Partnership Plan also acts as the statutory Management Plan for the Lake District.

The Authority's responsibilities within the Partnership's Plan are formalised in, and monitored through, the Authority's Business Plan. This sets out actions and milestones relating to our contribution to priority areas. The Business Plan also sets out the Authority's values and behaviours which form a key reference point for our organisational culture and ethics. These are summarised below:

## Our Priorities for the Lake District

### Climate Action

On track to achieving net zero by supporting Cumbria's 2037 ambition and adapting to climate change.

### Farming and Nature Recovery

Our natural environment, wildlife and resilience to climate change are strengthened. Sustainable farming is central to a culture and nature rich landscape, community and economy.

### Landscape, Culture and Beauty

World Heritage Status is used as a positive force to understand, celebrate and sustain our cultural landscape and historic environment.

### Sustainable Travel and Transport

Carbon from travel is decreased. There is more sustainable and active travel.

### Vibrant Communities and Prosperous Economy

More affordable and local needs housing and effective use of our existing housing stock to support our communities and economy. Our digital infrastructure is improved.

### Lake District for Everyone

The Lake District is a welcoming destination for all communities of Britain and beyond. We will support visitors to care for the Lake District.

## Our Values and Behaviours

### Leaders

We lead the way, delivering the Vision and inspiring people to enable the landscape to flourish.

### Empowered

We think creatively, encouraging innovation, adapting to change and being willing to take appropriate risks.

### Nurturing

We nurture the Lake District, our teams and where we work, respectfully managing the National Park on behalf of those who live, work or visit here.

### Proud

We are proud of the Lake District and what we do at the Authority, which drives us to be our best.

### Team Player

We cooperate and work together, creating a sense of belonging where trust thrives.

### Forward Thinking

We plan for the future, recognising that our future sustainability is in our own hands.

(source: 2024/27 Business Plan)

Our financial planning is set out in our Medium Term Financial Strategy (MTFS). The strategy formalises the Authority's key revenue and capital principles in relation to the management of its finances, given the prevailing financial environment. It sets out projections for future years' budgets over a five year period to inform understanding of the likely availability of financial resources, which will be used in the provision of services.

The full MTFS, Business Plan and Park Partnership Plan documents can be found on the Authority's website.

One of the Authority's key responsibilities to its communities is to act as the Planning Authority for the geographical area of the National Park. Other principal services include work in areas such as conservation, recreation management and transport, promoting understanding, rangers and volunteers, and forward planning and communities.

## Significant Matters Reported in the 2024/25 Accounts

The aim of our Statement of Accounts is to demonstrate the overall financial performance and position of the Authority at the end of the 2024/25 financial year. The Authority's accounts for the year ending 31 March 2025 are presented in the format laid down in the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code). This format incorporates the requirements of International Financial Reporting Standards (IFRS) wherever this is possible.

The Department of Environment, Food and Rural Affairs (Defra) sets the level of Government funding for the National Park Authority on an annual basis through National Park Grant. For 2024/25, the level of core funding allocated by Defra resulted in a flat-cash settlement plus a one off £250k of revenue and a one-off £250k of capital. Total core revenue funding came to £5,840k for 2024/25.

During the year, IFRS16 (leases) became mandatory under the Code. This has been implemented and has resulted in a right of use asset (and offsetting lease liability) of c£2m being recognised on the balance sheet. This has had not underlying impact on useable reserves.

In addition, during the year trading performance continued to be well under budget with significant variances to budget over the first two quarters. Trading performance overall was c£300k below budget. During the year significant work has been undertaken to review the operating model at Brockhole, these should have a positive impact on the revenues in 2025/26.

### **Other significant items for 2024/25**

There was significant revenue in year relating to Farming in Protected Landscapes (FiPL) and Historic Building Renovation Grants (HBRG). The Farming in Protected Landscapes programme is a part of Defra's Agricultural Transition Plan. It offers funding to farmers and land managers in Areas of Outstanding Natural Beauty (AONB), National Parks and the Broads.

The programme funds projects that:

- support nature recovery
- mitigate the impacts of climate change
- provide opportunities for people to discover, enjoy and understand the landscape and its cultural heritage
- protect or improve the quality and character of the landscape or place

During 2023/24 the authority received £1.36m including both payments to third parties and direct funding of LDNPA schemes. This increased for 2024/25 to £2.28m and a HBRG element of £2.30m

The Authority has also been involved in Wainright's Coast-to-Coast National Trail programme to upgrade the coast-to-coast path. The scheme also involves the existing Fix the Fells partnership with the National Trust and is funded by Natural England. The total funding over three years on the Coast-to-Coast trail is expected to be in excess of £1m. Spend on the trail in the year was c£742k.

Overall Net Assets held by the Authority increased by £2.4m, at £42.7m in 2024/25 from £40.3m in 2023/24. Cash balances were c£3m higher, reflecting an increase in the underlying cash backed reserves of c£1.2m and an increase in working capital of c £1.9m (increase in short term creditors and reduction in short term debtors). Right of use assets (£1,512k) and liability (£1,296k) have also been recognised on the balance under IFRS 16 (leases) which broadly net off. Property plant and equipment has increased by c£0.9m, which relates mainly to capital additions in year of £0.64m, revaluations up of £1.55m, less depreciation of £1.23m

The net defined benefit pension liability has seen much reduced volatility this year; it has marginally reduced from an £809k liability to an £713k liability. This is mainly the result of the

application of an asset ceiling, in line with pension accounting rules. Ignoring the impact of the ceiling, the funded net asset would have a value of £17.2m. The defined benefit pension asset is valued by expert actuaries and the impact of changes in value are limited through statutory adjustments to the accounts. This means that there is no impact on the Authority’s usable reserves as a result of movements in the net liability, with or without the application of the asset cap. The underlying pension asset indicates that there is potential for reduced future contribution rates. However, this will not be confirmed until the next full valuation which is due in 2025.

## Application of Funds

### Revenue performance in year

The overall position on revenue is a net underspend of c£850k, the table below includes the details of the underspent areas and the proposed allocation to specific reserves, with the residual to go into the General Fund (GF).

**Table 1: Summary of revenue underspends**

Service	Item	Out-turn variance £000
Resources	Investment income	-100
Resources	ICT costs and additional income from charges to grants and external sale of software	-70
People and OD	HR running costs including training	-28
Legal and Executive Board	Staff time recharged to grant income	-27
Visitor Services	VS performance at year end vs working budget	-98
Strategy and Rangers	Strategy staffing, including recharges to grant funded activities	-125
Corporate items	Direct Revenue Financing not applied to capital financing	-139
Resources	Murley Moss electricity and other running cost	-50
Strategy and Rangers	Ranger (including lake rangers) mainly salaries relating to vacant posts and time charged to grant funded schemes	-181
	Other smaller unders/overs	-47
		<b>-£865</b>

Once specific elements of the underspend are allocated, this leaves general contingency reserves (GF and Trading Reserve) £160k higher than assumed in the MTFs along with an improved level of financial resilience to cover other specific risks as set out. This is summarised below:

- 75k has been reported through regular monitoring as requiring set aside to support ongoing planning casework.
- £255k is required to meet the future committed cost of Ranger staff; this mainly relates to the cost of fixed term posts included in the Ranger team (including a resource to support work on the Authority’s own green estate). As reported through the year, it was clear that Strategy and Rangers would have some significant underspends from a mixture of vacant posts and time charged to grant funded work and this has effectively already been committed.
- £139k of “Direct Revenue Financing” was budgeted for as a revenue contribution to capital spend. Given the 25/26 grant settlement, this resource will not now be applied to finance the capital programme in 2024/25 but capital resources will be

used instead, with the £1.5m capital grant used to fill the gap in 2025/26. This then increases revenue resources available to be used in 2025/26 (to partially offset the revenue grant reduction). Lake District National Park Authority Agenda Item 9 Resources Committee 5 June 2025 Annex 1 Page 3

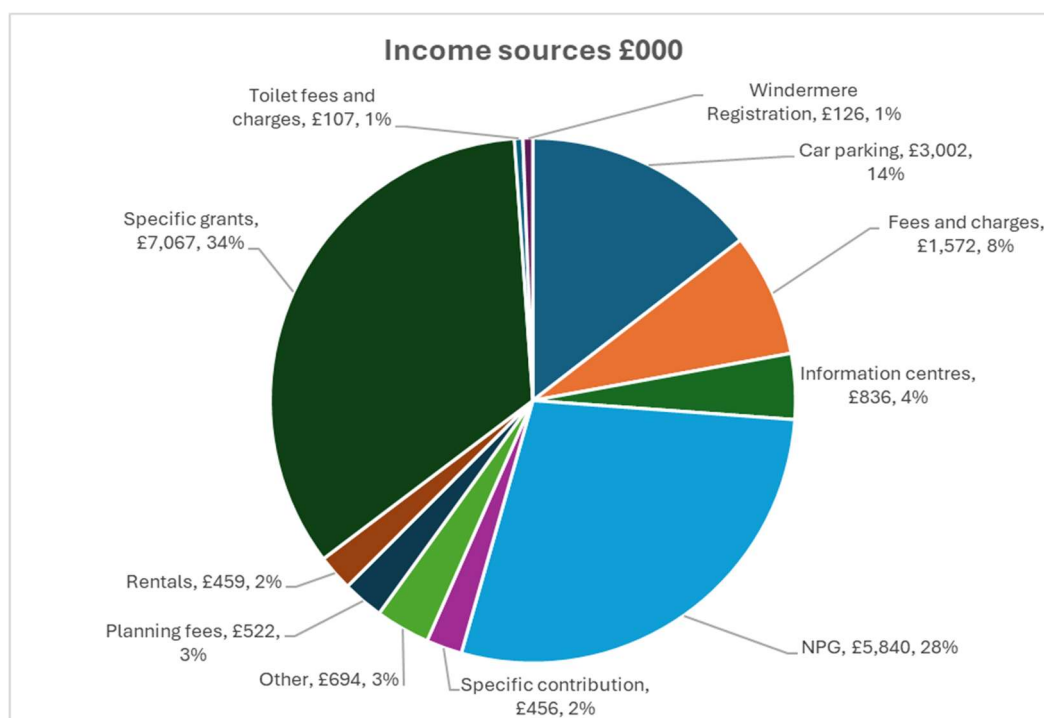
- £100k is proposed to be set aside to cover the risks around use of fixed term contracts. There can be significant pension and other costs linked to fixed term contracts. These risks are difficult to manage as the potential liabilities relate to specific individuals' circumstances. Hiring decisions cannot take into account factors such as length of previous local government service. The use of fixed term contracts is desirable in many circumstances so it is proposed that a specific reserve is established to mitigate against this specific risk.
- £98k relates to trading performance within Visitor Services and will be credited to the trading reserve. This is significantly better than anticipated but still results in a c£300k draw on the reserve linked to trading performance. The details are contained in the part II report elsewhere on this agenda.
- c£150k is also proposed to be contributed to specific reserves to help with the scaling down of significant grant funded projects where these are anticipated to be ending within the MTFs period. These costs will help with retention of staff for a period beyond the end of the grant funding as well as providing a contingency for ongoing maintenance (Coast to Coast trail).

The General Fund overall closed at £1.57m, with the trading reserve closing at £0.39m, taken together c£150k higher than assumed in the 2025/26 MTFs.

### Sources of Revenue Funds

In addition to core grant from DEFRA, the Authority also receives income from a range of other sources, and these are summarised below:

### Sources of Revenue Funds 2024/25



A further detailed split of grant income can be found in the notes to the accounts (note 15); as already noted, the Authority has had some large scheme specific grants in year relating to FiPL, HBRG and the Coast-to-Coast National Trail.

Other income includes Cumbria Woodlands chargeable activities (£252k) and donations (£80k).

This provides an indication of the relative split of activities within the Authority, with a mixture of core activities, scheme specific external funding and fees generated from service users.

### Capital Investment in 2024/25

The Authority's capital investment can be analysed as follows:

	Original Full Year Budget £000	Working Full Year £000	Actual £000	Budget Remaining £000
Vehicle replacement	89.4	89.4	86.7	2.7
PM Plant & machinery	12	56	9.2	46.8
IT Rolling Replacement Programme	33.7	53.5	37.4	16.1
Northern Area Office	20	10	0	10
CBC Jetty	0	69.6	68.2	1.4
EPOS System	40	40	0	40
Website	60	0	0	0
LCL - Keswick to Threlkeld Multi-user route	28	0	0	0
K2T Extension	0	78	7	71
LCL - Brockhole Solar Array	15	0	0	0
LDF BOWNESS Bay IC	65.3	55.3	26.3	29
Ravenglass toilets	0	22.9	20.7	2.2
Southern Office fit out	39	112.7	64.8	47.9
Hawkshead TIC	0	6	6.6	-0.6
Brockhole Heating	15	0	0	0
Waterhead Toilets	91	0	0	0
Murley Moss Office Move	15	20	37.1	-17.1
Murley Moss LED lighting	40	45	39.4	5.6
Murley Moss Solar Canopy	15	15	6.9	8.1
CBC - additional solar	30	0	0	0
Glenridding TIC additional solar	30	0	0	0
Defra Access: WWW Bridge handrails	40	40	22.1	17.9
Defra Access: accessible bridges and gates	24.2	38.4	51.8	-13.4
Defra Access: Off road mobility scooter	18	13.8	18.8	-5
Defra Access: Information assets	10	10	0	10
Defra Access: Newlands Beck route diversion	10	0	0	0
Brockhole Lakeshore (Phase 2)	78	125	120	5
Insurance claim - Storm Arwen	0	53	48.7	4.3
Safety Boat	0	14.8	14.8	0
<b>Total</b>	<b>818.6</b>	<b>968.4</b>	<b>686.5</b>	<b>281.9</b>

A significant element of the budget was spent in year, with total expenditure of £687k. the majority unspent budgets relate to ongoing schemes where the budget will be added to the

capital programme for 2025/26. There are no significant underlying savings within the programme or operational issues resulting from spend being later than anticipated.

The Authority used the following capital resources to finance its 2024/25 capital spend:

<b>Financed by:</b>	<b>£000</b>
Capital receipts	265
Capital grants and contributions in year	363
Capital grants reserve	7
Grant credited to service lines to match REFCUS	52
<b>Total</b>	<b>687</b>

The Authority continues to strive to provide excellent value for money. Our organisational strategy aims to deliver maximum impact in terms of service delivery by using our staff and other resources in more efficient ways. Our effectiveness is a key consideration and our success in delivering the Vision for the National Park is monitored closely using a number of performance indicators and actions set out in our Business Plan (see Performance and Risk Management section below).

### **Sources of Capital Funds**

In 2024/25 the Authority received £415k of grants and other contributions to support the capital programme, including grant supporting REFCUS expenditure. Most of this came from DEFRA either through one-off £250k general capital grant or specific Access Funding. There was also c£70k of insurance receipts. Capital receipts of c£88k were also received in year.

There was £0.9m of usable capital resources remaining at 31 March 2025 (see detail in the reserve note 30). These will be used to fund the Authority's future capital programme. A fully funded programme assuming no further significant receipts was approved at Resources Committee in June 2025; this included the approval of carry forwards from 2024/25 and the allocation of £1.5m of one-off DEFRA capital grant which was confirmed as part of the 2025/26 grant settlement.

### **Investment Plans**

The Authority's capital programme routinely includes re-investment in essential business infrastructure, such as operational buildings, vehicles and computer equipment.

Other than debt recognised through IFRS 16 (leases), the Authority is currently debt-free but acknowledges that modest borrowing may be necessary to support the financing of the capital programme in future years, in addition to the usual mixture of capital receipts and external grant funding. The impact of IFRS16 (leases) during 2024/25 has recognised lease liabilities on the balance sheet but does not change the underlying position or impact the revenue account, although there have been presentational changes to leasing costs.

The Authority also has an active Commercial Strategy Board. This has identified a pipeline of potential projects that primarily focus on expansion or review of current areas of service provision. There is an investment reserve to support investment in these with the ambition that these schemes will be able to make a significant contribution to a balanced and robust MTFs.

## **Performance and Risk Management**

### **Business Plan**

The Authority's Business Plan sets out the priorities, objectives and key actions for the next three years. The 2024-2027 Business Plan came into effect from 1 April 2024.

The Business Plan is reviewed and refreshed at the end of each year, as part of an annual rolling programme. This allows us to plan three years ahead, with the annual review to ensure we remain on course towards achieving the Vision and to take account of changing circumstances and financial constraints.

The key components of the Business Plan are:

- Organisational Strategy – sets out our priorities for the Lake District, our values and behaviours, and a vision for how we want to work as an Authority in 2030.
- Key actions to help deliver our priorities for the Lake District over the three years of the Business Plan. For each key action we show the milestones for the first year.
- Service objectives – a broad description of the key objectives for each service area.
- Additional key actions for services – further areas of significant work to be undertaken during the first year of the Business Plan to help deliver service objectives.

As part of the business planning process, we also identify:

- Risks – issues which could be detrimental to the delivery of the Business Plan (Business Plan risks) or to the Authority more widely (corporate risks).

We no longer include performance indicators in our Business Plan. Instead, we have a much broader suite of key performance indicators which are monitored at service level.

### **Service Plans**

To support the delivery of the Business Plan, Heads of Service produce annual Service Plans which show the work that staff will undertake to deliver Business Plan actions and other service work which is not detailed in the Business Plan. To ensure that staff have the capacity to deliver our corporate plans, appropriate time is set aside for them to engage in other essential day-to-day activities and to deliver any new work which might arise during the year.

### **Monitoring Performance**

Progress with delivering our Business Plan, including the management of key risks, is informally reviewed by the Strategic Leadership Team each month. A formal Performance and Risk Monitoring Report is presented to members at Resources Committee at the end of each quarter. These quarterly monitoring reports are available to view on our website.

The Performance and Risk Monitoring Reports include updates on:

- Delivery of Business Plan actions and milestones.
- Overall service performance – this is based on each Head of Service's assessment of Service Plan delivery, performance against key performance indicator targets, management of service risks and budgetary position.
- Management of key risks.

## Performance and Risk Management in 2024/25 – key points

### Delivery of Business Plan actions

- The 2024-2027 Business Plan detailed 17 key actions to help deliver our priorities for the Lake District. Eleven of these actions (65 per cent) had a green / ‘complete’ status at the year end, as the planned work for 2024/25 had been substantially delivered.
- The remaining six actions had a red / ‘not complete’ status. The elements of work which were not completed for these actions were rolled forwards into 2025/26.
- The Business Plan also showed 20 key actions to help deliver service objectives. Seventeen of these (85 per cent) had a green / ‘complete’ status at the year end.
- The other three actions had a red / ‘not complete’ status, with the outstanding work now due to be completed in 2025/26.
- A summary of the status of Business Plan actions at the end of 2023/24 and 2024/25 is shown in the table below:

	March 2024			March 2025		
	Total	Green status	Red status	Total	Green status	Red status
Key actions to deliver our priorities for the Lake District	17	14	3	17	11	6
Key actions to deliver service objectives	16	15	1	20	17	3
<b>Total</b>	<b>33</b>	<b>29</b>	<b>4</b>	<b>37</b>	<b>28</b>	<b>9</b>

### Overall Service Performance

- Each Head of Service provided a red, amber or green status for overall service performance at the end of 2024/25. Detailed commentary on service performance will be reported to members at Resources Committee in June 2025.
- In mid-March 2025, Visitor Services ceased to be a service area, and the teams were redistributed into other services.
- Three of our five services reported a green status at the year end, which means that delivery of service objectives was on track. Two services reported an amber status.
- Development Management continue to report amber as Service Plan delivery is continuing to present challenges. Positive progress has been made during the year – the service is now fully staffed; planning application performance has improved, with monthly performance above Government designation thresholds; and the backlog of enforcement cases has been reduced. However, we remain too reliant upon extensions of time to manage planning casework, and the number of outstanding enforcement cases remains too high.
- The Resources service also reported an amber status. Vacancies in some areas during the year meant there was not the capacity to fully deliver some elements of the Service Plan, such as natural capital work and woodland management plans.
- The table below shows the status reported by each service area at the end of 2024/25, and compares it to that reported at the end of the previous year:

March 2024 Overall Service Performance		March 2025 Overall Service Performance	
Service	Status	Service	Status
Communications and Engagement	Green	Communications and Engagement	Green
People and Organisational Development	Green	People and Organisational Development	Green
Resources	Green	Resources	Amber
Development Management	Amber	Development Management	Amber
Strategy and Ranger service	Green	Strategy and Ranger service	Green
Visitor Services	Green		

### Performance Indicators

- We set targets for key performance indicators and monitor them at service level during the year.
- For consistency in our Statement of Accounts, in the table below we have shown performance indicators from across all service areas which are broadly comparable to those we have reported in previous years:

Performance Indicator	2023/24	2024/25		
	Actual	Target	Actual	Target met
<b>Vision Outcome: Contributing to a Prosperous Economy</b>				
Major planning applications: percentage determined within 13 weeks or agreed extended period	New indicator for 2024/25	> 60%	<b>64%</b> (7 / 11)	<b>Yes</b>
Non-major planning applications: percentage determined within eight weeks or agreed extended period	New indicator for 2024/25	> 70%	<b>85%</b> (678 / 796)	<b>Yes</b>
County Matters major planning applications: decisions subsequently allowed on appeal, over two year period	<b>0%</b> (2 decisions, 0 allowed on appeal)	< 10%	<b>0%</b> (1 decision, 0 allowed on appeal)	<b>Yes</b>
District Matters major planning applications: decisions subsequently allowed on appeal, over two year period	<b>0%</b> (34 decisions, 0 allowed on appeal)	< 10%	<b>0%</b> (31 decisions, 0 allowed on appeal)	<b>Yes</b>

Performance Indicator	2023/24	2024/25		
	Actual	Target	Actual	Target met
District Matters non-major planning applications: decisions subsequently allowed on appeal, over two year period	<b>0.5%</b> (2,065 decisions, 10 allowed on appeal)	< 10%	<b>0.4%</b> (1,872 decisions, 8 allowed on appeal)	<b>Yes</b>
<b>Vision Outcome: Contributing to World Class Visitor Experiences</b>				
Rights of Way: percentage of footpaths and other rights of way which are easy to use, even though they may not follow the definitive line	<b>57%</b>	> 61%	<b>59%</b>	<b>No</b>
Miles without Stiles barrier-free routes: percentage which meet their designation category of 'For All', 'For Many' or 'For Some'	<b>59%</b> (30 / 51)	> 65%	<b>58%</b> (29 / 50)	<b>No</b>
Number of visitors to Brockhole, Information Centres, Coniston Boating Centre, car parks and toilets	<b>1,497,000</b>	> 1,500,000	<b>1,542,000</b>	<b>Yes</b>
Customer engagement: number of users of the lakedistrict.gov.uk website	<b>1,796,000</b>	> 1,885,800	<b>1,766,300</b>	<b>No</b>
<b>Vision Outcome: Contributing to Vibrant Communities</b>				
Local needs homes: number of units granted planning permission	<b>76</b>	> 40	<b>98</b>	<b>Yes</b>
Affordable homes: number of units granted planning permission	<b>46</b>	> 46	<b>13</b>	<b>No</b>
<b>Vision Outcome: Contributing to a Spectacular Landscape, Wildlife and Cultural Heritage</b>				
Conservation areas: percentage in good condition	<b>74%</b> (17 / 23)	> 74%	<b>74%</b> (17 / 23)	<b>Yes</b>
Scheduled monuments: number at risk	<b>20</b>	< 20	<b>20</b>	<b>Yes</b>
Listed buildings: percentage at risk	<b>4.2%</b> (75 / 1,797)	< 4.2%	<b>4.2%</b> (76 / 1,807)	<b>Yes</b>
Fix the Fells: percentage of upland paths and associated landscape maintained on time (work routes only)	New indicator for 2024/25	> 90%	<b>95%</b>	<b>Yes</b>

Performance Indicator	2023/24	2024/25		
	Actual	Target	Actual	Target met
<b>LDNPA Outcome: Demonstrating a High Performance Culture</b>				
Staff sickness absence: percentage of staff working time lost due to sickness absence	<b>2.3%</b>	< 3.0%	<b>1.5%</b>	<b>Yes</b>
Health and safety: number of internal accidents reported per 100,000 working hours (12 month rolling average)	<b>3.9</b>	< 4.0	<b>5.5</b>	<b>No</b>
Staff survey results: percentage of staff who are satisfied working for the LDNPA	<b>87%</b> (101 / 116)	> 80%	<b>85%</b> (100 / 118)	<b>Yes</b>
Staff survey results: percentage of staff likely to recommend the LDNPA as a place to work	<b>78%</b> (91 / 116)	> 80%	<b>86%</b> (101 / 118)	<b>Yes</b>
Carbon emissions: annual greenhouse gas emissions from our operations (tonnes)	<b>250.65 t</b>	< 213.05 t	<b>238.80 t</b>	<b>No</b>

### Management of Key Risks

- For all key risks, we establish what control mechanisms are already in place to manage them. We then decide what further mitigation actions are needed and these are included within the Business Plan or Service Plans, with necessary resources aligned to them.
- For our more significant risks, we state the contingency plans we would enact should we be unable to manage the risk. We do this for risks which are at a critical or high level; risks which are at a medium level, with a risk score of 10 or above; and risks where the impact on the Authority would be 'high' or 'very high'.
- In February 2025, the Strategic Leadership Team completed an annual review of the Authority's risk appetite statement. The statement explains how willing we are to accept risks while working to achieve our objectives. The Authority's appetite for financial risks was updated and the amended risk appetite statement was included in our Risk Management Strategy which was approved by Governance Committee in April 2025.
- There were six Business Plan risks and eight corporate risks being monitored in the corporate Risk Register at the year end.
- Our risks are at a slightly higher level than at the end of 2023/24 – this is shown in the table below.
- Two risks had a risk score above 10: Resource Availability and External Factors Impacting the Authority. These are both medium level risks, with risk scores above tolerance and an amber status.
- Five lower scoring risks were also at a medium level. Development Management – Enforcement, Special Area of Conservation Planning Reviews, and Reputation Management had risk scores above tolerance and an amber status. The

Commercial Strategy risk was also above tolerance but had a green status; and the Greenside Mine risk was within tolerance with a green status.

- The other seven risks were at a low level, had risk scores within tolerance and a green status.

Risk type	March 2024		March 2025	
	Business Plan	Corporate	Business Plan	Corporate
Critical level	0	0	0	0
High level	0	0	0	0
Medium level, with risk score 10 or above	1	0	1	1
Medium level, with risk score below 10	0	2	2	3
Low level	5	5	3	4
<b>Total risks</b>	<b>6</b>	<b>7</b>	<b>6</b>	<b>8</b>

## Going Concern

The Authority's accounts have been prepared on the basis that the Authority continues to operate as a going concern for the foreseeable future.

The MTFs approved in March 2025 proposed a balanced budget for 2025/26. However, through an unanticipated 8.2% cut in the core grant settlement and an increase in employers NI, the Authority has lost a recurring c£650k of revenue resource from 2025/26 onwards. The MTFs scenario showed a balanced position through the life of the strategy including contributions to repair the General Fund balance to £1.5m but assumed some challenging savings targets in later years of the plan that are likely to lead to reductions in some service areas.

Although the position is challenging, the Authority has managed its position to ensure that through one-off use of reserves, there is sufficient time to allow a planned and orderly response to the ongoing financial pressures. There is not judged to be any issue about the overall assertion of going concern.

## Changes to Accounting Policies and Accounting statements

The 2024/25 Code did not introduce any significant changes, which require a change to our accounting policies other than IFRS16 (leases) which has been fully adopted. The statements are structured to comply with the disclosure requirements of the Code and in an order judged to provide the most logical sequence, with reference to the significance of the main statements and supporting notes.

## Governance Arrangements

There were no significant changes to the underlying governance arrangements in year. The Annual Governance Statement for 2024/25, including the action plan of potential improvements, is included within this document.

## **Cash flows and Other Issues**

The Authority held only non-material provisions at 31 March 2025. During 2024/25 there were no significant debt write offs.

Cash flows during the year were managed within existing resources and there was no need for temporary borrowing. Both revenue and capital funds were monitored and re-projected on a frequent basis. Cash flows were well managed during 2024/25 and there were no significant issues to report. No cash flow difficulties are forecast within our existing planning horizons, with a good level of cash backed reserves held in highly liquid, high quality investment counterparties along with a broadly balanced MTFS position.

The Authority considers its staff and its positive working relationships with the other members of the Lake District National Park Partnership to be key strengths and drivers for its success and performance. Reserve balances are appropriate and not excessive. There were no material events after the reporting date.

## **Materiality and Roundings**

The financial statements are prepared taking into account the materiality provisions of the Code, with the aim of providing a true and fair presentation for the readers of the accounts. External audit provide independent assurance that there are no material omissions or errors using their own qualitative and quantitative criteria, as set out in the audit plan and the audit findings report.

The Authority uses rounding to the nearest thousand pounds in the financial statements. Our accounting policies allow for small rounding differences in the accounts. These do not detract from the reader's overall understanding of the Authority's financial performance.

Pete Notley  
Head of Resources (S151 Officer)  
Date 10 October 2025

# Statement of Responsibilities

## The Authority's Responsibilities

The Authority is required:

- 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. In this Authority that officer is the Head of Resources (S151 Officer).
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard assets.
- To approve the Statement of Accounts .

The Authority approves the Statement of Accounts for the period 1 April 2024 to 31 March 2025

Name : Jackie Drake

Date : 10 October 2025

**Chair of Governance Committee**

## The Head of Resources' (S151 Officer) Responsibilities

The Head of Resources (S151 Officer) is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code). In preparing this Statement of Accounts, the Head of Resources (S151 Officer) has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the requirements of the local authority Code of Practice.
- Kept financial records and accounts which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

These accounts were authorised as at the date below which is the date up to which events after the balance sheet date have been considered.

The Accounts have been prepared in accordance with the requirements of the Code and give a true and fair view of the financial position of the Authority as at 31 March 2025 and its income and expenditure for the year then ended.

Name Peter Notley

Date 10 October 2025

Position Head of Resources (S151 Officer)

## Independent auditor's report to the members of Lake District National Park Authority

### Report on the audit of the financial statements

#### Opinion on financial statements

We have audited the financial statements of Lake District National Park Authority (the 'Authority') for the year ended 31 March 2025, which comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including material accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2025 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2024) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Head of Resources' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the

audit evidence obtained up to the date of our report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

In our evaluation of the Head of Resources' conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 that the Authority's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Authority. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2024) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Authority and the Authority's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Head of Resources' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Head of Resources with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the Statement of Accounts other than the financial statements and our auditor's report thereon. The Head of Resources is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Other information we are required to report on by exception under the Code of Audit Practice**

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual

Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

## **Opinion on other matters required by the Code of Audit Practice**

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Matters on which we are required to report by exception**

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

## **Responsibilities of the Authority and the Head of Resources**

As explained more fully in the Statement of Responsibilities the Authority is required 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. In this authority, that officer is the Head of Resources. The Head of Resources is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, for being satisfied that they give a true and fair view, and for such internal control as the Head of Resources determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Head or Resources is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Authority without the transfer of its services to another public sector entity.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Authority and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Accounts and Audit (Amendment) Regulations 2024 and the Local Government Act 2003).
- We enquired of management and the Governance committee, concerning the Authority's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit and the Governance committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Authority's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and the risk of fraudulent transactions in commercial revenue streams. We determined that the principal risks were in relation to:
  - Journals posted by Senior Officers
  - Material Journals after the year-end
  - Material accruals after the year-end - Journals posted by members of the ICT team
- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on journals posted by Senior Officers, material journals after year-end, material accruals after year-end and journals posted by members of the ICT team.
  - challenging assumptions and judgements made by management in its significant accounting estimates in respect of the Authority's share of the pension fund, its Land and Building and Investment Property Valuations; and
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result

from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including the risk of fraudulent transaction in commercial revenue streams. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the local government sector
  - understanding of the legal and regulatory requirements specific to the Authority including:
    - the provisions of the applicable legislation - guidance issued by CIPFA/LASAAC and SOLACE
  - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the Authority's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - the Authority's control environment, including the policies and procedures implemented by the Authority to ensure compliance with the requirements of the financial reporting framework.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Report on other legal and regulatory requirements – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources**

### **Matter on which we are required to report by exception – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources**

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025. We have nothing to report in respect of the above matter.

## Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing **economy**, efficiency and effectiveness in its use of resources.

### **Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in the Authority's use of resources**

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the

Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

We have documented our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

### **Report on other legal and regulatory requirements – Delay in certification of completion of the audit**

We cannot formally conclude the audit and issue an audit certificate for Lake District National Park Authority for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have received confirmation from the National Audit Office the audit of the Whole of Government Accounts is complete for the year ended 31 March 2025. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2025.

### **Use of our report**

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than

the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Elizabeth Luddington*

Elizabeth Luddington, Key Audit Partner for and on  
behalf of Grant Thornton UK LLP, Local Auditor

Manchester  
10 October 2025

## Comprehensive Income and Expenditure Statement (CIES)

2023/24			Note	2024/25		
Gross Exp	Gross Income	Net Exp		Gross Exp	Gross Income	Net Exp
£000	£000	£000		£000	£000	£000
1,025	(102)	923	Executive Board & Legal	947	(166)	781
2,902	(473)	2,429	Resources	2,908	(680)	2,228
6,273	(6,233)	40	Visitor Services	5,704	(5,861)	(157)
432	0	432	People	540	0	540
539	(39)	500	Communications	478	(137)	341
1,099	(526)	573	Development Management	1,100	(555)	545
5,636	(3,521)	2,115	Strategy & Rangers	8,999	(7,439)	1,560
70	(58)	12	Non Distributed Costs	72	(60)	12
<b>17,976</b>	<b>(10,952)</b>	<b>7,024</b>	<b>Cost of Services</b>	<b>20,966</b>	<b>(15,116)</b>	<b>5,850</b>
		(618)	Financing & Investment Income & Exp			(921)
		(5,608)	Non-specific grant income			(6,232)
		<b>798</b>	<b>(Surplus) or Deficit on Provision of Services</b>			<b>(1,303)</b>
		(2,195)	(Surplus) or deficit on revaluation of non-current assets			(1,528)
		237	Remeasurements of the defined benefit liability			416
		<b>(1,958)</b>	<b>Other Comprehensive (Income) &amp; Expenditure</b>			<b>(1,112)</b>
		<b>(1,160)</b>	<b>Total Comprehensive (Income) &amp; Expenditure</b>			<b>(2,415)</b>

This Statement shows the accounting cost in the year of providing services in accordance with the Code, rather than the amount to be funded from taxation. Some local authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement. This authority does not routinely exercise its powers to raise local taxation and instead relies upon Defra grant and income from chargeable activities.

## Movement in Reserves Statement (MIRS)

	Note	General Reserve Balance	Capital Receipts Reserve	Capital Grants Unapplied	Total Useable Reserves	Unusable Reserves	Total Authority Reserves
		£000	£000	£000	£000	£000	£000
<b>Balance at 31 March 2024</b>		<b>3,789</b>	<b>820</b>	<b>252</b>	<b>4,861</b>	<b>35,431</b>	<b>40,292</b>
Movement in reserves during 2024/25							
Total Comprehensive Income and Expenditure		1,303			<b>1,303</b>	1,113	<b>2,416</b>
Adjustments between accounting basis and funding basis under regulations	10	63	(176)	(7)	<b>(120)</b>	120	<b>0</b>
Increase/decrease for 2024/25		1,366	(176)	(7)	1,183	1,233	2,416
<b>Balance at 31 March 2025 carried forward</b>		<b>5,155</b>	<b>644</b>	<b>245</b>	<b>6,044</b>	<b>36,664</b>	<b>42,708</b>

The equivalent figures for 2023/24 were:

	Note	General Reserve Balance	Capital Receipts Reserve	Capital Grants Unapplied	Total Useable Reserves	Unusable Reserves	Total Authority Reserves
		£000	£000	£000	£000	£000	£000
<b>Balance at 31 March 2023</b>		<b>3,411</b>	<b>1,275</b>	<b>255</b>	<b>4,941</b>	<b>34,190</b>	<b>39,131</b>
Movement in reserves during 2023/24							
Total Comprehensive Income and Expenditure		(798)			<b>(798)</b>	1,958	<b>1,160</b>
Adjustments between accounting basis and funding basis under regulations	10	1,176	(455)	(3)	<b>718</b>	(717)	<b>0</b>
Increase/decrease for 2023/24		378	(455)	(3)	<b>80</b>	1,241	<b>1,161</b>
<b>Balance at 31 March 2024 carried forward</b>		<b>3,789</b>	<b>820</b>	<b>252</b>	<b>4,861</b>	<b>35,431</b>	<b>40,292</b>

This Statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and unusable reserves. The 'Surplus or (deficit) 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. These are different from the statutory amounts required to be charged to the General Reserve Balance. The 'Net increase/decrease before transfers to earmarked reserves' line shows the statutory General Reserve Balance before any transfers to or from earmarked reserves undertaken by the Authority.

## Balance Sheet

The Accounts have been prepared in accordance with the requirements of the code and give a true and fair view of the financial position of the Authority as at 31 March 2025 and its income and expenditure for the year then ended. The unaudited accounts were issued on 27 June 2025. The final audited statements were authorised by the Chair of Governance Committee and the S151 Officer as per the statement of responsibilities and S151 certificate above.

31/03/2024 £000		Note	31/03/2025 £000
30,649	Property, Plant & Equipment	19	31,547
0	Property, Plant & Equipment – Right of Use Assets		1,512
8	Heritage Assets		8
5,716	Investment Property	22	5,888
120	Surplus Assets		120
18	Intangible Assets		11
<b>36,511</b>	<b>Long Term Assets</b>		<b>39,086</b>
4,477	Cash & cash equivalents	27	7,478
276	Inventories & Work in Progress		237
1,910	Short Term Debtors	28	1,278
<b>6,663</b>	<b>Current Assets</b>		<b>8,993</b>
(2,053)	Short Term Creditors	29	(3,342)
(20)	Provisions		(20)
<b>(2,073)</b>	<b>Current Liabilities</b>		<b>(3,362)</b>
(809)	Liability related to defined benefit pension scheme	16	(713)
	Liability related to Right of Use Assets		(1,296)
<b>(809)</b>	<b>Long Term Liabilities</b>		<b>(2,009)</b>
<b>40,292</b>	<b>Net Assets</b>		<b>42,708</b>
	<b>Usable Reserves</b>		
820	Capital Receipts Reserve	10	644
252	Capital Grants Unapplied Reserve	10	245
2,402	Earmarked Reserves	31	3,586
1,387	General Reserve	10	1,568
	<b>Unusable Reserves</b>		
12,414	Revaluation Reserve	10	13,404
24,098	Capital Adjustment Account	10	24,249
(272)	Accumulated Absences Account		(275)
(809)	Pension Reserve	16	(713)
<b>40,292</b>	<b>Total Reserves</b>		<b>42,708</b>

The Balance Sheet shows the value 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. Usable reserves, being those reserves that the Authority may use to provide services. Use of these is subject to the need to maintain a prudent level of reserves and any statutory limitations on their use for example the capital receipts reserve that may only be used to fund capital expenditure or repay debt. The second category of reserves are those that the Authority is not able to use to provide services. This category includes reserves that hold unrealised

gains and losses, for example the revaluation reserve, where amounts would only become available to provide services if the assets are sold. It also includes reserves that hold timing differences shown in the Movement in Reserves Statement line “adjustments between accounting basis and funding basis under regulations”.

## Cash Flow Statement

2023/24 £'000		2024/25 £'000
(800)	<b>Net surplus/(deficit) on provision of services</b>	1,303
1,535	Capital items (Depreciation, amortisation & impairment)	1,356
0	Recategorisation of PPE to Right of Use Asset upon adoption of IFRS 16	(57)
(186)	Movement in Market Value Investment Properties	(172)
187	Increase/(decrease) in creditors, Debtors, inventories & Provisions	1,959
(280)	Movement on pension liability- Increase/(decrease)	(512)
<b>1,256</b>	<b>Adjustment to net surplus/deficit on provision of services for non-cash movements</b>	<b>2,574</b>
139	(Profit)/Loss from the sale of PPE, Investment Property & Intangibles	(26)
(345)	Capital Grant Income accruals	0
(217)	Interest Receivable	(175)
<b>(423)</b>	<b>Adjustment for items included in the net surplus/deficit on provision of services that are investing and financing activities</b>	<b>(201)</b>
<b>833</b>	<b>Total Adjustments</b>	<b>2,373</b>
<b>33</b>	<b>Net cash flows from Operating Activities</b>	<b>3,676</b>
(845)	(Purchase) of property, plant & equipment & investment properties	(686)
0	Net (Purchase)/Sale of short and long term investments	0
59	Proceeds from the sale of property, plant & equipment and Investment Property	26
593	Receipt of Capital Grants - Cash	(415)
217	Interest Received	175
0	Other receipts from investing activities	63
<b>24</b>	<b>Investing Activities</b>	<b>(837)</b>
(170)	Creditors relating to purchase of Property Plant and Equipment	1
	Donated Right of Use Assets	29
0	MRP (Right of Use Assets)	132
<b>(170)</b>	<b>Financing Activities</b>	<b>162</b>
<b>(113)</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,001</b>
<b>4,590</b>	<b>Cash and Cash equivalents at the beginning of the reporting period</b>	<b>4,447</b>
<b>4,477</b>	<b>Cash and Cash equivalents at the end of the reporting period</b>	<b>7,478</b>

The Cash Flow statement shows the changes in cash and cash equivalents during the reporting period. The statement shows how the Authority generates and uses 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 taxation and 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, for example borrowing, to the Authority.

# Notes to the Core Financial Statements

## 1. Statement of Significant Accounting Policies

### Introduction and General Principles

The Statement of Accounts summarises the Authority's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015, which those regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the *Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and the Service Reporting Code of Practice 2024/25, supported by International Financial Reporting Standards (IFRS)*.

### Accruals of Income and Expenditure

Income and expenditure is accounted for in the year in which resources are consumed or when entitlement arises. The principles applied are as follows:

- Revenue from the sale of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption; they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised, but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- Where the Authority is acting as an agent for another party income and expenditure are recognised only to the extent that commission is receivable by the Authority for the agency services provided or the Authority incurs expenses directly on its own behalf in providing the services.
- Government Grants are recorded as Income when they are received provided there is reasonable assurance that the conditions of receipt are complied with or at a later date should the conditions be met at that later date. Grants and contributions used to finance the acquisition of a non-current asset are initially credited to Capital Receipts in Advance and then recognised in the Comprehensive Income and Expenditure Statement when any conditions are met. These grants are reversed out of the General Reserve to the Capital Grants Unapplied Account until the capital expenditure is incurred, in which case

they are transferred to the Capital Adjustment Account through the Movement in Reserves Statement. Where grants are received but conditions are not met, these are accrued forward to the following financial year.

- In relation to the Local Government Pension scheme the liability that the Authority has for meeting the future cost of retirement benefits arising from service provided by employees up to the Balance Sheet date net of the contributions paid into the fund and the investment income generated.
- Changes in fair values of Investment Properties are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- The Statutory basis of accounting for the Authority differs from that reported in the Comprehensive Income & Expenditure Account as required under IFRS. Details are provided in the following table:

The differences between the Statutory Basis of Accounting and the IFRS Accounting base are as follows:

<b>Income or Expense</b>	<b>Basis of Statutory Charge to General Fund</b>	<b>Basis of Accounting Charge or Credit</b>	<b>Other Funds utilised to represent enhancement from Statutory Outturn to Accounting Outturn</b>
Consumption or usage of Long-Term Assets	Contribution to the reduction in borrowing requirement in excess of minimum required.	Full accrual principle determined by Depreciation, Amortisation & Impairment	Capital Adjustment Account with small portion to Revaluation Reserve in relation to Current Cost Element of Depreciation
Grant receipts relating to Long Term Assets	None	All Grants received in year providing no conditions are attached and/or conditional grants from prior years that were applied in year.	Unapplied Capital Grants Reserve
Disposal Receipts or entitlements relating to Long Term Assets	None	Net Profit or Loss	Capital Receipts Reserve (deferred if cash not received) minus Capital Adjustment Account (or Revaluation Reserve) in relation to holding value of asset at time of sale.
Financing of new Capital Investment	Contributions made where otherwise not funded by Capital Receipts or designated Capital Grants	None	Capital Adjustment Account
Upward/(Downward Valuation of Assets	None	Credited / (Debited)	Revaluation Reserve or, for Investment Properties (or where reinstating past Impairment), Capital Adjustment Account
Pension Scheme Costs	Direct amounts paid in relation to the scheme	Full accrual principles including actuarial valuation	Pension Reserve
Staff Costs	Direct amounts paid	Accrual made for leave entitlement deferred forwards	Accumulated Absences Adjustment Account
'Revenue Expenditure Financed by Capital Under Statute' (capex in respect of	None	Full accrual principles	Capital Adjustment Account

an asset owned by a third party)			
Minimum Statutory Provision for Capital Debt Repayment	Charge as required under statute	None	Capital Adjustment Account

## Cash and Cash Equivalents

Cash is defined as cash in hand, deposits held with financial institutions repayable without penalty on notice of not more than 24 hours and bank overdrafts. Cash equivalents are short-term, highly liquid investments, with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

## Reserves

The Authority's Reserves represent the accumulation of surpluses (and deficits) upon the Comprehensive Income & Expenditure account overall years up to and including the Balance Sheet date. These also equal the Total Value of the Authority's assets less its' liabilities.

Reserves are classified into Useable (when currently available for application) and Un-useable (when there is no current liquidity).

The Notes to the Accounts upon the Reserves explain fully the purpose of each Reserve and the uses to which they are applied.

## Exceptional Items

Where items of income and expenditure are material, their natures and amounts are disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in notes to the accounts, depending on how significant the items are to an understanding of the Authority's financial performance.

## Prior Period Adjustments, Changes in Accounting Policies 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 policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions or other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied. Material errors discovered in prior year period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

## Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Information about significant areas of estimation

uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the notes. Changes in accounting estimates are applied prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

### **Employee Benefits Payable During Employment**

Short term employee benefits include wages and salaries, annual leave and flex-time balances at year end. These liabilities are expected to be settled within 12 months of the reporting date. They are recognised as an expense in the year in which employees work for the Authority and are measured at the amounts the Authority expects to pay when the liabilities are settled. The accrual for the cost of any holiday entitlement earned but not taken before the year end, which can be carried forward, is reversed out of the General Reserve through the Movement in Reserves Statement.

### **Employee Termination Benefits**

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment or an officer's decision to take voluntary redundancy. They are charged on an accruals basis to the relevant service line of the Comprehensive Income and Expenditure Statement at the earlier of when the Authority can no longer withdraw the offer of those benefits or when the Authority recognises costs for a restructuring. Where the termination benefits involve the enhancement of pensions the General Reserve is charged with the amount payable by the Authority to the pension fund.

### **Employee Retirement Benefits**

Many employees of the Authority are members of the Local Government Pension Scheme (LGPS), administered by Cumbria County Council. The scheme is a funded defined benefit scheme meaning that the scheme provides retirement lump sums and pensions, earned as employees work for the Authority. As a defined benefit scheme, this is shown within the Authority's accounts according to the details set out in the notes to the accounts.

Statutory provisions allow the Authority to charge amounts paid to the pension fund in the year to the General Reserve. This therefore means that within the Movement in Reserves Statement, there are appropriations to and from the Pensions Reserve to remove the notional transactions for retirement benefits and replace them with debits for the amounts paid to the pension fund in the year and any amounts payable but unpaid at the year end. Full details of the LGPS fund are available from its website.

### **Employee Discretionary Benefits**

The Authority also has restricted powers to make discretionary awards of retirement 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 decision and accounted for using the same policies as are applied to the LGPS.

## **Events after the Balance Sheet Date**

Events after the Balance Sheet date are events that might have a bearing upon the financial results of the past year and the financial position presented in the Balance Sheet and that occur between the Balance Sheet date and the date the financial statements are authorised for issue. There are two types of post Balance Sheet event:

- i. Those that provide evidence of conditions that existed at the Balance Sheet date. Where material, the financial statements and notes are amended to reflect the impact of these events.
- ii. Those that are indicative of conditions that arose after the Balance Sheet date. The financial statements and notes are not amended to reflect these events but additional explanatory notes may be added where the effect is material.

Events taking place after the date of authorisation for issue are not reflected in the financial statements.

## **Financial Instruments**

Financial instruments held by the Authority are all classed as either financial liabilities or financial assets under the Code. The following items meeting the definition are contained within the Authority's Balance Sheet.

### **Financial Liabilities**

Financial liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. As the Authority is currently debt free it only has one type of financial liability and these relate to creditors.

Creditors are recognised when a contractual arrangement is entered into between the Authority and a supplier to provide goods and services for an agreed price. The value of the creditors recognised in the Balance Sheet represents the current value of the outstanding liabilities of the Authority at 31 March as a proxy for amortised cost.

### **Financial Assets**

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. The authority holds two main types, those accounted for at Amortised Cost and those at Fair Value.

#### **Amortised Cost**

Where the Authority's business model is to hold financial assets to collect contractual cash flows, it classifies these financial assets as measured at amortised cost. These assets are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. The Authority has two types of assets that meet this class of financial asset, being trade receivables and cash and bank deposits.

Trade receivables are recognised when a contractual arrangement is entered into between the Authority and a debtor for the provision of goods and services for an agreed sum. The value of debtors in the Balance Sheet represents the current value of the outstanding debts owed to the Authority at 31 March as a proxy for amortised cost. Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. The Authority recognises expected credit losses on its trade receivables using the simplified approach to the lifetime credit loss model. Using this approach, expected lifetime credit losses on individual debts are calculated based on an assessed credit risk. Changes to the impairment loss allowance are charged to the Comprehensive Income and Expenditure Statement.

Cash and bank deposits are shown in the Balance Sheet at amortised cost using the effective interest rate of the individual investments. For all the investments that the Authority has made, this means that the amount shown in the Balance Sheet is the amount of principal due to be repaid to the Authority, and the interest credited to the Comprehensive Income and Expenditure Statement, is the amount receivable by the Authority under the terms of the agreement. Expected credit losses are assessed using the credit rating of the financial institution and the related product.

### **Fair Value through Other Comprehensive Income**

Changes in fair value are accumulated in the Financial Instruments Revaluation Reserve until the asset is derecognised, at which point the net gain or loss is transferred to the General Fund Balance.

### **Government Grants and Contributions**

Revenue grants are recognised as income at the date that there is reasonable assurance that the grant conditions will be met and that the grant will be paid by the funding body. Conditions are stipulations that specify that the grant must be returned to the funder if not used as specified. Grants where conditions have not been met are carried in the Balance Sheet as creditors until conditions are satisfied, at which point they are credited to the relevant service line in the Comprehensive Income and Expenditure Statement. Grants and contributions used to finance the acquisition of a non-current asset are initially credited to Capital Receipts in Advance and then recognised in the Comprehensive Income and Expenditure Statement when any conditions are met. These grants are reversed out of the General Reserve to the Capital Grants Unapplied Account until the capital expenditure is incurred, in which case they are transferred to the Capital Adjustment Account through the Movement in Reserves Statement.

### **Inventories, Work in Progress and Long-Term Contracts**

Inventories held for resale at the Lake District Visitor Centre and the Information Centres and at the Authority's depots for repairs and maintenance are reflected in the Balance Sheet at the lower of cost or net realisable value.

Work in progress is valued at cost in the Balance Sheet.

Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the year.

## **Investment Property**

Investment properties are defined as those held solely to earn rentals or for capital appreciation or both. Investment property is measured initially at cost and subsequently at fair value based on the amount at which the asset could be exchanged between knowledgeable parties at arm's length. As a non-financial asset, investment properties are measured at highest and best use. Properties are revalued annually according to market conditions at year end. Statutory adjustments are applied so that revaluation movements have no impact on the Authority's usable reserves.

## **IFRS 16 Leases**

### **1. Authority as Lessee**

Changes to accounting policies in relation to the adoption of IFRS 16 are made in accordance with the transitional provisions in the Code.

Unless confirmed as an exception (see below) a right of use asset and corresponding liability will be recognised on the Balance Sheet at commencement of a lease.

The lease liability will be measured at the present value of the lease payments that are not paid at that date, discounted at the rate implicit in the lease, or if that cannot be readily determined, at the lessee's incremental borrowing rate specific to the term and start date of the lease. In this case, the Public Works Loan Board's annuity lending rate will be used as the incremental borrowing rate.

The right of use asset will initially be measured at cost, comprising;

- the initial measurement of the lease liability
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs incurred by the lessee, and
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Where a right of use asset is acquired at a peppercorn rent or for nominal lease payments, or for nil consideration, the cost will be measured at its fair value as at the commencement date on the same basis as donated assets.

IFRS16 will not be applied to leases where the underlying asset is valued at £10,000 or less.

IFRS16 will not be applied to short term leases of less than 12 months.

Lease payments relating to finance leases will be apportioned between Interest charged to the Comprehensive Income and Expenditure Statement and a Minimum Revenue Provision to write down the liability on the Balance Sheet.

The asset recognised on the Balance Sheet will be depreciated over the life of the lease on a straight-line basis.

Leases that fall outside IFRS16 are charged to the Comprehensive Income and Expenditure Statement as an expense to the service benefitting from the use of the leased asset. Charges are made on a straight-line basis over the life of the lease.

## **2. Authority as Lessor**

The Authority acts in the capacity of lessor for the lease of land and property it owns. Lease payments receivable under finance leases are apportioned between a charge for the acquisition of the interest in the property, applied to write down the lease debtor and finance income which is credited to the Comprehensive Income and Expenditure Statement. In addition, for new finance leases, a charge will be made to the General Fund Balance and a credit made to the Capital Receipts Reserve to the value of the non-interest element.

Lease payments due under operating leases are accounted for on an accruals basis in the Comprehensive Income and Expenditure Statement as they become due. Where the Authority acts as lessor, land and property leased under operating leases are held as a non-current asset within the Balance Sheet and valued in accordance with the measurement bases set out in the policy on Property, Plant and Equipment.

## **Overheads and Support Services**

The costs of overheads and support services are charged to service segments in accordance with the authority's arrangements for accountability and financial performance.

## **Property, Plant and Equipment**

Assets that have physical substance and are held for use in the provision of services and are expected to be used during more than one financial year are classified as Property, Plant and Equipment

### **1. Recognition and Measurement**

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. All other expenditure on assets is charged as an expense to revenue as it is incurred. Property, Plant and Equipment assets also include assets held under finance leases, which have been capitalised and included in the Balance Sheet at the lower of fair value of the property and the present value of the minimum lease payments.

The de-minimis level below which expenditure on the acquisition, creation or enhancement of a non-current asset is treated as revenue expenditure has been set at £10,000.

Assets are initially measured at cost, comprising the purchase price and any costs that are directly attributable to bringing the asset into working condition for its intended use. Assets are then carried in the Balance Sheet using an appropriate measurement bases as declared in the fixed asset disclosures.

High value assets included in the Balance Sheet at current value are revalued annually to ensure that their carrying amount is not materially different from their current value at year end. High value assets are those whose values could lead to a serious or material misstatement of the Balance Sheet should their valuations become outdated. All other assets

included in the Balance Sheet at current value are revalued sufficiently regularly but as a minimum every five years.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

## **2. Impairment**

Assets are assessed at each year end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall. This is charged to the revaluation reserve up to the value held for the asset in this reserve. Any further loss is charged to the Comprehensive Income & Expenditure Statement. Where a subsequent event is judged to reverse an impairment, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, (adjusted for depreciation).

## **3. Component Accounting**

Where a component of a non-current asset is replaced or restored, the carrying amount of the old component shall be derecognised and the new component reflected in the carrying amount. Each part (component) of an item of property, plant and equipment that is significant in relation to the total cost of the item is depreciated separately. Componentisation is only applied where the difference between the depreciation on each component and the depreciation on the asset as a whole is considered material, which for this Authority is considered to be assets with a value over £1M.

## **4. Depreciation**

Depreciation is provided for on all assets with a determinable finite life (except for investment properties, assets held for sale and assets under construction), by allocating the value of the asset in the Balance Sheet over the periods expected to benefit from their use. Depreciation is calculated using the relevant life year schedule as declared in the fixed asset disclosures. Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation 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.

## **Non-Current Assets Held for Sale**

Non-current assets held for sale are defined as assets that are:

- Available for immediate sale in their present condition
- The sale is highly probable
- The asset must be actively marketed for a sale price that is reasonable
- The sale should be expected to complete in one year.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale, adjusted for depreciation, revaluations or amortisation that would have been recognised had they not been classified as held for sale and their recoverable amount at the date of the decision not to sell.

Non-current assets held for sale are revalued immediately prior to reclassification, and then measured at the lower of their carrying amount and fair value less selling costs. Any reduction in asset value is recognised as an impairment loss.

## **Provisions**

Provisions are required for any liabilities of uncertain timing or amount in circumstances where:

- the Authority has a present legal or constructive obligation as a result of a past event.
- it is probable that a transfer of economic benefits will be required to settle the obligation.
- a reliable estimate of the amount of the obligation can be made, taking into account the risks and uncertainties surrounding the obligation.

A transfer of economic benefits is regarded as being probable if it is more likely than not to occur. Provisions are charged to the appropriate revenue account of the Authority and expenditure related to the provision is charged directly to that provision. The value of provisions is reviewed at each Balance Sheet date to reflect current best estimates.

## **Contingent Assets and Liabilities**

Contingent assets and liabilities arise where an event has taken place that gives the Authority a possible asset or 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 assets and liabilities are not recognised in the financial statements but are disclosed as a note to the accounts, unless the possibility of inflow/outflow of resources is remote. They are assessed continually to determine if the inflow/outflow is probable. In the case of a contingent liability, if the outflow becomes probable a provision is recognised unless a reliable estimate cannot be made. If the inflow from a contingent asset becomes probable and can be measured reliably, the debtor (or cash where consideration has been received) and the related revenue are recognised in the financial statements in the period in which the change occurs.

## **Value Added Tax**

Value Added Tax payable is only included as income and expenditure received or paid by the Authority if it is classed as irrecoverable by HM Revenue and Customs.

## **Fair Value Measurement**

The authority measures some of its non-financial assets such as surplus assets and investment properties at fair value at each reporting date. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset takes place either in the principal market for the asset or, in the absence of a principal market, in the most advantageous market for the asset.

The authority measures the fair value of an asset using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. When measuring the fair value of a non-financial asset, the authority takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to the valuation techniques in respect of assets for which fair value is measured or disclosed in the authority's financial statements are categorised within the fair value hierarchy as follows:

- |         |  |
|---------|--|
| Level 1 | quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date  |
| Level 2 | inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly |
| Level 3 | unobservable inputs for the asset  |

### **Rounding**

The authority accepts that minor rounding differences of between £1k and £2k may occur within its Statement of Accounts, these amounts are not material and the Authority does not intend to alter any totals where this occurs.

## **2. Expenditure and Funding Analysis**

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax and rate payers how the funding available to the Authority (i.e. government grants, rents, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by the Authority in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Authority's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

The outturn report for 2024/25 prepared for Resource Management will reflect the Net Expenditure Chargeable to the General Fund without the need for Adjustments to arrive at the net amount charged to the General Fund.

2024/25						
	As Reported for Resource Management	Adjustment to arrive at the net amount charged to the General Fund	Net Expenditure Chargeable to the General Fund	Adjustments between Funding & Accounting basis Capital	Adjustments between Funding & Accounting basis Other	Net Exp in the Comprehensive Income & Expenditure Statement
	£000s	£000s	£000s	£000s	£000s	£000s
Executive Board & Legal	781	(5)	786	0	(5)	781
Programmes & Resources	2,228	167	2,061	180	(13)	2,228
Visitor Services	(157)	888	(1,045)	908	(20)	(157)
People & Organisation Development	540	(3)	543	0	(3)	540
Communications & Customer Engagement	341	7	334	0	7	341
Development Management	545	(13)	558	0	(13)	545
Strategy & Rangers	1,560	232	1,328	265	(33)	1,560
Non distributed costs	12	0	12	0	0	12
<b>Net Cost of Services</b>	<b>5,850</b>	<b>1,273</b>	<b>4,577</b>	<b>1,353</b>	<b>(80)</b>	<b>5,850</b>
Other Income & Expenditure	(4,607)	(1,335)	(5,942)	(1,119)	(92)	(7,153)
<b>(Surplus)/Deficit on General Fund Balance in Year</b>	<b>1,244</b>	<b>(62)</b>	<b>(1,365)</b>	<b>234</b>	<b>(172)</b>	<b>(1,303)</b>
Opening General Fund Balance			3,789			
Plus Surplus on General Fund Balance in Year			1,365			
<b>Closing General Fund Balance</b>			<b>5,154</b>			

The comparative figures for the prior year are as follows:

2023/24						
	As Reported for Resource Management	Adjustment to arrive at the net amount charged to the General Fund	Net Expenditure Chargeable to the General Fund	Adjustments between Funding & Accounting basis Capital	Adjustments between Funding & Accounting basis Other	Net Exp in the Comprehensive Income & Expenditure Statement
	£000s	£000s	£000s	£000s	£000s	£000s
Executive Board & Legal	923	1	922	0	1	923
Programmes & Resources	2,429	205	2,224	204	1	2,429
Visitor Services	40	1,064	(1,024)	1,063	1	40
People & Organisation Development	432	3	429	0	3	432
Communications & Customer Engagement	500	(8)	508	0	(8)	500
Development Management	573	(1)	574	0	(1)	573
Strategy & Rangers	2,115	209	1,906	211	(2)	2,115
Non distributed costs	12	0	12	0	0	12
<b>Net Cost of Services</b>	<b>7,024</b>	<b>1,473</b>	<b>5,551</b>	<b>1,478</b>	<b>(5)</b>	<b>7,024</b>
Other Income & Expenditure	(3,280)	(2,649)	(5,929)	(272)	(25)	(6,226)
<b>(Surplus)/Deficit on General Fund Balance in Year</b>	<b>3,744</b>	<b>(1,176)</b>	<b>(378)</b>	<b>1,206</b>	<b>(30)</b>	<b>798</b>
Opening General Fund Balance			3,411			
Plus Surplus on General Fund Balance in Year			378			
<b>Closing General Fund Balance</b>			<b>3,789</b>			

### **3. Accounting Concepts**

In all cases, due consideration has been given to the relevance, reliability, comparability and understandability of financial information. The materiality of particular items and issues has also been considered.

The following accounting concepts have been used:

- Accruals - this means that income and expenditure are recognised as they are earned and incurred, not as money is received or paid
- Going concern – this assumes that the Authority will continue to operate in the future
- Primacy of legislative requirements – this means that where specific legislative requirements and accounting principles conflict, the legislative arrangements shall be used.

These concepts have been used in the selection of the accounting policies, estimation techniques and professional judgements employed.

This approach aims to provide information about the Authority's financial position, performance and cash flows in a way that meets the common needs of most users and shows the stewardship and accountability of members and management for the resources entrusted to them.

### **4. Accounting Standards that have been issued but have not yet been adopted**

The following standards have been issued but have not been adopted by the 2024/25 Code.

- a) IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023
- b) IFRA 17 Insurance Contracts issued in May 2017
- c) Adaptations to IAS 16, Property, Plant & Equipment and IAS 38, Intangible Assets. Changes to measurement of non-investment assets, including setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach.

The only change that may have a material impact on the Authority relates to c) with potential to reduce extensive annual valuations undertaken annually.

### **5. Critical Judgements in Applying Accounting Policies**

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

- There is an ongoing review of the operating model at Brockhole Visitor Centre, which may result in the site being operated by a third party. In year, specific activities at Brockhole were ceased due to operational losses. These changes and a preferred revised operational model have been used in the application of accounting policies. This is consistent with the balanced Medium Term Financial Strategy that was approved by Authority in March 2025.
- The adoption of IFRS 16 on 1 April 2024 requires the calculation of lease liabilities, which is informed, in part, by the length of the lease. The likely implementation of lease extensions is a material consideration in establishing the length of a lease. The Authority has included such clauses where it is assumed that extension options are reasonably certain to be exercised by the Authority as lessee.
- The Authority owns several properties that are not specifically used to provide services. These properties have been treated as investment properties. It also owns several pieces of woodland that don't fulfil an operational role and are instead held for capital appreciation or rental income earning purposes. These have also been treated as investment properties in accordance with the Code as interpreted in the context of a National Park Authority.
- The Authority has followed the same recognition criteria as the prior year in relation to the defined benefit pension asset/liability and the asset ceiling. The principals of IFRIC 14 have been applied to assess the potential for reductions in contributions. The asset ceiling calculation has been provided by actuary based on the present value of the projected future service cost less the minimum future contributions. The current contribution rate has been judged to be the best indication of a minimum funding rate with the future service cost being derived from the actuary projections. This has resulted in the funded asset being capped at £0. This has no impact on the Authority's usable reserves.

## **6. Assumptions made about the Future and Other Major Sources of Estimation Uncertainty**

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from assumptions and estimates. The items for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

- Pensions Liability – Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of actuaries is engaged to provide expert advice on the assumptions applied. The effects on the net pensions liability of changes in individual assumptions can be measured. During 2022/23 the Authority saw a significant movement in the value of the defined benefit pension liability, where this is would have been disclosed as a funded asset, but was capped at £0 due to the provisions in IAS19 and IFRIC14 around asset ceilings (see also accounting judgements, note 5 above); in addition an unfunded liability of £852k was split out and recognised. This was updated

for 2023/24 and again in 2024/25 where the same treatment has been applied; per the actuary's uncapped valuation, the net funded asset has increased further; however, the Authority judges that using a consistent method to the prior year, the funded asset is still capped to £0. The unfunded liability has reduced slightly to £713k. Although the figures relating to the pension scheme are large, with a significant capping as well as credits and debits to the Comprehensive Income and Expenditure statement, statutory accounting adjustments mean these have no impact on the Authority's usable reserves.

- Fair value measurements – Our investment properties and surplus assets are valued at fair value. The market valuation technique has been used to value these assets taking account of the market participant's ability to generate economic benefits by using the asset in its highest and best use. For most of these assets observable inputs from the sale of similar assets in the local area have been used to inform the valuation.
- Operational Land and Buildings – these form a significant part of the total balance sheet value and a small movement in estimation inputs can lead to a significant movement in value. To mitigate the risk of mis-statement, a significant element of operational properties are now subject to annual valuation.
- The UK economy experienced periods of high inflation during 2023/24, although this had reduced significantly for 2024/25 by the reporting date. We are satisfied that the wider economic conditions at the balance sheet date are reflected in the values within the statement of accounts. However, we note that inflation remains above the Bank of England target balance of 2% and given the magnitude of non-current assets, there is still potential for material changes in the value of assets and liabilities at the next reporting date. It is not practicable to project what these impacts may be. Statutory overrides exist to prevent fluctuations in the value of the net defined benefit pension liability and non-current assets from impacting on the General Fund balance.
- There is an ongoing review of the operating model at Brockhole visitor centre. As at the balance sheet date, some services delivered from the main building had temporarily stopped as they were significantly loss making. A process to identify a potential partner to lease the building and grounds has begun. It is not yet clear what the future operating model will be and this may impact the valuation at the next reporting date. The valuation at year end notes that the asset was temporarily not at full utilisation but reflected the long term intention that it would continue to deliver services to visitors.

## **7. Impact of Changes to the Code of Practice**

The only changes to the 2024/25 Code that have a material impact on the information reported in these financial statements relates to the adoption of IFRS16 (Leases) from the 1/4/2024. The accounting policies have been updated and the relevant disclosures have been included within the notes. The Accounting policies for 2024/25 were approved by Governance Committee on 27 November 2024.

## **8. Material Items of Income and Expense**

Significant transactions relating to non-current assets include revaluations, depreciation and disposals; these are set out in detail in the non-current asset note.

Total capital expenditure for 2024/25 was £686k (£868k in 2023/24). A further split of this capital expenditure is provided in the capital expenditure note.

The core grant settlement from Defra was £5,590k. This is within the non-specific grant income line in the CIES.

Further details around individually material grant income amounts are disclosed in note 15 (grants).

## 9. Expenditure and Income Analysed by Nature

2023/24 General Fund	2023/24 Other Reserves	2023/24 Total		2024/25 General Fund	2024/25 Other Reserves	2024/25 Total
£000s	£000s	£000s		£000s	£000s	£000s
<b>Expenditure</b>						
8,588	(5)	8,583	Employee benefits expenses	8,547	(80)	8,467
7,613	314	7,927	Other service expenses	10,874	52	10,926
0	1,466	1,466	Depreciation, amortisation and revaluation	0	1,355	1,355
0	139	139	Loss on disposal of non current assets	0	(89)	(89)
0	(257)	(257)	Interest payments (IAS 19 - non cash)	0	(428)	(428)
16,201	1,657	17,858		19,421	810	20,231
<b>Income</b>						
(10,704)	(248)	(10,952)	Fees, charges and other service income	(14,846)	(52)	(14,898)
(5,608)	0	(5,608)	Non specific grants and contributions	(6,232)	0	(6,232)
(95)	(186)	(281)	Investment Property Income	(57)	(172)	(229)
(217)	0	(217)	Interest & investment income	(175)	0	(175)
(16,624)	(434)	(17,058)		(21,310)	(224)	(21,534)
<b>(423)</b>	<b>1,223</b>	<b>800</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>(1,889)</b>	<b>586</b>	<b>(1,303)</b>
<b>5,497</b>	<b>1,527</b>	<b>7,024</b>	<b>Cost of services</b>	<b>4,575</b>	<b>1,275</b>	<b>5,850</b>

## 10. Movement in Reserves Statement - 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. The adjustments are made to the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

The following sets out a description of the capital reserves that the adjustments are made against:

Capital Receipts Reserve – this reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at year end.

Capital Grants Unapplied – this reserve holds the grants and contributions received towards capital projects for which the Authority has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

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 additions to those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or subsequent costs as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings to the Revaluation Reserve to convert current and fair value figures to a historical cost basis). The account is credited with the amounts set aside by the authority as finance for the costs of acquisition, construction and subsequent costs. The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the authority. The account also contains revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date the Revaluation Reserve was created to hold such gains.

Revaluation Reserve - records the amount by which the current value of fixed assets in the Balance Sheet is greater because they are carried at revalued amounts rather than depreciated historical cost. The balance on the Revaluation Reserve at 31 March 2024 in relation to fixed assets represents the revaluation gains accumulated since 1 April 2007. Accumulated gains arising before this date are consolidated into the balance on the Capital Adjustment Account. The balance is reduced when assets with accumulated gains are revalued downwards or impaired, disposed of, or used in the provision of services in which case the gains are consumed through depreciation.

Deferred Capital Receipts Reserve – Same principles as Capital Receipts Reserve but reflects circumstances where the timing between Asset Sale and Cash Receipt is offset.

Adjustments between the Funding and Accounting Basis for Capital Purposes are allocated to Income & Expenditure reporting segments are explained in detail as set out below:

2024/25	Capital Receipts	Capital Grants	Capital Adjustment	Revaluation	Deferred Capital	Capital Outturn
Movements in the year	Reserve	Unapplied Reserve	Account	Reserve	Receipts Reserve	For the Year
	£000	£000	£000	£000	£000	£000
Transfers between Reserves		7	(537)	537		7
GF Contributions to Capital Spend						0
Capital Grant Receipts	265	0	(635)			(370)
REFCUS Expenditure			52			52
Capital expenditure charged against the General Fund			(52)			(52)
Profit or Loss on Asset Sale	(89)		0		0	(89)
RoU Assets			(161)			(161)
Depreciation & Amortisation			1,380			1,380
Impairment			(24)			(24)
Market Value - Investment Properties			(172)			(172)
<b>Total Capital Adjustment between Accounting and Funding base</b>	176	7	(149)	537	0	571
Other C&I - Revaluation				(1,528)		(1,528)
<b>Total reserves movement - Capital</b>	176	7	(149)	(991)	0	(957)

The comparable figures for 2023/24 were as follows:

2023/24	Capital Receipts	Capital Grants	Capital Adjustment	Revaluation	Deferred Capital	Capital Outturn
Movements in the year	Reserve	Unapplied Reserve	Account	Reserve	Receipts Reserve	For the Year
	£000	£000	£000	£000	£000	£000
Transfers between Reserves		3	(466)	466		3
GF Contributions to Capital Spend						0
Capital Grant Receipts	514	0	(532)			(18)
REFCUS Expenditure			314			314
Capital expenditure charged against the General Fund			(298)			(298)
Profit or Loss on Asset Sale	(59)		198		0	139
Depreciation & Amortisation			1,278			1,278
Impairment			206			206
Market Value - Investment Properties			(186)			(186)
<b>Total Capital Adjustment between Accounting and Funding base</b>	455	3	514	466	0	1,438
Other C&I - Revaluation				(2,195)		(2,195)
<b>Total reserves movement - Capital</b>	455	3	514	(1,729)	0	(757)

## ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATION

General Reserve – this is the statutory fund into which all the receipts of the Authority are required to be paid and out of which all liabilities are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources the Authority is statutorily empowered to spend on its services or on capital investment at the end of the financial year.



## 11. Officers' Remuneration

The following table discloses details of remuneration to senior employees who earned over £50,000. There were no senior employees earning over £150,000.

	Salary including Allowances	Expense Allowances	Compensation for Loss of Office	Employers Pension Contributions	Total
	£	£	£	£	£
<b>2024/25</b>					
Chief Executive *	135,000	0	0	23,621	158,621
Director of Sustainable Development	82,590	0	0	14,956	97,546
Director of Visitor Services & Resources **	41,970	0	0	6,782	48,752
Head of Resources (S151 Officer) ***	68,780	0	0	12,323	81,103
	<b>328,339</b>	<b>0</b>	<b>0</b>	<b>57,682</b>	<b>386,022</b>
<b>2023/24</b>					
Chief Executive	107,652	0	0	19,485	127,137
Director of Sustainable Development	77,491	0	0	14,026	91,517
Director of Visitor Services and Resources	76,125	0	0	12,964	89,090
Head of Resources (S151 Officer)	63,699	0	0	11,529	75,228
	<b>324,967</b>	<b>0</b>	<b>0</b>	<b>58,005</b>	<b>382,972</b>

\* Chief Executive comprises of 2 people; one left on 31/12/24 but the other started 1/10/24

\*\* The Director of Visitor Services transferred to being the Chief Executive on 1/10/24

\*\*\* Head of Resources comprises of 2 people; one left on 13/12/24 but the other started 21/10/24

The Accounts and Audit Regulations 2015 also require that local authorities disclose details of the number of other employees whose remuneration, excluding pension contributions, exceeds £50,000 in bands of £5,000.

No of Employees	Remuneration Band	No of Employees
2023/24		2024/25
7	£50,000 - £54,999	11
2	£55,000 - £59,999	6
1	£60,000 - £64,999	0
2	£65,000 - £69,999	2
0	£70,000 - £74,999	1

Exit Packages in the year are summarised below

	Number	Value Range £	Total £000
<b>2024/25</b>			
Compulsory	13	1-19,999	91
Voluntary	2	1-19,999	
<b>2023/24</b>			
Compulsory	4	1-39,999	39

## 12. Members' Allowances

The Code of Practice on Local Authority Accounting requires that Local Authorities disclose details of allowances paid to elected members during the year.

Details of allowances paid in 2024/25 to members and independent persons appointed by the Authority to comply with its obligations under the Localism Act 2011 are as follows:

Name	Appointing body	Notes	Basic Allowance	Special Responsibility	Travel and Subsistence	Total
			£	£	£	£
Matthew Brereton	Westmorland and Furness Council		3,000	0	527	3,527
Gary Calland	Secretary of State	1	1,234	0	0	1,234
Markus Campbell-Savours	Cumberland Council	1	789	0	0	789
Michael Carter	Secretary of State		3,000	4500	0	7,500
William Clark	Westmorland and Furness Council		3,000	0	209	3,209
Philip Dixon	Westmorland and Furness Council	2	492	0	0	492
Jaqueline Drake	Westmorland and Furness Council		3,000	1000	0	4,000
Neil Hughes	Westmorland and Furness Council	1	2,250	0	35	2,285
Vicky Hughes	Westmorland and Furness Council		3,000	0	57	3,057
Tiffany Hunt	Secretary of State		3,000	6000	1390	10,390
James Jackson	Secretary of State		3,000	2000	448	5,448
Linda Jones-Bulman	Cumberland Council		3,000	0	0	3,000
Mark Kidd	Secretary of State		3,000	2000	505	5,505
Sally Lansbury	Cumberland Council	2	1,193	0	146	1,339
Graham Minshaw	Cumberland Council		3,000	0	507	3,507
Sabine Mosner	Secretary of State		3,000	2000	488	5,488
Richard Outhwaite	Secretary of State		3,000	0	873	3,873
Andrew Pratt	Cumberland Council		3,000	0	647	3,647
Douglas Rathbone	Westmorland and Furness Council		3,000	0	155	3,155
Andrew Southorn	Independent person		150	0	0	150
Suzanne Stolberg	Secretary of State	2	734	0	45	779
James Stuart	Secretary of State	1	1,000	667	0	1,667
David Tweddle	Independent person		150	0	0	150
Peter Walter	Secretary of State		3,000	0	656	3,656
Ian Wharton	Secretary of State		3,000	0	505	3,505
<b>Total</b>			<b>55,992</b>	<b>18,167</b>	<b>7,193</b>	<b>81,352</b>

Notes:

### 1 Members left the Authority during the year:

M Campbell-Savours left 4 July 2024

N Hughes left 25 December 2024

J Stuart left 31 July 2024

G Calland left 29 August 2024

## 2 Members joined the Authority during the year.

S Lansbury joined 7<sup>th</sup> November 2024  
S Stolberg joined 3<sup>rd</sup> January 2025  
P Dixon joined 2<sup>nd</sup> January 2025

Comparative figures for 2023/24 are shown below:

2023/24		2024/25	
£000		£000	
75	Allowances	74	
8	Expenses	7	
<b>83</b>		<b>81</b>	

## 13. Related Party Transactions

The Authority is required to disclose details of material transactions with related parties. Related parties are generally either individuals or organisations that could exert direct or indirect control over the other party.

The Authority's transactions with related parties can be summarised as follows:

**Central Government** exerts significant influence over the general operations of the Authority. It is responsible for providing the statutory framework in which it operates, provides a significant element of its funding in the form of grants and prescribes the terms of many of the transactions the Authority has with other parties. The majority of the Authority's grant funding is provided by the Department of Environment, Food and Rural Affairs. All grants received during 2024/25 are detailed in note 15 (Grants) to the Financial Statements.

**Members** – Members of the Authority have direct control over the Authority's financial and operating policies. Members allowances paid in 2024/25 are detailed in note 12 to the Financial Statements. As set out in note 12 a significant number of the Authority's members during the year were also elected members of other local authorities within Cumbria. Details of the Authority's transactions with these authorities are detailed in the table below. All elected members are required to keep a register of their disclosable pecuniary interests up to date and complete a declaration of related party transactions at the end of the year. One Member was also a Member at Loch Lomond and the Trossachs NPA. There were a small number of transactions, all in the normal line of business (<£5k income and expenditure).

Related Party	Business Rates £000	Other Payments £000	Income £000	Support Grants £000	Owed To £000	Owed From £000
Westmorland & Furness Council	450	118	100	51	12	30
Cumberland Council	30	9	73	96	3	102
<b>Total</b>	<b>480</b>	<b>127</b>	<b>173</b>	<b>147</b>	<b>15</b>	<b>132</b>

The comparative values for 2023/24 are shown below Allerdale and Copeland now form part of Cumberland Council. South Lakeland and Eden now form part of Westmorland and Furness Council; Cumbria County Council was split and also forms part of the new unitary authorities. The items in 2023/24 relating to these bodies are the release of income in advance received from them in prior year:

Related Party	Business Rates £000	Other Payments £000	Income £000	Support Grants £000	Owed To £000	Owed From £000
Westmorland and Furness Council	410	59	52	0	109	3
Cumberland Council	27	2	24	25	21	3
Cumbria County Council	0	0	0	78	0	0
Copeland Borough Council	0	0	0	74	0	0
Allerdale Borough Council	0	0	0	8	0	0
<b>Total</b>	<b>437</b>	<b>61</b>	<b>76</b>	<b>185</b>	<b>130</b>	<b>6</b>

**Officers** - the Authority's senior managers were asked to declare any direct financial relationship with the Authority through outside bodies or companies for the financial year 2024/25. The Authority's Chief Executive Officer is a trustee of the Lake District Foundation. The Director of Visitor Services and Resources (while in post) was on the Cumbria County Council Pensions Board, the National Parks Partnership and the Cumbria Tourism board; the Director of Sustainable Development is a Trustee of World Heritage UK. Details of the Authority's transactions with these organisations in 2024/25 are listed in the table below. A small number of other non-material declarations were made by other Officers.

Related Party	Payments £000	Income £000	Owed to £000	Owed from £000	Payment details include
Lake District Foundation	70			39	Grants donations
Lake District Foundation	10				Core funding
Lake District Foundation		49			Grants and donations
World Heritage UK	2	0			Memberships
Cumbria Tourism	31				Membership and projects
Cumbria Tourism		2			Recharges for staff time
National Parks Partnership	10				Memberships
National Parks Partnership		70			Grants
	<b>123</b>	<b>121</b>	<b>0</b>	<b>39</b>	

Comparative figures for 2023/24 are shown below:

Related Party	Payments	Income	Owed to	Owed from	Payment details include
	£000	£000	£000	£000	
Lake District Foundation		80		71	Donations and grant funding
Lake District Foundation	18		18		Annual contribution and consultancy
Lake District Foundation	599				ESIF grant payments (agency)
Cumbria Tourism	21				Annual contribution and consultancy
Cumbria Tourism	18				ESIF grant payments (agency)
National Parks Partnership	10				Subscription
National Parks Partnership		61			Grants
World Heritage	3				Sponsorship and events

Details of Members disclosable pecuniary interests are available on the LDNPA website or can be inspected at the LDNPA head office in Kendal during office hours. Details of officers' interests are recorded in the Register of Officers Interests which can also be inspected at the head office in Kendal during working hours.

The Authority's transactions with Cumbria Local Government Pension Fund are shown in note 16 to the Financial Statements.

## 14. Financing and Investment Income and Expenditure

2023/24				2024/25		
Gross Exp	Gross Income	Net Exp		Gross Exp	Gross Income	Net Exp
£000	£000	£000		£000	£000	£000
2,714	(2,971)	(257)	Pension Net Interest Cost	2,809	(3,237)	(428)
0	(217)	(217)	Interest receivable	85	(260)	(175)
14	(295)	(281)	Income & expenditure on investment properties and changes to their fair value	12	(241)	(229)
198	(61)	137	Net Profit / Loss upon Sale of non IP Assets	0	(89)	(89)
<b>2,926</b>	<b>(3,544)</b>	<b>(618)</b>	<b>Total</b>	<b>2,906</b>	<b>(3,827)</b>	<b>(921)</b>

## 15. Grant Income

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2024/25.

### Non Specific Grant Income:

	2023/24 £000	2024/25 £000
<b>Non Specific Grant Income</b>		
National Park Grant	5,590	5,839
<b>Capital Grants &amp; Contributions:</b>		
Defra		291
Westmorland and Furness	0	3
Insurance Receipts	18	70
Donated asset		29
	<u>5,608</u>	<u>6,231</u>

**Specific Grant Income:**

	2023/24	2024/25
	£000	£000
<b>Specific Grant Income</b>		
DEFRA	1,365	2,421
Cumbria County Council Total	78	0
National Trust	137	15
Lake District Foundation	141	110
Rural Payments Agency	13	7
Forestry Commission	53	93
Cumbria Action	25	23
Allerdale Borough Council	19	0
FiPL	37	277
Department Levelling Up Housing Communities	47	650
Heritage Lottery	25	0
ESIF	20	0
Other Grants & Contributions less than £10,000	1	7
National Grid	261	175
Woodland Trust	15	5
Revere	62	9
NDA (Nuclear Decommissioning Authority)	5	42
Copeland Borough Council	74	0
Natural England	427	742
Ribble Valley Trail repairs	6	0
Cumberland Council	4	81
National Parks England	30	27
Action with communities	10	0
Westmorland and Furness	132	31
Pathways to Planning (LGA)	0	10
CLEP - Cumbria Local Enterprise Partnership	0	11
United Utilities	0	34
HBRG	0	2,296
	<b>2,987</b>	<b>7,066</b>

There are no agent transactions in year as the ESIF grant scheme ended in June 2023 with all partner transactions settled in 2023/24.

The Authority has also received grant with unmet conditions that it has yet to recognise as income. The following were held as grant receipts in advance:

	2023/24	2024/25
	£000	£000
<b>Grant Receipts in Advance</b>		
National Grid	75	50
Lake District Foundation	5	5
Woodland Trust	85	64
Estee Lauder	9	0
Westmorland & Furness	95	6
Alpine Fire Engines	5	0
Police Crime Commissioner	3	0
National Parks England	2	65
Cumbria Woodlands	16	0
National Trust	20	0
Cumberland Council	20	0
Planning pathways	0	10
Nutrient Neutrality - DLUHC	0	300
TVMG	0	104
	<b>335</b>	<b>604</b>

## 16. Pension Reserve

The Pension Reserve represents the overall surplus of the Authority for pension payments to employees and ex-employees who are, or have been, members of the Local Government Pension Scheme. In years prior to 2022/23 the balance of the Pension Reserve represented a deficit position. Since that point, the unadjusted actuarial valuation showed an asset on the funded element of the scheme. Under proper accounting practice, the judgement was that this did not meet the criteria for recognition and a ceiling has been applied. There is still an unfunded liability which is recognised. 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 the Comprehensive Income & Expenditure Statement 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 employers contributions to pension funds or eventually pays any pensions for which it is directly responsible. The balance on the pension reserve shows the difference between the benefits earned by past and current employees and the resources set aside to meet them. The position fluctuates from year to year as it represents a snapshot at the end of the financial year, based on prevailing market and other economic conditions and assumptions. The statutory arrangements ensure that funding is set aside by the time any benefits come to be paid.

### Discretionary Post-Retirement Benefits

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan

assets built up to meet these pension liabilities. The following tables outline transactions affecting the Authority's share of the pension fund's liabilities and assets during the year:

2023/24		2024/25
£000	Gross Liabilities	£000
<b>(57,194)</b>	<b>Opening balance as at 1 April</b>	<b>(58,310)</b>
(2,714)	Interest cost	(2,809)
1,239	Actuarial (losses) / gains	8,785
(987)	Current service cost, past cost, curtailments	(956)
(401)	Contributions from scheme participants	(409)
1,676	Benefits paid	2,310
71	Estimated unfunded benefits paid	73
<b>(58,310)</b>	<b>Closing balance at 31st March</b>	<b>(51,316)</b>
2023/24		2024/25
£000	Gross Assets	£000
<b>56,342</b>	<b>Opening balance as at 1 April</b>	<b>57,501</b>
2,971	Interest on plan assets (exc admin)	3,237
2,306	Actuarial (losses) / gains	(1,066)
(3,853)	Adjustment for Asset Ceiling	(8,135)
(47)	Employer administration expenses	(47)
1,057	In-year contributions by Employer	1,014
71	In-year contributions for unfunded (Discretionary benefits)	73
401	Contributions by employees into the scheme	409
(1,747)	Benefits paid	(2,383)
<b>57,501</b>	<b>Closing balance at 31st March</b>	<b>50,603</b>
2023/24		2024/25
£000		£000
1,128	<b>General Fund Charge - Employer Contributions</b>	1,084
-70	Current Services Cost Adjustment	-131
47	Administrative Expenses	47
1,105	<b>Current Service Cost &amp; Administrative Expenses</b>	1,000
(257)	Interest cost less return on plan assets to financing income & expenditure	(428)
<b>848</b>	<b>Charge to Surplus/(Deficit) upon Provision of Services</b>	<b>572</b>
237	Actuarial Gains/Losses to other income & expenditure	416
<b>1,085</b>	<b>Charge to Comprehensive Income &amp; Expenditure Account for the year</b>	<b>988</b>
(1,128)	Less General Fund Charge - Employer Contributions	(1,084)
<b>(43)</b>	<b>Movement in Pensions Reserve Balance for the year</b>	<b>(96)</b>
<b>(852)</b>	<b>Pension Reserve Balance at 1 April</b>	<b>(809)</b>
43	Movements Charged to Comprehensive Income & Expenditure In Year	96
<b>(809)</b>	<b>Pension Reserve Balance at 31 March</b>	<b>(713)</b>

## **17. Defined Benefit Pension Schemes**

### **Participation in Pension Schemes**

As part of the terms and conditions of employment the Authority makes contributions to the cost of employee's retirement benefits. Although these benefits will not actually be payable until employees retire, the Authority is committed to making these payments. This commitment to make retirement payments at a future date is disclosed in the year that the employees have earned their future pension entitlement in accordance with IAS 19.

At 31 March 2025 the Authority's pension arrangement for its employees was the Cumbria Local Government Pension Scheme, which is part of the Local Government Pension Scheme (LGPS). The LGPS is a funded defined benefit pension arrangement for local authorities and related employers, and is governed by statute (principally now the Local Government Pension Scheme Regulations 2013).

The Cumbria Local Government Pension Scheme is a multi-employer arrangement, under which each employer is responsible for pension costs, liabilities and funding risks relating to its own employees and former employees. Each employer's contribution to the scheme is calculated in accordance with the LGPS Regulations which require an actuarial valuation to be carried out every three years. The latest actuarial valuation of the scheme, for which results are known, took place on 31 March 2022 and at that date showed a funding level of 110% (assets of £3.3 billion against accrued liabilities of about £3 billion). The duration of the liabilities for the individual employers who participate in the scheme can be significantly different from this, reflecting the profile of its employees and former employees.

### **Governance and Risk Management**

The surplus associated with the Authority's pension arrangements is material to the Authority, as is the cash funding required. The details in relation to each arrangement, including the relevant provisions for governance and risk management, are set out below:

- Nature of the Scheme

The Scheme targets a pension paid throughout life. The amount of pension depends on how long employees are active members of the scheme and their salary when they leave the scheme (a 'final salary' scheme) for service up to 31 March 2014 and on revalued average salary (a 'career average' scheme) for service from 1 April 2014 onwards.

- Governance

Management of the scheme is vested in Westmorland and Furness Council as Administering Authority of the Scheme. Westmorland and Furness Council has appointed a Pension Committee to manage the Scheme. Advice is given by Westmorland and Furness's Director of Resources (s151 Officer), the Council's finance team and by two independent advisers. The current advisers are appointed for their knowledge of investments and of pension funds; one adviser being primarily an investment specialist, the other complementing these investment skills with actuarial knowledge of the liability profile of the Scheme. A Local Pension Board, established under the Public Service Pensions Act 2013, assists with the governance of the scheme.

- Funding the Liabilities

Regulations governing the Scheme require actuarial valuations to be carried out every three years. Contributions for each employer are set having regard to their individual circumstances. The Regulations require the contributions to be set with a view to targeting the Scheme's solvency, and the detailed provisions are set out in the Scheme's Funding Strategy Statement. The most recent available valuation was carried out as at 31 March 2022 (setting contribution rates until March 2026), which showed a surplus of assets against liabilities of £0.31 billion as at that date, equivalent to a funding level of 110%. A surplus buffer of 110% has been introduced to reflect current economic uncertainty and aid future contribution stability. In addition to the funded benefit liabilities, there are a small number of unfunded benefit liabilities. These have been included as a liability of £713k on the balance sheet.

- Net defined benefit pension asset recognition

As part of assessing whether the net defined benefit pension surplus on the balance sheet should be recognised in full, the Authority has assessed the level of potential for reduction in future contributions in line with IFRIC 14. An asset ceiling calculation has been completed by the actuary to assess this level of future contributions against the minimum funding requirement for the scheme. This aims to assess whether contributions could be lowered to provide the authority with future economic inflows (through reduced contributions). This has resulted in the asset being fully capped with the unfunded liability of £713k.

- Risk and Investment Strategy

The Scheme's primary long-term risk is that the Scheme's assets will fall short of its liabilities (i.e. promised benefits payable to members). The aim of investment risk management is to balance the minimisation of the risk of an overall reduction in the value of the Scheme with maximising the opportunity for gains across the whole Scheme portfolio. The Scheme achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and keep credit risk to an acceptable level. In addition, the Scheme manages its liquidity risk to ensure there is sufficient liquidity to meet the Scheme's forecast cash flow.

- Market Risk

Market value risk is the risk that the fair value or future cash flows of a financial institution will fluctuate because of changes in market price. The Scheme is exposed to the risk of financial loss from a change in the value of its investments. This may result in the Scheme's assets failing to deliver the returns required to match the underlying liabilities of the Scheme over the longer term. To mitigate against market value risk, the Scheme has set restrictions on the type of investment it can hold. Mitigation against market risk is also achieved by diversifying across multiple investment managers and regularly reviewing the Investment Strategy and performance of the Scheme.

- Interest Rate Risk

The Scheme invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risks that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market interest rates.

- Foreign Exchange Risk

The Scheme holds a number of financial assets and liabilities in overseas financial markets and is therefore exposed to the risk of loss arising from exchange rate movements of foreign currencies. The Fund mitigates this through maintaining unhedged listed equity exposure (to aim to provide protection during extreme market falls) and to hedge other lower-risk assets where practical and possible. The use of active management also helps to manage this risk.

- Credit / Counterparty Risk

Credit risk is the risk that a counterparty to a transaction or a financial instrument will fail to discharge an obligation or commitment that it has entered into and cause the Scheme to incur financial loss. The selection of high quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner. Through review of the Scheme's external Investment Managers annual internal control reports the Scheme monitors its exposure to credit and counterparty risk.

- Liquidity Risks

Liquidity risk represents the risk that the Scheme will not be able to meet its financial obligations as they fall due. The Administering Authority, with the Actuary, frequently reviews the overall cash flow position of the Scheme to ensure its obligations can be covered. The Scheme holds a large value of very liquid securities which could be promptly realised if required.

- Other Risks

Actions taken by the Government could result in stronger local funding standards, which could materially affect the authority's cash flow.

There is a risk that changes in the assumptions (e.g. life expectancy, price inflation, discount rate) could increase the defined benefit obligation and/or the liabilities for actuarial valuation purposes. Other assumptions used to value the defined benefit obligation are also uncertain, although their effect is less material.

### **Local Government Pension Scheme assets comprised:**

Assets in the pension fund are valued at realisable value which is principally market value for investments. As the type of asset will determine the risk associated with that asset, details of the categories of fund asset are shown below. The total assets of £67.8m set out below have been capped for accounting purposes by £17.2m to reconcile the net position of liabilities and assets back to the £713k liability per the balance sheet.

	Quoted	Fair value of scheme assets	
		2023/24	2024/25
		£000	£000
<b>Cash and equivalents:</b>			
Cash accounts	Y	1,286	1,017
Net current assets	N	-	-
<b>Equities:</b>			
UK equity pooled	Y	3,248	1,288
Global quoted pooled	Y	19,219	16,403
Overseas equity pooled	Y	3,654	5,761
<b>Bonds:</b>			
UK Government indexed pooled	N	8,865	9,828
<b>Property:</b>			
UK	N	3,113	68
Property	N	1,895	5,219
<b>Alternatives:</b>			
Healthcare	N	1,218	949
Private equity	N	6,158	6,710
Multi asset credit	N	4,466	4,474
Infrastructure	N	9,542	10,574
Real Estate	N	-	-
Private debt	N	5,008	5,490
<b>Total assets</b>		<b>67,672</b>	<b>67,781</b>

### Basis for Estimating Assets and Liabilities

**Assets** have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The Local Government Pension Scheme and discretionary benefit liabilities have been estimated by Mercer Limited, an independent firm of actuaries, with estimates for the Cumbria LGPS Fund being based on the latest full valuation at 31 March 2022. The significant assumptions used by the actuary have been:

<b>Local Government Pension Scheme</b>		
	<b>2023/24</b>	<b>2024/25</b>
	<b>£000</b>	<b>£000</b>
<b>Mortality</b>		
<b>Longevity - current</b>		
Men	21.5	21.5
Women	23.9	24
<b>Longevity - future</b>		
Men	22.8	22.8
Women	25.7	25.7
Rate inflation	2.70%	2.60%
Rate salaries	4.20%	4.10%
Rate pensions	2.80%	2.70%
Rate for discounting	4.90%	5.80%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

	<b>Increase/(decrease) in the Defined Pension Surplus</b>
	<b>£000</b>
Longevity (1yr increase in life expectancy)	(1,041)
Rate of inflation (increase by 0.25% per annum)	(1,881)
Rate of increase in salaries (increase of 0.25% per annum)	(304)
Rate for investment returns (decrease 1% per annum)	(673)
Rate for discounting scheme liabilities (increase by 0.5% per annum)	3,564

### **Asset and Liability Matching Strategy**

Cumbria Local Government Pension Scheme does not have an asset and liability matching strategy. However, Local Government Pension Schemes have a long term liability profile, and

their investment strategy must be undertaken with a view to matching this. The Scheme's Investment Strategy is to hold assets across a range of products and managers in order to diversify risk.

The policy documents for the Cumbria Local Government Pension Scheme include a 'Funding Strategy Statement' (FSS) which is reviewed and published whenever there is a material change in either the policy on the matters set out in the FSS or the scheme's 'Statement of Investing Principles'. The FSS addresses the issue of managing the need to fund benefits guaranteed by statute over the long term. The implementation of the funding strategy is the responsibility of Westmorland and Furness Council, acting on the professional advice provided by the actuary. The purpose of the FSS is to:

- establish a clear and transparent fund-specific strategy which will identify how employers pension liabilities are best met going forward;
- to support the regulatory requirement to maintain as nearly constant employer contribution rates as possible; and
- to take a prudent longer-term view of funding those liabilities

In practice the funding target is met by a range of combinations of funding plan, investment strategy and investment performance. The Investment Strategy Statement and the Funding Strategy Statement are published in the Cumbria LGPS Annual Report, which is available on the Cumbria Pension Fund website.

### **Impact on the Authority's Cash Flows**

The objectives of the scheme are to keep employers' contributions at a constant a rate as possible. Each employer's position within the scheme is assessed separately and their individual contribution rate takes into account their differing circumstances and the funding plan, as laid down in the Funding Strategy Statement. The last valuation was dated 31 March 2022, at which time the funding level was 110% and the recovery period reduced to 10 years.

If any employer becomes unable to pay contributions or make good deficits in the future, the Fund's assets will be lower than expected and the funding level will be worse than expected. This risk can be mitigated by regular employer covenant reviews by the Administering Authority. However, in the ultimate default of an employer any shortfall would then become the responsibility of any guarantor or all other employers in the Fund. If an employer terminates participation and becomes an Exiting Employer under the Regulations then the shortfall will be determined in line with the termination policy set out in the Funding Strategy Statement.

The Authority anticipates making contributions of £1,135k to the scheme in 2025/26. This excludes an annual surplus refund payment of £62k. The contributions for 2025/26 have been paid up front in April resulting in net cash savings to the Authority of £26k.

The weighted average duration of the defined benefit obligation for scheme members is 18 years for 2024/25 (18 years 2023/24). The very mature duration profile has been used to determine these assumptions.

## 18. Disclosure of External Audit Costs

In 2024/25 the Authority incurred the following fees relating to external audit and inspection:

	2023/24	2024/25
	£	£
Scale Fee	50,283	56,863
Non-scale fee work PSAA approved	2,510	
	<u>52,793</u>	<u>56,863</u>

The fee for 2024/25 is based on the Audit Plan presented to Governance Committee in April 2025. This may change dependent on the actual level of work performed (for example on the new lease standard) or changes to audit requirements, subject to PSAA approval. Any changes to the actual fees will be shown as a restated 2024/25 amount in the 2025/26 accounts.

No non-audit services were provided.

## 19. Property, Plant and Equipment

The table below sets out the balances relating to Property, Plant and Equipment in 2024/25

PPE	OPERATIONAL					NON OPERATIONAL		Total
	Land & Buildings	Vehicles & Plant	Equip't	Infra-structure	Comm'ty Assets	Assets under Construc'n	Surplus assets	
	£000	£000	£000	£000	£000	£000	£000	
<b>Cost or Valuation</b>								
Valuation as at 1 April 2024	21,060	2,411	651	8,490	471	61	120	33,264
Reclassification	61	0	0	0	0	(61)	0	0
Upward Revaluation recognised in Revaluation Reserve	1,105	0	0	0	0	0	0	1,105
Downward Revaluation recognised in Revaluation Reserve	(404)	0	0	0	0	0	0	(404)
Upward Revaluation recognised in Surplus /Deficit on Provision of Services	75	1	0	0	0	0	0	76
Downward Revaluation recognised in Surplus /Deficit on Provision of Services	(68)	(107)	(1)	0	0	0	0	(176)
Additions	318	157	130	29	0	0	0	635
Derecognition - disposals		(22)	(63)	0	0	0	0	(85)
<b>Valuation as at 31 March 2025</b>	<b>22,145</b>	<b>2,441</b>	<b>718</b>	<b>8,519</b>	<b>471</b>	<b>0</b>	<b>120</b>	<b>34,414</b>
<b>Depreciation</b>								
Accumulated Dep'n at 1 April 2024	(233)	(1,196)	(505)	(621)	0	0	0	(2,555)
Reclassification	0	0	0	0	0	0	0	0
Depreciation for the year	(781)	(164)	(55)	(228)	0	0	0	(1,228)
Restatement of Depreciation upon Revaluation to Revaluation Reserve	713	106	8	0	0	0	0	827
Restatement of Depreciation upon Revaluation to I&E and CAA	17	106	1	0	0	0	0	124
Restatement of Depreciation upon Disposal	0	22	63	0	0	0	0	85
<b>Accumulated Dep'n at 31 March 2025</b>	<b>(283)</b>	<b>(1,128)</b>	<b>(488)</b>	<b>(849)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(2,747)</b>
<b>Net Book Value at 31 March 2025</b>	<b>21,862</b>	<b>1,314</b>	<b>230</b>	<b>7,670</b>	<b>471</b>	<b>0</b>	<b>120</b>	<b>31,669</b>

Note – Valuations as at 1 April 2024 are £57k less than valuations as at 31 March 2024 due to an asset valued at £57k being re-categorized as a Right of Use Asset under IFRS16  
All assets were owned at the balance sheet date.

PPE	OPERATIONAL					NON OPERATIONAL		Total
	Land & Buildings	Vehicles & Plant	Equip't	Infra-structure	Comm'ty Assets	Assets under Construc'n	Surplus assets	
	£000	£000	£000	£000	£000	£000	£000	
<b>Cost or Valuation</b>								
Valuation as at 1 April 2023	19,393	2,536	728	8,424	471	253	120	31,925
Reclassification	214	0	0	0	0	(72)	0	142
Upward Revaluation recognised in Revaluation Reserve	1,829	0	0	0	0	0	0	1,829
Downward Revaluation recognised in Revaluation Reserve	(351)	(13)	0	0	0	0	0	(364)
Upward Revaluation recognised in Surplus /Deficit on Provision of Services	144	0	0	66	0	0	0	210
Downward Revaluation recognised in Surplus /Deficit on Provision of Services	(439)	(98)	(89)	0	0	0	0	(626)
Additions	327	92	79	0	0	32	0	530
Derecognition - disposals	0	(104)	(67)	0	0	(152)	0	(323)
<b>Valuation as at 31 March 2024</b>	<b>21,116</b>	<b>2,413</b>	<b>651</b>	<b>8,490</b>	<b>471</b>	<b>61</b>	<b>120</b>	<b>33,322</b>
<b>Depreciation</b>								
Accumulated Dep'n at 1 April 2023	(300)	(1,142)	(525)	(412)	0	0	0	(2,379)
Reclassification	0	0	0	0	0	0	0	0
Depreciation for the year	(698)	(219)	(105)	(228)	0	0	0	(1,251)
Restatement of Depreciation upon Revaluation to Revaluation Reserve	697	33	0	0	0	0	0	730
Restatement of Depreciation upon Revaluation to I&E and CAA	68	61	62	19	0	0	0	210
Restatement of Depreciation upon Disposal	0	70	63	0	0	0	0	133
<b>Accumulated Dep'n at 31 March 2024</b>	<b>(233)</b>	<b>(1,197)</b>	<b>(505)</b>	<b>(621)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(2,556)</b>
<b>Net Book Value at 31 March 2024</b>	<b>20,884</b>	<b>1,216</b>	<b>146</b>	<b>7,869</b>	<b>471</b>	<b>61</b>	<b>120</b>	<b>30,768</b>

At 31 March 2025, the authority had entered into three contracts which form part of one capital project for the construction or enhancement of property, plant and equipment in 2025/26. These capital commitments are:

Scheme	Approx value	Period
£000		
Brockhole Lakeshore Phase 2	20	2024/25
	20	

The comparative capital commitments for 2023/24 are shown below.

Scheme	Approx value	Period
£000		
Brockhole Lakeshore Phase 2	20	2024/25
	20	

## 20. Bases of Valuation

From 1 April 1994 all of the Authority's fixed assets have been valued on the basis recommended by CIPFA and in accordance with the Statement of Asset Valuation Principles and Guidance Notes issued by the Royal Institution of Chartered Surveyors (RICS). Details of the valuation bases applied are set out in the Statement of Accounting Policies.

Valuations on high value assets are undertaken on an annual basis. Valuations of other assets are carried out through a rolling five-year revaluation programme with all assets being revalued at intervals of five years or less. The 2024/25 valuations were carried out by Mrs H Lancaster MSc MRICS of the Authority's internal Property Service in compliance with the

guidance notes provided by the Royal Institute of Chartered Surveyors. In addition to our investment properties, car parks and major assets, which are valued annually, valuations of our different types of other asset have been carried out as follows:

PPE	OPERATIONAL					NON OPERATIONAL		Total
	Land & Buildings	Vehicles & Plant	Equip't	Infra-structure	Comm'ty & Heritage Assets	Assets under Construc'n	Surplus assets	
	£000	£000	£000	£000	£000	£000	£000	
Carried at Historical Cost	0	0	0	0	471	0	0	471
Carried at Depreciated Historical Cost	68	1,316	229	7,670	0	0	0	9,284
Valued at current value as at:								
31 March 2025	20,301		0	0	0	0	120	20,421
31 March 2024	1,448							1,448
31 March 2023	45	0	0	0	0	0	0	45
Total Cost or Valuation	21,863	1,316	229	7,670	471	0	120	31,669

- 31 March 2023 – Other Land & Buildings
- 31 March 2024 - Toilets & TIC's
- 31 March 2025 – Brockhole, Coniston Boating Centre, Murley Moss office, Northern Office, Car Parks and Depots
- Our valuers also provided a report confirming that there were no other changes in market conditions during 2024/25 that would give rise to a material change in the valuations reported at 31 March 2025 except where specified.

The values of all operational assets other than land and buildings were reconsidered by managers within the Authority at 31 March 2025. The basis of asset valuation is set out below.

Asset Category	Basis of Valuation
Operational Land and Buildings - non specialised	Current Value - Existing Use Value
Operational Land and Buildings - specialised	Depreciated Replacement Cost
Infrastructure, and Community Assets	Depreciated Historic Cost
Vehicles, Plant and Equipment	Depreciated Historic Cost (as a proxy for fair value)
Surplus Assets	Current Value – Fair value estimated at highest and best use from a market participant's perspective

The fair value for the Authority's surplus assets, which are land assets, has been determined using level 2 of the above hierarchy. These assets have been categorised as Assets Held for Sale as they meet the requirements set out in the code of practice. The market approach valuation technique using current market conditions and recent sales prices and other relevant information for similar assets in the local area has been used to determine fair value. Any adjustments applied in the assessment of fair value are those consistent with established practices.

In estimating the fair value of the Authority's assets held for sale, the highest and best use of the properties is their current use. The authority has carried out sufficient work to satisfy itself that the carrying value of assets not valued in year are not materially different to their current values.

Depreciation is provided on assets with a finite useful life, other than freehold land. Three of the Authority's assets, Murley Moss, Brockhole and the Keswick to Threlkeld Multi User Trail have been split into components with estimated useful lives as follows:

<b>Component</b>	<b>Useful Life (Years)</b>
Structure/Tunnels	50
Mechanical & Electrical	20
Roof	35
External Works	30
Path surfaces & fencing	15

For all other assets depreciation is charged, in line with the accounting policies, on a straight line basis over the following estimated useful lives:

<b>Asset Type</b>	<b>Useful Life (Years)</b>
Operational Buildings	10 to 50 depending on the type of asset and the construction material
Vehicles and Plant	5 to 15
Fixtures and Fittings	5 to 15
Infrastructure Assets	Generally 30 years but may differ depending on specific asset
Computer Equipment	3 to 5
Other Equipment	5 to 10

Residual values are based on the expected age and condition of the asset at the end of its useful life.

An analysis of all property, plant and equipment, heritage assets & investment property and non-current assets held for sale includes: -

<b>Number Held 2023/24</b>	<b>Type of Asset</b>	<b>Number Held 2024/25</b>
113	Land and buildings	117
129	Vehicles, Boats & Other Plant	132
66	Computer and General Office Equipment	61
40	Community & Investment Assets	36
<b>348</b>		<b>346</b>

## 21. Capital Expenditure

Capital Expenditure and its financing, including schemes under construction were as follows:

	2023/24	2024/25
	£000s	£000s
<b>Opening Capital Financing Requirement</b>	0	0
<b>Land and Buildings</b>		
Information Centre works	148	33
Brockhole Improvements	151	120
Ravenglass Toilets	0	20
Murley Moss	1	83
Northern Office	22	0
Southern Office	1	65
Car Parks	74	0
Ambleside Dept	0	49
Coniston Jetty	0	68
Right of Use Assets	0	1,565
	397	2,003
<b>Infrastructure &amp; Community</b>		
Multi-User Trails	315	7
DEFRA Access works	0	93*
	315	100
<b>Vehicles and Plant</b>		
Vehicles	39	87
Boats	0	15
Plant & Equipment	27	9
	66	111
<b>Equipment</b>		
Computer Equipment	67	37
	67	37
<b>Total Capital Expenditure to be Financed</b>	<b>845</b>	<b>2,251</b>
<b>Financing used</b>		
Useable Capital Receipts	514	265
Capital Grants & Contributions	281	421
Direct Revenue Financing	50	0
MRP/Loans to Fund Principle	0	132
<b>Closing Capital Financing Requirement</b>	<b>0</b>	<b>1,433</b>
<b>Explanation of Movements in Year</b>		
<b>Assets acquired under finance leases</b>	<b>0</b>	<b>1,433</b>

\*£52k of capital expenditure classified as Revenue Funding Capital Under Statue so not added to Asset Register/Balance Sheet

## 22. Investment Property

2023/24 £000s	2024/25 £000s
<b>5,672 Opening Balance of Investment Property</b>	<b>5,716</b>
0 Additions	0
0 Disposals	0
186 Net gains or (losses) from fair value adjustments	172
(142) Reclassification as Property, Plant & Equipment	0
0 Reclassification from Assets Held for Sale	0
<b>5,716 Closing Balance of Investment Property</b>	<b>5,888</b>

The Authority's investment property assets were revalued as at 31 March 2025 as detailed in note 19.

Information relating to the fair value hierarchy for the Authority's investment properties is shown in the table below. Under IFRS 13, fair value is determined using a specific hierarchy as follows:

- Level 1 – Quoted prices in an active market for identical assets
- Level 2 – Other significant observable inputs
- Level 3 – Significant unobservable inputs

The Authority has no investment properties that fall into Level 1 of the hierarchy.

	Fair value as at 31 March 2024			Fair value as at 31 March 2025		
	Level 2 £000s	Level 3 £000s	Total £000s	Level 2 £000s	Level 3 £000s	Total £000s
Commercial Properties	549	0	549	679	0	679
Woodlands	5,019	0	5,019	5,062	0	5,062
Farms	0	0	0	0	0	0
Hostels / Residential	0	148	148	0	147	147
<b>Total</b>	<b>5,568</b>	<b>150</b>	<b>5,716</b>	<b>5,741</b>	<b>147</b>	<b>5,888</b>

The following valuation techniques have been used to determine the level 2 and level 3 fair values:

## Significant observable inputs – Level 2

The fair value has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local area. Market conditions are such that similar properties are actively purchased and sold. The fair value has been assessed using adjustments consistent with established practices.

## Significant unobservable input – Level 3

The fair value for our remaining hostel type asset has also been based on the market approach using current market conditions. However, as detailed below, the fair value has been assessed using adjustments based on the valuer's judgement alone and which are outside established practices.

In estimating the fair value of the Authority's investment properties, the highest and best use of the properties is their current use.

A reconciliation of fair value measurements using significant unobservable inputs categorised within level 3 of the fair value hierarchy is shown in the table below:

2023/24 £000	2024/25 £000
<b>150 Opening Balance</b>	<b>148</b>
(3) Total gains for the period included in Surplus or Deficit on the Provision of Services resulting from changes in the fair value	(1)
0 Disposals	0
<b><u>148 Closing Balance</u></b>	<b><u>147</u></b>

As the valuation technique used to measure the fair value of the assets categorised as level 3 is based on current market conditions, significant changes to the market would result in significantly lower or higher values.

Other amounts that have been recognised in the Comprehensive Income and Expenditure Statement relating to investment property are:

2023/24 £000	2024/25 £000
(109) Rental income from investment property	(69)
(0) Other income from investment property	(0)
0 Direct operating expenses from investment property that generated rental income during the period	0
14 Direct operating expenses from investment property that did not generate rental income during the period	12
<b><u>(95) Net Income from investment property</u></b>	<b><u>(58)</u></b>

The Authority has contractual responsibility for landlord's repairs and maintenance expenditure on five of its investment properties. It also has responsibility for tree safety works within its woodlands. The Authority may not be able to realise the full value of one property, because external monies were received toward its purchase. There are no restrictions on the Authority's ability to realise the value inherent in its other investment properties or on the Authority's right to the remittance of income and the proceeds of disposal. None of these properties are held under finance or operating leases.

## 23. Leases

### Authority as Lessee

In 2024/25, the authority applied IFRS 16 Leases as required by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (i.e. without recognising the leased property as an asset and future rents as a liability) a right-of-use asset and a lease liability are to be brought into the Balance Sheet at 1 April 2024. Leases for items of low value and leases that expire on or before 31 March 2025 are exempt from the new arrangements.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that right-of-use assets and lease liabilities have been calculated as if IFRS 16 had always applied but recognised in 2024/25 and not by adjusting prior year figures. However, some practical expedients have been applied as required or permitted by the Code:

- lease liabilities are measured at the present value of the remaining lease payments at 1 April 2024, discounted by the authority's incremental borrowing rate at that date
- the weighted average of the incremental borrowing rates used to discount liabilities was 5.55%
- right-of-use assets are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments that were in the balance sheet on 31 March 2024 – any initial direct costs have been excluded
- all leases were assessed as to whether they were onerous at 31 March 2024, so right-of-use assets have not been subject to an impairment review – carrying amounts have been reduced by any provisions for onerous contracts that were in the 31 March 2024 Balance Sheet.

This has resulted in the following additions to the Balance Sheet:

- £1,061,000 Property, plant and equipment – land and buildings (right-of-use assets)
- £839,000 Non-current creditors (lease liabilities)
- £136,000 Current creditors (lease liabilities)

The difference between the right-of-use-assets and lease liabilities is £86,000, which represents two non-commercial assets. These assets each incur an annual peppercorn rent of £1 but have a combined fair value of £86,000.

The newly recognised lease liabilities of £975,000 compare with the operating lease commitments of £1,068,000 at 31 March 2024 disclosed in the notes to the 2023/24 financial statements. When these are discounted to their present value of £1,011,975 (using the weighted average incremental borrowing rate at 1 April 2024), there is a difference of £37,035 from the newly recognised lease liabilities. This is explained by the fact that the lease liabilities exclude amounts for leases of low value items and leases that will expire before 31 March 2025.

The table below shows the change in the value of right of use assets held under leases in 2024/25

	Land & Buildings £000	Vehicles, Plant & Equipment £000	TOTAL £000
Balance at 1 April 2024	966	95	1,061
Additions	590	0	590
Revaluations	0	0	0
Depreciation and amortisation	-97	-47	-145
Disposals	0	0	0
Balance at 31 March 2025	1,459	47	1,506

The Authority incurred the following expenses and cash flows in relation to leases

	2024/25 £000
<b>Comprehensive Income &amp; Expenditure Statement</b>	
Interest expense on lease liabilities	85.3
Expense relating to short-term leases	0.1
Expense relating to exempt leases of low-value items	0.9
Variable lease payments not included in the measurement of lease liabilities	23.6
Income from subletting right-of use assets	0
Gains or losses arising from sale and leaseback transactions	0
<b>Cashflow Statement</b>	
Total cash outflow for leases	109.9

The lease liabilities are due to be settled over the following time banks (measured at the undiscounted amounts of expected cash payments

Maturity Analysis of Leases	2024/25 £000
1 Year	240
2 - 5 Years	699
More than 5 Years	1,516
<b>TOTAL</b>	<b>2,456</b>

### Lessor Operating Leases

The Authority has granted use of a number of its properties under operating leases. The income gained under these arrangements in 2024/25 was £459k (2023/24 £465k). The total value of properties where part or all of the property is leased out under operating leases is as follows:

	<b>Gross £000</b>	<b>Depreciation £000</b>
Property, Plant and Equipment	8,232	(62)
Investment Property	1,376	0
	<b>9,608</b>	<b>(62)</b>

The comparative value of properties where part or all of the property is leased out under operating leases is as follows:

	<b>Gross £000</b>	<b>Depreciation £000</b>
Property, Plant and Equipment	9,045	(57)
Investment Property	905	0
	<b>9,950</b>	<b>(57)</b>

The future minimum lease payments receivable under non-cancellable leases in future years will be received over the following periods:

	<b>Total</b>	
	<b>2024</b>	<b>2025</b>
Not later than 1 year	256	301
Later than 1 year but not later than 5 years	428	624
Later than 5 years	249	579
	<b>933</b>	<b>1,504</b>

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2024/25 £85k worth of contingent rents were receivable by the Authority (2023/24 £133k).

## **24. Contingent Liability**

Under the provisions of the Conservation (Natural Habitats &c) Regulations 1994 the Authority had an obligation to review any planning permissions on Special Area of Conservation sites. The majority of work was undertaken but there is one site where a review is still in progress. On this site Natural England issued a Notice under the Environmental Damage (Prevention and Remediation) (England) Regulations 2015 (EDR). This was appealed and the notice was not upheld by the planning inspectorate. Clarity has been sought from DEFRA as to the next steps.

Any changes considered necessary to the current planning permissions as a result of this process may lead to a requirement to pay compensation. If LDNPA do not amend the planning permission, there is a possibility that a fine may be levied relating to the Authority's responsibilities for protection of the site.

It is not currently possible to make a reliable estimate of the likelihood or amount of any potential compensation payment or fine. Furthermore, legislative changes since the permissions were granted give rise to further options for progress and further uncertainty as to the ultimate course of action. Progress on this matter may or may not involve the Authority directly and significant further action would be required to establish the nature, value and timing of any potential liability.

## 25. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. All other financial assets and liabilities are classified as loans and receivables, debtors and creditors and are carried in the Balance Sheet at amortised cost. Their fair value has been assessed by calculating the present value of the cash flows that will take place over the remaining life of the instrument, using the following assumptions:

- The fair value of trade and other receivables and payables is taken to be the invoiced or billed amount.
- The fair value of cash deposits is taken to be the cash balance as at 31 March 2025

The borrowings and investments disclosed in the Balance Sheet are made up of the following categories of financial instruments:

	31-Mar-25		31/03/24 Restated *	
	Carrying amount £000	Fair Value £000	Carrying amount £000	Fair Value £000
<b>Financial liabilities - short term creditors</b>				
Financial liabilities carried at contract amount	1,093	1,093	741	741
Liabilities not defined as financial instruments	2,249	2,249	1,306	1,306
<b>Total included in Creditors</b>	<b>3,342</b>	<b>3,342</b>	<b>2,053</b>	<b>2,053</b>
<b>Financial liabilities - long term liabilities, lease liabilities</b>	<b>1,296</b>	<b>1,296</b>	<b>0</b>	<b>0</b>
<b>Financial assets - short term debtors and cash</b>				
Amortised cost - cash and cash equivalents	7,478	7,478	4,477	4,477
Amortised cost within debtors	360	360	474	474
Assets not defined as financial instruments	918	918	1,436	1,436
<b>Total included in short term debtors</b>	<b>1,278</b>	<b>1,278</b>	<b>1,910</b>	<b>1,910</b>

\*2023/24 presentation changed for greater clarity. No changes have been made to totals

## 26. Nature and extent of risks arising from Financial Instruments

The Authority's activities expose it to a variety of financial risks:

- Credit risk – the possibility that other parties might 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
- market risk – the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates and stock market investments.

In order to minimise the risks the Authority has adopted the CIPFA Code of Practice for Treasury Management. Accordingly, the Authority approves an annual Treasury Management Strategy which sets out policies on borrowing, investment, financing and interest rate exposure.

### Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to customers. The Authority's Treasury Management strategy for 202/25 requires that deposits are only made if the following criteria are met.

Institution type	Minimum Fitch Long Term Rating / Fund Rating	Time Limit	Money Limit (£m)
Major UK Banks	A	364 days	2
Major Building Societies	A	364 days	1
Money Market Funds	AAA	N/A	5
UK Gilts and Debt Management Office	n/a	364 days	5
Local Authorities	n/a	364 days	1

These ratings are confirmed at the point of deposit and kept under review. Principal investments are limited to a maximum of £2m with any one financial institution. The rating requirements and investment limits for financial institutions are reviewed annually to reduce the financial exposure with individual banks. The maximum invested at any one time during 2024/25 was 7,602k (2023/24 £5,809k).

The Authority's standard terms and conditions for payment of invoices are 30 days from the invoice date. The Authority does not generally allow credit for customers; however, £110k of the £239k customer balances at 31 March 2025 was past due. The past due element can be analysed as follows:

31-Mar-24	Days past due	31-Mar-25
£000		£000
8	31-60 days	77
19	61-90 days	9
1	91-120 days	0
35	Over 120 days	23

The credit quality of other financial assets is considered to be very high given the low rate of debt write off. Historical experience of default with regard to trade receivables and an analysis of the debt outstanding at 31 March 2025 shows that an allowance for credit losses of £12k (£12k 2023/24) is adequate to cover any anticipated credit risk for 2024/25. £2,841 was written off in 2024/25 (2023/24 £600).

### **Liquidity risk**

All trade and other payables are due to be paid in less than one year. The Authority currently has no borrowings and so there is no significant current or future risk that it will be unable to raise finance to meet its commitments under financial instruments. At 31 March 2025 there are no financial liabilities other than trade creditors, which are expected to be paid within one year. Liquidity risk is managed through daily cash flow monitoring. The exception to this is the lease liability recognised under IFRS16. There are recurring revenue budgets to support the ongoing payment of these liabilities and although the present value of the future cash flows has been recognised, the actual payments will continue to fall due annually, in line with the lease agreement.

### **Market risk**

Market conditions have changed significantly during the year with bank rate falling from 5.25% to 4.5%. The Authority is currently debt free and has no plans to take on external debt. However, the Prudential Code requires the Authority to fix each year the maximum of interest on borrowing that is subject to variable rates. As the Authority's borrowing is currently expected to be for short term cash management only (if required at all), it is anticipated that 100% of this could be at variable rates without exposing the Authority to undue risk. The proportion of fixed and variable rate interest will depend on forecasts for interest rates during the period under review. Maximum borrowing will be undertaken at fixed rates when interest rates are considered to be at their lowest and on a variable basis when interest rates are expected to fall.

In 2024/25 the Authority received £260k in interest income (£217k in 2023/24). This increase is a direct reflection of the increase in bank rate, which has impacted on the wider money market. The Authority has continued to use AAA rated money market fund as its main deposit facility. The average cash and investment balance over the period was, £5.3m so had interest rates been +/-1% higher during the period, the income received would have varied by circa +/- c£53k.

### **Foreign exchange risk**

The Authority has no financial assets or liabilities denominated in foreign currencies and therefore has no exposure to loss arising from movements in exchange rates.

## 27. Cash and Cash Equivalents

31-Mar-24		31-Mar-25	
£0		£0	
6	Cash held		3
471	Bank Accounts		558
0	Call accounts		1917
4,000	Money Market Funds		5,000
<u>4,477</u>			<u>7,478</u>

## 28. Short Term Debtors and Prepayments

31 March 2024 £000		31 March 2025 £000	
(12)	<b>Impairment for Bad Debts</b>	(12)	
	<b>Prepayments &amp; Accrued Income</b>		
12	Local Authorities	11	
109	Other	350	
	<b>Debtors</b>		
1,093	Government Departments	443	
31	Local Authorities	132	
678	Other	355	
<u>1,910</u>		<u>1,278</u>	

## 29. Short Term Creditors and Receipts in Advance

31 March 2024 £000		31 March 2025 £000	
	<b>Income in Advance</b>		
49	Government Departments	491	
115	Local Authorities	81	
311	Other	367	
	<b>Creditors</b>		
137	Government Departments	654	
10	Local Authorities	49	
1,431	Other	1,700	
<u>2,053</u>	<b>Total Creditors</b>	<u>3,342</u>	

## 30. Nature and Purpose of General Fund Earmarked Reserves

The Authority is required to maintain a number of reserves under the provisions of the Code. The reserves and their broad functions are as follows.

### *Usable, cash-backed reserves*

#### **General Reserve**

This balance represents the cumulative surplus available to the Authority to support revenue spending and which has not been earmarked for a specific purpose.

#### **Earmarked Reserves**

This balance represents monies available to support revenue spending but which the Authority has earmarked for specific purposes. Details of these specific purposes are shown in the table below:

Ring-fenced Funds Reserve	Used to set aside small amounts of funding allocated for specific purposes and projects running between years
External Grants Reserve	To hold external grant monies until the time they are used to support service delivery
Climate Change Reserve	Held to support specific projects that reduce our own climate change emissions and emissions projects in the Park
Windermere Registration Reserve	Held to support the management and administration costs of the Windermere Lake Byelaws
UK National Parks Digital Partnership	Held under agreement in support of service delivery for the UK National Parks Digital Partnership.
Cumbria Woodlands	Held to support the Cumbria Woodlands service and neutralise any impact on the Authority General Fund for Cumbria Woodlands work.
Investment Reserve	Held to provide funding to invest in new initiatives that can deliver additional financial contribution and / or improvements in direct delivery
Partnership Priorities Reserve	Held to support the achievement of priorities identified by the Lake District National Park Partnership through specific projects
Fix the Fells Reserve	Held to manage income generated from donations, sponsorship and grants and associated expenditure on behalf of the Fix the Fells Partnership
Public Rights of Way Reserve	Held to support the re-instatement of public rights of way following the December 2015 floods and the upgrade of paths within the extension area
Planning Application Fee Increase	To hold income relating to the increase in planning application fees from Jan 18 until the time it is used to support service delivery
Visitor Services Trading Reserve	A general contingency reserve specifically to smooth out trading performance within Visitor Services. This has a target balance of £500k.

Biodiversity Net Gain Reserve	To hold amounts received specifically in relation to funding future BNG work
Farming in protected Landscapes reserve	To hold funds to support work relating to administering the FiPL scheme.
Planning interim support reserve	Funds held specifically to support planning service staffing.
Inquiry reserve	Funds set aside for periodic planning enquiries
Committed Salary Reserve	Used to hold reserve funds where these have been committed to pay for future salary costs

### 31. Summary of Movement on Usable Reserves

Description	Balance 31 March 2023	Transfers to/(from) reserves	Balance 31 March 2024	Transfers to/(from) reserves	Balance 31 March 2025
	£0	£0	£0	£0	£0
<b>Usable Reserves - capital</b>					
Useable Capital Receipts Reserve	1275	-455	820	-176.1	643.9
Capital Grants Unapplied Reserve	255	-3	252	-6.9	245.1
<b>Total capital reserves</b>	<b>1530</b>	<b>-458</b>	<b>1072</b>	<b>-183</b>	<b>889</b>
<b>Usable Reserves - revenue</b>					
<b>Earmarked Reserves</b>					
Ring-fenced Funds Reserve	167	13	180	464.2	644.2
External Grants Reserve	421	-215	206	-33.7	172.3
Biodiversity Net Gain Reserve	75	-5	70	3.5	73.5
Climate Change Reserve	0	5	5	5	10
Windermere Registration Reserve	10	0	10	-10.1	-0.1
Cumbria Woodlands	82	24	106	24.5	130.5
Investing for our Future	281	0	281	-43	238
Inquiry reserve	15	100	115	21	136
Partnership Priorities Reserve	252	-76	176	19.6	195.6
Fix the Fells Reserve	38	81	119	0.4	119.4
Committed Salary reserve	0	403	403	448.2	851.2
Public Rights of Way Reserve	47	26	73	63.5	136.5
Planning Fee Increase Reserve	26	-26	0	0	0
Planning Interim Support Reserve	106	-42	64	168.1	232.1
National Parks Portal Reserve	19	-19	0	32	32
Farming in Protected Landscapes	51	7	58	165.6	223.6
Visitor Services Trading	251	286	537	-145	392
<b>Total Earmarked Reserves</b>	<b>1,841</b>	<b>562</b>	<b>2,403</b>	<b>1,184</b>	<b>3,587</b>
General Reserve	1,570	-183	1,387	181.2	1568.2
<b>Total Usable Reserves</b>	<b>4,941</b>	<b>-79</b>	<b>4,862</b>	<b>1,182</b>	<b>6,044</b>

## **32. Prior Period Adjustment**

There have been no prior period adjustments.

# Annual Governance Statement 2024/25 – Lake District National Park Authority.

## 1. Scope of responsibility

Lake District 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 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, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

The Authority has approved and adopted a Local Code of Corporate Governance (LCoCG). This forms part of the Authority Handbook and is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. This statement explains how the Authority has complied with the LCoGC and also meets the requirements of Accounts and Audit (England) Regulations 2015, regulation 6 (1) (b), which requires all relevant authorities to prepare an annual governance statement.

## 2. The Purpose of the Governance Framework

The Governance Framework comprises the systems and processes, culture and values by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the Authority to monitor the achievement of its priorities and to consider whether those priorities have led to the delivery of appropriate services and value for money. This is brought together in the Authority's LCoCG; this review has been completed with reference to the detailed provisions set out in the LCoCG.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's Business Plan, policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

There are seven key principles to good governance highlighted in the CIPFA/Solace framework, the LCoGC is also structured around these:

- Principle A Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Principle B Ensuring openness and comprehensive stakeholder engagement
- Principle C Defining outcomes in terms of sustainable economic, social, and environmental benefits
- Principle D Determining the interventions necessary to optimise the achievement of the intended outcomes
- Principle E Developing the entity's capacity, including the capability of its leadership and the individuals within it

- Principle F Managing risks and performance through robust internal control and strong public financial management
- Principle G Implementing good practices in transparency, reporting, and audit to deliver effective accountability

The following section summarises key elements of the Authority's Governance arrangements in place during the year ended 31 March 2025 and up to the date of approval of the statement of accounts. Section 4 sets out the review of effectiveness and section 5 contains the action plan for implementation during 2025/26.

### **3. Governance Arrangements.**

#### **3.1 The Authority's Vision – Purpose, Outcomes and Objectives**

The Authority's Business Plan is a key document for the Authority, providing the framework for all Authority activity. The strategic outcomes and related Authority objectives set out in the Business Plan are drawn from the Lake District National Park Partnership's Plan, which is the Management Plan for the National Park. The Partnership Plan highlights strategic outcomes and key actions required to deliver the Vision for the National Park, which have been agreed by all of the partners on the Partnership, and the Authority's Business Plan identifies the key activities where we are leading or are substantively involved in delivery. It also details the key service objectives for the each of the Authority's services over the next three years.

The Business Plan gives a clear message to the public and our partners about the priorities for the Authority over the course of its 3 year term, setting out where the Authority will be focusing its resources and activity.

#### **3.2 The Authority's Vision – Implications for Governance Arrangements**

The Authority's direction of travel set out in the Business Plan is reviewed annually with Members to ensure that objectives and actions are still relevant and consistent with our strategic aspirations. Key objectives are reviewed and all of the specific actions forming part of the Authority's Business Plan have assigned owners.

The Business Plan is underpinned by a set of supporting strategies and detailed Service Plans that set out key activities and measures for each outcome theme in the Business Plan. The Business Plan forms the basis of quarterly performance reports received by the Resources Committee, and monthly reports received by Strategic Leadership Team.

#### **3.3 Measuring the Quality of Services**

Performance within services is measured monthly against performance indicators, which in turn feed into Service Plans monitored by the Strategic Leadership Team. Performance indicators are continually refined and reviewed to ensure their continuing relevance to our operations and to ensure high quality data for business decision making.

#### **3.4 Roles and Responsibilities**

The Authority documents and defines roles and responsibilities in a number of ways. These are set out in the Scheme of Delegation and Terms of Reference for each Committee. The

Authority's role in significant partnerships, such as the Lake District National Park Partnership, is defined and responsibilities within these are understood by relevant parties.

### **3.5 Governance and People**

The Authority has adopted a suite of core policies, values and behaviours to complement our Vision and these have been agreed by Members and codified within the Authority Handbook.

The Authority's Vision, values and behaviours, form a key part of the staff appraisal process and provide staff with a clear definition of the standards of behaviour expected in the Authority. The framework is supported by the Authority's Officer Code of Conduct and staff induction programme.

To support internal communications we have implemented Microsoft Teams and use the Authority intranet (Waymarker) as a platform to share information.

In 2024/25 Members have had access to training and away hours of relevance to their role. Our processes for induction and management of volunteers ensures a near seamless provision of services between staff and volunteers and they are integral to our visitor management activities in the National Park.

We continue to prioritise management arrangements around equalities legislation to ensure we fulfil our obligations to promote social inclusion as a public body. In our Partnership Plan and Business Plan we have identified a "Lake District for Everyone" as a strategic priority to ensure we continue to work to promote accessibility and inclusion in the delivery of our services and the management of the National Park.

### **3.6 Risk Management**

To support the need for continuous improvement, the Authority has developed an integrated assurance framework to contribute to the delivery of the objectives and actions set out in the Business Plan. This is embedded into service planning and day-to-day risk management processes. The risk management framework was awarded substantial assurance during the 2023/24 internal audit review and has not significantly changed for 2024/25.

Key corporate and business risks are discussed at monthly Strategic Leadership Team meetings and all risk owners are clear of their roles and responsibilities within the risk management framework. Communication of risk as part of the quarterly Business Plan and Risk Update report ensures the Authority's Members have an opportunity to comment and contribute.

### **3.7 Ensuring Effective Counter-fraud and Anti-corruption Arrangements are Developed and Maintained**

The Authority complies with CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption. It has an Anti-Fraud Theft and Corruption Policy that remains appropriate and fit for purpose.

Employees are made aware of its requirements in detail as part of our induction arrangements including awareness of the Officer Code of Conduct. Employees must comply with our Financial Regulations and Contract Standing Orders and demonstrate high standards of probity when dealing with the Authority's affairs. We also operate a Disciplinary and Capability

procedure for allegations of fraud and corruption by officers. Members must operate within our adopted Code of Conduct for Members of the Lake District National Park Authority and with Standing Orders. The Members Handbook sets out the relevant requirements.

The Authority operates a culture in which high standards of conduct and probity are expected, and this is supported by strong organisational policies and procedures. We deploy sufficient resources to the prevention and detection of fraud and our policies and procedures in this regard are sound. No instances of internal fraud or corruption were upheld in the 2024/25 financial year.

Managers ensure that staff are aware of the Authority's values, standards and behaviours. The internal control environment is regularly reviewed through the work of internal and external audit. Internal audit have reviewed our arrangements and resourcing for the prevention, detection of fraud, theft or corruption and are satisfied with our approach. Risks around fraud are discussed with the internal auditors (TIAA) as part of preparation of the annual internal audit plan. These arrangements are due to be reviewed in detail by TIAA as part of the 2025/26 internal audit plan.

### **3.8 Financial Management Arrangements**

The Authority's financial management arrangements conform to the Governance requirements of CIPFA's "Statement on the Role of the Chief Financial Officer in Local Government" as the Head of Resources (S151 Officer) has full access to the Strategic Leadership Team and reports direct to the Chief Executive. The Head of Resources is designated as the responsible officer for the administration of the Authority's financial affairs under Section 151 of the Local Government Act 1972. Responsibilities are defined in the Scheme of Delegation. The S151 Officer oversees the development and work of the financial management function at the Authority and is its responsible officer for matters of financial administration. The post holder is a professionally qualified as an accountant with suitable experience, supported by a finance team with 4 qualified accountants (2 of whom are CIPFA qualified) with extensive local government experience.

The Authority operates a Commercial Strategy Board (CSB), which comprises Members and senior officers. The Board considers appropriate investments that support delivery of National Park objectives and improve our financial resilience as outlined in our Medium Term Financial Strategy.

CIPFA's Financial Management Code sets out good practice in financial management to assist local authorities in demonstrating their financial stability. The Authority is compliant with most major elements of the code and considerable work has been undertaken to strengthen compliance further including the development of a Financial Resilience Assessment and ensuring compliance with the Prudential Code for Capital Finance for Local Authorities.

### **3.9 Financial Monitoring and Reporting**

The Strategic Leadership Team receive monthly financial performance reports. Members receive quarterly reports including revenue monitoring and forecast projections to the end of the financial year. Budget managers are allocated a business partner and budgets are reviewed jointly on a monthly basis to inform the reporting to Strategic Leadership Team and quarterly to Members.

### **3.10 Ensuring Effective Arrangements are in Place to Perform the Monitoring Officer Function**

The Director of Sustainable Development is the Authority's Monitoring Officer. This officer has a duty to report to the Authority and Executive where they are of the opinion that any proposal, decision or omission will give rise to unlawfulness or if any decision or omission has given rise to or would constitute maladministration. The Monitoring Officer provides a range of functions relating to the conduct of Members (for example maintaining the Register of Members' Interests, Code of Conduct complaints etc) advising the Governance Committee.

The Monitoring Officer is supported in their role by the Authority Solicitor (the Authority's Deputy Monitoring Officer) who advises on legal matters, attends Strategic Leadership Team and Committee meetings to support lawful decision making, and provides a legal commentary on reports to Members.

### **3.11 Ensuring Effective Arrangements are In Place to Perform the Head of Paid Service Function**

The Authority's Head of Paid Service is the Chief Executive who is responsible and accountable to the Authority for all aspects of operational management. The Chief Executive works closely with the Authority Chair and Deputy and Committee Chairs and Members in line with the principal contained within the Authority's Local Code of Corporate Governance about Members and officers working together to achieve a common purpose with clearly defined functions and roles.

During 2024/25 Gavin Capstick was appointed Chief Executive following Richard Leafe's decision to step down from the post. As Richard gave a significant advanced warning of his decision, this allowed a well planned succession process with several months of handover.

The Chief Executive is supported in his role by the Director of Sustainable Development and has regular access to and contact with the Members through formal and informal meetings. The Strategic Leadership Team also supports this role, and consists of the Director of Sustainable Development, Authority Solicitor, S151 Officer and Heads of Service meeting every two weeks to discuss strategic developments and business performance.

### **3.12 Governance Committee**

The Authority has established a Governance Committee to oversee the workings of the corporate governance arrangements of the Authority and to report to the Authority on these and related financial probity issues. The Governance Committee operates within CIPFA's "Audit Committees – Practical Guidance for Local Authorities". The committee completes a self assessment of effectiveness annually. This concluded that the committee was operating effectively for 2024/25. There was some feedback from Members around training needs and these will be addressed during 2025/26.

### **3.13 Internal Audit**

The Authority maintains an independent Internal Audit Service, which operates within the principles set out within the Public Sector Internal Audit Standards (PSIAS). Internal Audit has carried out an annual programme of reviews as approved by the Governance Committee. The managers of the services and functions reviewed have each agreed actions and priorities arising from the review and the achievement of those actions is monitored on an ongoing basis

by the Authority's Internal Audit service and Strategic Leadership Team. The Head of Internal Audit has provided a written opinion to the Governance Committee based on the work undertaken on behalf of the Authority during the year that the Authority has reasonable and effective risk management, control and governance processes in place.

New Global Internal Audit Standards (GIAS) will replace PSIAS with effect from April 2025. The Standards are about promoting quality, consistency and value in Internal Audit. CIPFA have developed an Application Note 2025, which provides some amendments that are applicable to Local Authorities.

### **3.14 Ensuring Compliance with Relevant Laws**

Systems are in place to ensure that appropriate legal and financial advice is provided at relevant points in the decision making process. All reports to Members are reviewed by Strategic Leadership Team with attendance including the Head of Resources (S151 Officer), the Monitoring Officer and Authority Solicitor. This ensures that checks are made on the legal and financial consequences of any course of action prior to a decision being made.

The Authority has a variety of methods for receiving updates in legislative changes. In addition to departmental officers keeping up to date with legislative, regulatory and guidance changes, the Authority subscribes to a legislative update service. The usual method of direct notification of legislative changes by Central Government also occurs on an ongoing basis. This is supported by employees' membership of professional bodies and the associated requirement that they will remain up to date with changes to their area of expertise and responsibility. Employees are provided with training to maintain up to date professional competencies where applicable.

### **3.15 Complaints and Whistle Blowing**

The Authority operates a formal complaints system in accordance with best practice, giving members of the public the ability to complain about aspects of the Authority's service with which they are dissatisfied. The Authority reviews any complaints received in order to assess their validity and learn for the future. The Authority's whistleblowing arrangements are set out in our Confidential Reporting Policy which is available to all staff on our intranet and externally on our web-site. Our Confidential Reporting Policy, ensures there is a clear channel of confidential reporting for staff should this be required. There has been no use of the confidential reporting code during 2024/25 and nothing that has led to investigation of wider underlying governance issues.

### **3.16 Clear Channels of Communication.**

All formal meetings are held in public, with the reports and minutes of those meetings being published on the Authority's website unless there are legal reasons for confidentiality. There are opportunities for members of the public to ask questions at meetings of the Authority and committee meetings are now live streamed and recorded to allow greater public access.

Various channels of communication are available to ensure all stakeholders find information accessible. Internal communications are also delivered using a number of channels including Teams, Waymarker and email.

### **3.17 Enhancing the Accountability for Service Delivery and Effectiveness of other Public Service Providers.**

Whilst the Authority continues to deliver most of its services directly, there are a number of areas where the Authority has contractual arrangements in place for the delivery of services. Arrangements are in place to monitor the delivery, price and quality of these services and any significant issues would be reported back to Members through financial and performance reporting.

### **3.18 Commerciality and Commissioning**

The Authority recognises that a commercial and commissioning approach brings with it opportunities for introducing greater flexibility with regard to the delivery of services. Purchasing of services from third parties also demands that we receive assurance that the businesses delivering the goods and services are resilient, reliable and reputable. This work is governed by the regulations and guidance set out in our Contract Standing Orders. A recommendation was included within the 2023/24 AGS action plan around embedding social value and carbon impacts into the procurement procedures. A full review of our procurement procedures was completed during 2024/25 to align our contract procedure rules with the provisions of the Procurement Act (2023), which came into effect in February 2025.

### **3.19 Good Governance in respect of Partnerships**

The Authority's governance arrangements and procedures ensure that partnerships are entered into for the delivery of strategic objectives and that partnership arrangements are clearly defined. The effective management of individual partnerships is the responsibility of the lead service area and significant partnerships, such as the Lake District National Park Partnership are subject to regular monitoring and review. Internal Audit performed a review on partnership working during 2023/24 and concluded that our arrangements provide substantial assurance over this area of activity. The arrangements have not changed for 2024/25.

### **3.20 External Audit**

A robust framework for external audit also provides Members with independent assurance over the financial statements and arrangements for Value for Money. The Authority prepared the unaudited 2023/24 accounts by the statutory deadline of 31 May 2024. The audited accounts were published in February 2025 before the statutory backstop date for 2023/24 accounts. There has been a national issue around backlogs in external audit of local authorities. The Authority is in a relatively good position for 2024/25 having no gaps in its assurance, having met all the previous deadlines with unqualified accounts opinions. The external audit plan for the 2024/25 accounts was presented to Governance Committee in April 2025, in line with this, the majority of assurance work is due to be completed by the September Governance Committee. The accounts are well on track for publication before the 2024/25 backstop date

## **4. Review of Effectiveness**

During 2024/25 assurance information has been collated using different means of independent review of effectiveness across the Authority's Services. These include:

### **4.1 Individual assurance reviews from the risk based internal audit plan (TIAA)**

TIAA have reported on specific operational areas during the year. These reports have been presented to Governance Committee for their scrutiny and oversight. A number of areas were rated as substantial assurance during the year, the highest rating available.

#### **4.2 Annual internal audit opinion issued by Internal Audit (TIAA)**

TIAA also provide an annual audit opinion to give an overall assessment of the control environment at the Authority. Reflecting the individual assurance reviews, this was judged to provide reasonable assurance.

#### **4.3 Accounts opinion issued by the external auditor (Grant Thornton)**

The statement of accounts for 2023/24 was prepared by the deadline then audited and published in February 2025 before the backstop date. The auditor concluded “We have not identified any adjustments which impact useable reserves, this is a good outcome for the Authority”; this provides overall assurance on the arrangements for financial reporting and the supporting systems, people and processes. The 2024/25 assurance work is almost complete and it looks very likely that there will be no material errors impacting the General Fund.

#### **4.4 Value for Money opinion issued by external audit (Grant Thornton)**

The value for money (VFM) opinion for 2023/24 was reported in October 2024 looking at Financial Sustainability, Governance and Improving Economy, Efficiency and Effectiveness. There were no significant weaknesses. There were two minor improvement recommendations around version control on the Member Code of conduct, and introduction of an annual declaration that Members have read the Code of Conduct. These have been addressed in year. The 2024/25 VFM opinion is also due to be presented to September Governance Committee, with no significant issues raised.

#### **4.5 Volume and severity of governance issues reported through committee and Executive Board**

There have been no significant occurrences of issues where the governance framework has been tested around standards, ultra vires activity or other fraudulent transactions.

#### **4.6 Performance reporting against the business plan targets and financial budgets (Resources Committee)**

Ongoing monitoring and reporting of performance against business plan targets and financial budgets has been in place during the year. The framework has proved to be effective at detecting and finding mitigations for events that threaten delivery of the business plan, within the available resources. For example, issues raised during the in-year budget monitoring were reflected in the Medium Term Financial Strategy for 2025/26. Resources Committee have been closely involved in discussions around 2025/26 budget setting with a significant revenue grant cut being announced late in the budget setting process. Although 2025/26 budget is balanced, the Resources Committee will continue to be a key element of the governance structures needed to ensure savings and income growth targets are developed and monitored throughout 2025/26.

#### **4.7 Committee self assessment**

Governance Committee and Resources Committee have completed self assessments; both concluded they operating effectively for 2024/25 although some training and skills issues were raised. These are reflected in the action plan.

#### **4.8 Review of arrangements in place during 2024/25 against the CIPFA/Solace framework by officers.**

A full review of LCoGC against the CIPFA Solace framework was conducted in 2022/23. This produced a number of areas that were included for follow up in the 2022/23 action plan. There has been no change in the best practice framework since then. The LCoGC has been reviewed annually since then to ensure it remains up to date and there is little material change in 2024/25 from 2023/24.

#### **4.9 Monitoring of implementation of the 2023/24 action plan**

The governance issues that we identified in the 2023/24 review have seen considerable progress during the 2024/25 financial year. Further detail is provided below.

### **5. Significant Governance Issues**

6 issues were flagged during the 2023/24 review (please see prior year AGS for details). Of these, 5 are judged to have been implemented. The action around data management is carried forward following the findings from the internal review during 2024/25. Full details of the review were reported to Governance Committee in April 2025.

In addition, there are a small number of new items that have been flagged from the 2024/25 annual review. These are not judged to be significant governance weaknesses but are opportunities for improvement and to ensure the financial issues facing the Authority are also given due prominence. The full action plan to be monitored during 2025/26 is as follows:

1. Adopt the new CIPFA/Solace good governance addendum and ensure our review and publication processes are compliant for the 2025/26 year end cycle.
2. Continue to embed high standards of data management practices in the Authority and deliver the recommended actions from the internal audit findings
3. Ensure 2025/26 Authority Handbook review captures the impact of all senior staffing changes and version controls for each section.
4. Ensure appropriate governance is put around the savings and income exercises which will be required to ensure medium term financial sustainability.
5. Use Governance and Resources Committee away hours as an informal opportunity to discuss upcoming reports and review the technical training needs of Members of those committees.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements and will monitor their implementation and operation as part of our next annual review.

## 6 Opinion

We are satisfied that there are no significant governance issues and that the governance arrangements are fit for purpose.

**Signed: .....Tiffany Hunt.....**

(Chairman)

**..... Gavin Capstick**

(Chief Executive)

On behalf of the Lake District National Park Authority

16/9/2025

## Glossary of Terms

**Accounting Period** - The period of time covered by the accounts, normally 12 months commencing on 1st April for local authorities.

**Accruals** - Sums included in the final accounts to cover income or expenditure attributable to the accounting period but for which payment has not been made or received at the balance sheet date.

**Amortisation** – The writing down of intangible assets and revenue expenditure funded from capital resources by making a charge (similar to depreciation) to service revenue accounts.

**Budget** - A statement of the Authority's plans in financial terms. A budget is prepared and approved by the Lake District National Park Authority prior to the start of each financial year and is used to monitor actual expenditure throughout the year.

**Capital Expenditure** - Expenditure on new assets such as land and buildings, or on enhancements to existing assets that significantly prolong their useful life or increase their value.

**Capital Financing Costs** - The annual cost of borrowing (principal repayments and interest charges), leasing charges and other costs of funding capital expenditure.

**Capital Receipt** - Income from the sale of capital assets such as land or buildings.

**CIPFA** – Chartered Institute of Public Finance and Accountancy

**Creditors** - Amounts owed by the Authority at 31 March for goods received or services rendered but not yet paid for.

**Current Assets** - Assets which can be expected to be consumed or realised during the next accounting period.

**Current Liabilities** - Amounts which will become due or could be called upon during the next accounting period.

**Debtor** - Amounts owed to the Authority, which are collectable or outstanding at 31 March.

**Deferred Liabilities** - This represents the liability for principal repayments on finance leases.

**Depreciation** - The estimated using up of the value of an asset, owing to age, wear and tear, deterioration, or obsolescence.

**Finance Lease** - A lease that transfers substantially all of the risks and rewards of ownership of a fixed asset to the lessee.

**Government Grants** - Payments by central government towards local authority expenditure. They may be specific, for example Sustainable Development Grant, or general, such as National Park Grant.

**Heritage Assets** - Assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture.

**National Park Grant** - The main grant paid by central government to a National Park Authority towards the costs of its services.

**Non-Current Asset** - Assets that can be expected to be of use or benefit the Authority in providing its service for more than one accounting period.

**Operating Lease** - A lease under which the ownership of the asset remains with the lessor; for practical purposes it is equivalent to contract hiring.

**Provisions** – Amounts set aside to meet known liabilities.

**Reserves** - Amounts set aside in the accounts for the purpose of meeting future expenditure.

**Revenue Expenditure** - Spending on day-to-day items including employees' pay, premises costs and supplies and services.

**Revenue Expenditure Funded from Capital Under Statute** - Expenditure of a capital nature but for which there is no tangible asset, for example capital grants.

**Abbreviations used in the accounts**

CIPFA - Chartered Institute of Public Finance and Accountancy

IFRS – International Financial Reporting Standards

FRS - Financial Reporting Standard