

NEW FOREST NATIONAL PARK AUTHORITY

AM 718/25

AUTHORITY MEETING – 24 July 2025

CAPITAL INVESTMENT STRATEGY

Report by: Nigel Stone, Head of Resources (CFO)

1 Summary

- 1.1 The 2025-2026 Defra grant fund award for National Park Authorities included for the first time a core capital fund – the Protected Landscapes Capital Investment Fund. The grant for this financial year is £ 1,392,977.00 and Defra has indicated that there may be further capital investment grants in future years.
- 1.2 This paper sets out the Capital Investment Strategy that will be used to guide future capital funding commitments.

Recommendations: Members are recommended to approve:

- i) **the approach to capital expenditure set out in the Capital Investment Strategy**
- ii) **the decision-making approach set out on page 10 and**
- iii) **the role of the Resources, Audit and Performance Committee in measuring progress of the Asset Strategy as set out on page 11.**

2 Introduction

- 2.1 The 2025/26 grant award for the New Forest National Park Authority includes £1,392,977.00 capital fund, referred to as the Protected Landscapes Capital Investment Fund.
- 2.2 The fund has to be spent within the current financial year and while there is a likelihood that the fund will remain for future years there has been no confirmation of this from Defra.
- 2.3 Expenditure of this fund is guided by two criteria and a Defra definition of capital spend. The criteria are:

Criteria 1: Innovation, invest-to-save and income generating activities stream:

An activity which can be considered capital expenditure as per the definition in section B, and meets one or more of the following criteria:

- Activities projecting quantifiable cost savings
- Activities projecting quantifiable income generation or which help leverage other funding
- Upgrades of capital assets to avoid major defects / maintain operation / reduce carbon emissions and accelerate net zero progress
- Activities which seek to identify innovative new approaches and efficiencies
- Direct contribution to furthering Protected Landscapes statutory purposes to avoid unnecessary use of revenue

Criteria 2: 30by30 delivery stream:

The objective of the 30by30 delivery stream is to enable more areas within Protected Landscapes to count for 30by30.

Activities which can be considered capital expenditure as per the Defra definition and should enable additional areas in Protected Landscapes to make demonstrable progress towards meeting the published 30by30 criteria:

- **Purpose:** The purposes or management objectives for this area must ensure the delivery of in-situ conservation outcomes.
- **Protection:** The conservation of this area must be secured for at least 20 years, through legal or other effective means.
- **Management:** The area's governance or ownership must have the ability to implement reasonable management actions to achieve in-situ conservation outcomes.
- **Management:** There must be a management plan or similar that is designed to deliver in-situ conservation outcomes.
- **Management:** Management measures are being implemented, with appropriate monitoring, evaluation and learning in place to assess progress and inform future management.
- **Management:** The area is achieving, or making progress towards, in-situ conservation outcomes, with reasonable confidence that these outcomes will be achieved.

The relevant landowner/manager should commit to the area in the proposal being formally recognised as a 30by30 Area when the 30by30 Assessment and Reporting Tool launches in 2025/26.

3 The need for a capital investment strategy

- 3.1 The Authority has in place reserves to allow funding of capital and/or major projects, with particular regard to invest-to-save schemes. The fund currently has around £500,000 set aside for such purposes and Members are requested to consider any proposals for the use of this fund as the need arises.
- 3.2 Previously, this fund has been used to invest in projects that reflect the criteria of the Capital Investment Fund e.g. in 2018 the NPA supported the RSPB with the purchase of Franchises Lodge, a land that is now being managed for nature and likely to count towards 30by30. However, the introduction of a significantly larger Capital Investment Fund, with a set time period for expenditure, means the NPA should have a clear strategy to guide future investment from the Fund.
- 3.3 Our current assets consist of small operational (largely ICT) items and the two affordable homes at Bransgore – the average English National Park Authority has £18m worth of assets on their balance sheet.

4 NFNPA Capital Investment Strategy

- 4.1 The attached Capital Investment Strategy sets out the detail of the Protected Landscapes Capital Investment Fund, the approach to developing an asset portfolio and the delivery of 30by30 and the decision making process that will guide the use of the Fund.

Recommendations: Members are recommended to approve:

- i) **the approach to capital expenditure set out in the Capital Investment Strategy**
- ii) **the decision-making approach set out on page 10, and**
- iii) **the role of the Resources, Audit and Performance Committee in measuring progress of the Asset Strategy as set out on page 11.**

Papers:

Annex 1 – Capital Investment Strategy

Annex 2 – Business Case Template

Equality and Diversity Implications:

There are no specific equality or diversity implications arising out of this report

Contact:

Nigel Stone

Head of Resources (CFO)

Tel: 01590 646655

Email: nigel.stone@newforestnpa.gov.uk

Annex 1



NFNPA Capital Investment Strategy

July 2025

Executive Summary

This capital investment strategy sets out our approach to the opportunity provided by the newly created Protected Landscapes Capital Investment Fund included in our Defra Grant settlement for 2025/26. The strategy is developed with the anticipation that the Capital Investment fund will be a multi-year programme even though there is currently no confirmation from Defra.

The Fund has two criteria against which investments will be assessed:

- C1 Innovation, invest to save and income generating activities stream
- C2 30by30 delivery stream.

The fund is an opportunity for the Authority to develop our role as “place-makers”, creating a permanent presence for the Authority in the National Park through the development of strategic hubs to contribute to the delivery of Partnership Plan ambitions for the place, people, climate and nature.

The fund will also be used as leverage for additional investment to deliver projects that will contribute to these ambitions (e.g. Heritage Lottery, Landscape Enhancement Initiative).

This strategy will guide our acquisition of land and property - ensuring our Assets act as an enabler for more effective and efficient delivery of Authority services and policies. Collaboration is key, our aspiration is to wherever possible use our assets to build sustainable and creative communities which support local people and are co-created with our key partners around the Forest. Given the backdrop of devolution and local government reorganisation, our Authority can be the anchor for the Forest and local facilities.

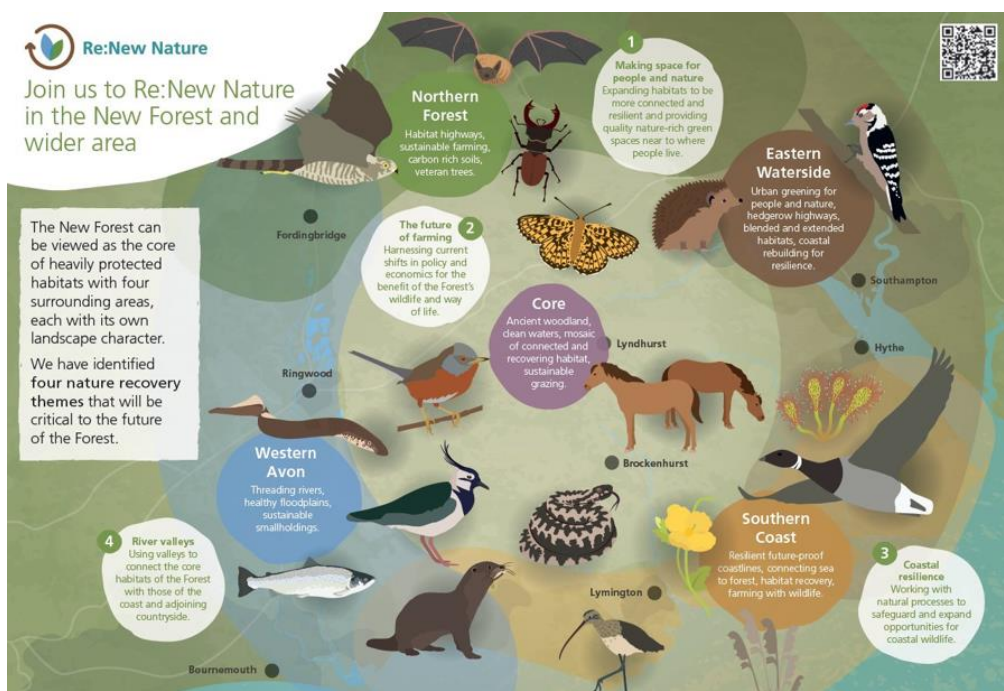
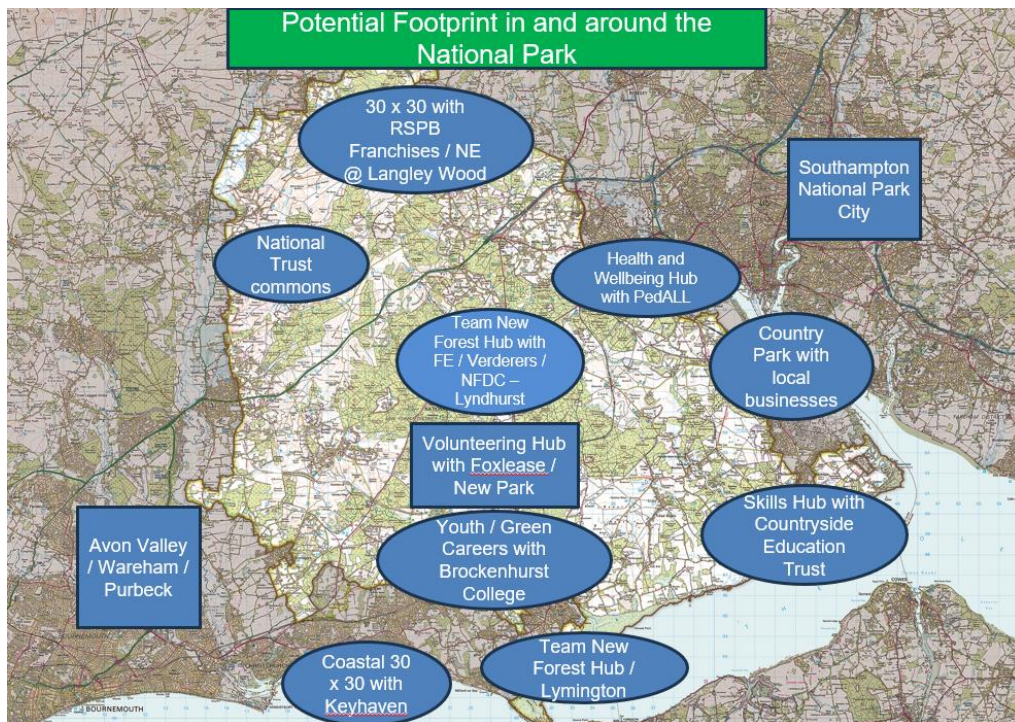
The creation of an Assets Team as part of the Resources Directorate will equip the Authority to build on these ambitions with a professional and commercial approach, providing much-needed base data and financial tools and importantly a more proactive approach to development, risk and opportunity.

Vision

The Authority has a footprint on the ground within the National Park, owning its own facilities for staff, members, volunteers and communities to use and holding spaces for biodiversity and learning to flourish. Capital investment opportunities are taken when they arise, often with partners too, whilst enhancing our day-to-day work, efficiency and effectiveness at the same time.

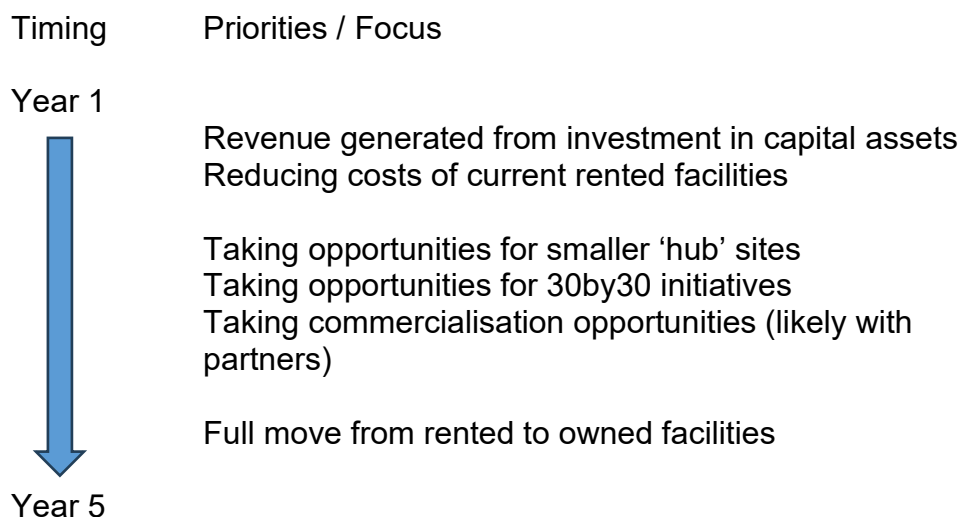
Aim

We will create a permanent 'hub and spoke' presence with partners over the next five years. The main central point being a core office facility located with the National Park, with spokes leading to hubs around the Forest (used by all but likely to have specific links / tasks dependant on their locations and the partners involved). See below for some initial thoughts about how this could work spatially across the landscape and for biodiversity:



Projected Priorities and Timescales

As stated in the aim, this Strategy is initially looking at the period of the next five years. Whilst we are aware that opportunities will arise at different and often unexpected times, and therefore require changes to this base plan, the diagram below sets out our likely priorities and timings:



Protected Landscapes Capital Investment Fund

The 2025-2026 grant fund award for National Park Authorities included for the first time a core capital fund – the Protected Landscapes Capital Investment Fund. This Fund has two criteria against which investment will be considered:

Criteria 1: Innovation, invest-to-save and income generating activities stream. Potential activities include:

- Activities projecting quantifiable cost savings
- Activities projecting quantifiable income generation or which help leverage other funding
- Upgrades of capital assets to avoid major defects / maintain operation / reduce carbon emissions and accelerate net zero progress
- Activities which seek to identify innovative new approaches and efficiencies
- Direct contribution to furthering PL statutory purposes to avoid unnecessary use of revenue funding.

Criteria 2: 30by30 delivery stream

This delivery stream is to enable more areas within Protected Landscapes to count for 30by30 meet the published [30by30 criteria](#) and ensure that our most important and wildlife-rich habitats are benefiting from effective, long-term conservation and management for nature.

Investment from this fund must meet the Defra definition of capital expenditure and must be spent on activities which take place in year (by 1 April 2026).

The NFNPA Investment strategy

The Authority is committed to the strategic and innovative use of the investment fund to support a journey of change and improvement, setting the organisation on a sustainable path into the future.

Working within the criteria and timescales set out above our priority will be to develop an asset portfolio to support further improvement in service delivery, deliver identifiable cost savings and be the starting point for commercial ventures. Hubs will provide environments for the strengthening of relationships, for creative and collaborative working on joint initiatives to strengthen communities, build resilience and drive prosperity and inclusivity.

Developing an asset portfolio

In anticipation of continued tightening of revenue budgets the Finance and Facilities Task and Finish Group has agreed that the Authority should aim to acquire buildings that can facilitate the work of the Authority and reduce expenditure from our revenue grant by moving away from renting office space. We have identified the opportunity for hubs around the National Park that can encompass our ability to host and deliver projects encompassing climate & nature, green skills & jobs, health and diversity and our “Team New Forest” approach. At a time of significant change and pressure we want to safeguard the future of Forest, its communities and its unique and important natural and cultural heritage.

With the capital investment fund currently limited to “in-year” spend we will need to be flexible and respond to opportunities as they arise. We propose working within a framework where any investment of the capital fund into projects will be assessed against criteria for the fund:

- Cost saving
- Income generation / leverage of additional funds
- Upgrading of capital assets
- Innovative approaches / efficiencies
- Furthering our statutory purposes

And

- Contribution to Criteria 2 30by30
- Be deliverable in year.

Delivery of 30by30

Delivery of 30by30 land will need to be done in partnership with others. In 2018 the Authority supported the RSPB in the purchase of Franchises Lodge, which is now managed as a nature reserve. The Capital Investment Fund will enable the Authority to support partners with future acquisitions or help meet the costs of putting existing land into long term conservation management.

A framework for considering 30by30 opportunities will include an assessment of the suitability of any land against the following criteria (taken from the published national 30by30 criteria)

- Will the purposes or management objectives for the land ensure the delivery of in-situ conservation outcomes?
- Is the conservation of the land secured for at least 20 years, through legal or other effective means?
- Does the lands governance or ownership have the ability to implement reasonable management actions to achieve in-situ conservation outcomes?
- Is there a management plan or similar that is designed to deliver in-situ conservation outcomes?
- Are management measures being implemented, with appropriate monitoring, evaluation and learning in place to assess progress and inform future management?
- Is the land achieving, or making progress towards, in-situ conservation outcomes, with reasonable confidence that these outcomes will be achieved?

And

- Will the acquisition be deliverable in year.

A pipeline of projects for future investment under both headings will be developed over time.

Making it happen

A Business Case Template for opportunity appraisals and comparisons between different use of capital funds has been prepared (Appendix 1).

Financial impact(s) should be considered over the life of the asset or default to 40 years – these will include the initial investment required, borrowing costs, ongoing revenue costs, savings / cost avoidance and income generation potential.

Opportunities must fall within our Functional Power of Competence as an Authority (until the point Defra upgrade this to a full Power of Competence as they have recently pledged to do).

Although options should be presented in the Business Case, it is important that only one or two preferred options are made clear within the documentation.

Wider communication with partners and stakeholders will also be key; to fully understand their priorities and asset programmes, ensuring links and funding are joined up wherever possible and practical.

Decision Making

It is proposed that decisions for items up to £100,000 are delegated to an Asset Management Officer Group (AMOG - CEO, CFO, Head of Environment & Rural Economy, Access & Learning Manager).

Decisions over £100,000 are taken to a meeting of the full Authority, or if not available within the necessary timescale for the decision, are delegated to the Chair, Deputy Chair and Chair of Resources Committee in consultation with the AMOG.

Capital investments up to £30,000 may use a simplified form of the Business Case Template as agreed with the Chief Finance Officer. All investments over £30,000 must use the full Business Case Template.

Decision making must be clear and transparent at all times, to allow understanding of our approach, options and final decisions both internally and externally. Despite reducing budgets elsewhere, often within shorter-term goals / priorities, it must be understood that undertaking capital investment for medium to longer term goals is still vital.

Review of assets

We will regularly review our asset base, via a rolling programme, ensuring each asset is reviewed at least every 3 years. This enables us to consider current and alternative uses for all assets, ensuring we are making best use of our estate and seizing opportunities to maximise financial and social return.

Within the reviews of assets, we will also run a 'rapid asset review' process alongside, so as not to miss opportunities created via changing circumstances leading to assets becoming available for review (e.g. changes in service delivery operating models/requirements, lease breaks, Community Asset Transfers, and so on).

Asset reviewed will help identify options for future use of assets assessing the potential to retain, repurpose, develop or dispose (including asset transfers where appropriate), in line with the Authority's priorities aligned with our project pipeline (as kept by the Grants Officer) and capital programme bidding

Measuring Progress

There will be an annual publicly-available paper taken to the Resources, Audit and Performance Committee regarding the progress and performance of the Asset Strategy and/or the projects within it (using SMART Key Performance Indicators wherever possible).

Capital investment decisions taken by the officer group, those investments below £100,000, will be presented in the quarterly Budget Monitoring Reports to the Resources, Audit and Performance Committee.

Minor amendments to the Strategy are delegated to that Committee but any significant changes would be brought back to the full Authority.

Annex 2

NFNPA Capital Asset Investment: Full Business Case Template

Document Control

Document Title	[Project Name] Business Case
Version	<INSERT>
Author	<INSERT>
Date	<INSERT>
Further copies from	<INSERT>

1. Executive Summary (Max 1 Page)

<INSERT SUMMARY>

This section should summarise the Business Case in such a way that the reader, knowing nothing about the project and related services or the priorities of the decision-maker, would come away with a high-level grasp of this.

It is best to write this section last once you have developed the rest of the business case.

<INSERT DECISION REQUIRED>

This should contain a brief introduction stating what the decision-maker is being asked to decide (e.g. formal approval to invest £x in x service), and/or any viable alternatives. Please include any set timescales for the required decision.

2. Business Case details

Project Name	<INSERT>
Project Manager	<INSERT>
Project ELT Lead	<INSERT>
Partner organisation(s)	<INSERT>
Project Reference	<INSERT>

3. Strategic Case

The Strategic Case demonstrates that the spending proposal provides business synergy and strategic fit and is predicated upon a robust and evidence based case for change. This includes the rationale of why change is required, as well as a clear definition of outcomes and the potential scope for what is to be achieved. You may wish to refer to supporting strategies, programmes and plans. Clear references to the Partnership Plan and/or Business Plan will be required.

3A. The proposal

<INSERT - DESCRIBE THE GENERAL PROPOSAL>

3B. The case for change

3B1 Alignment with National Park Authority objectives/priorities (i.e. our Business Plan)

<INSERT –OUTLINE HOW THE PROPOSAL ALIGNS WITH OUR OBJECTIVES AND PRIORITIES – INCLUDE BOTH FINANCIAL AND NON-FINANCIAL OBJECTIVES>

3B2 Fit with wider policy / objectives (i.e. Partnership Plan and/or Government Priorities)

<INSERT – OUTLINE ANY NATIONAL POLICIES / OBJECTIVES THAT THE PROJECT ALIGNS WITH>

3B3 Customer user needs – current and future

<INSERT – IDENTIFY CUSTOMER(S) AND OUTLINE CUSTOMER DEMANDS/PREFERENCES AND HOW THE PROJECT WILL MEET THESE REQUIREMENTS IN FULL. NOTE CUSTOMER IS THE ORGANISATION PAYING FOR THE SERVICE, NOT THE BENEFICIARY OF THE SERVICE>

3B4 Improvement of current service delivery arrangements

<INSERT – OUTLINE ISSUES ASSOCIATED WITH CURRENT SERVICE DELIVERY – E.G. OVERSPEND, LEVEL OF INTEGRATED SERVICES AND LEVEL OF OUTCOMES ACHIEVED>

3B5 Potential scope for further development/scalability

<INSERT –OUTLINE HOW SCALABLE THIS PROJECT IS – IN TERMS OF EXPANSION TO REALISE FURTHER ECONOMIES OF SCOPE/SCALE IF APPLICABLE>

3B6 Key Benefits

<INSERT – OUTLINE ANTICIPATED BENEFITS FROM BOTH A DECISION-MAKER, CUSTOMER AND AUTHORITY PERSPECTIVE>

4. Critical Success Factors and Risks

This section of the Business Case identified and assesses the critical success factors and risks of the proposed investment.

4A Critical success factors to achieving success

<INSERT – CRITICAL SUCCESS FACTORS THAT NEED TO BE ACHIEVED TO REALISE BENEFITS TO CUSTOMERS, DELIVERY PARTNERS AND THE AUTHORITY>

4B Constraints and dependencies

<INSERT – OUTLINE CONSTRAINTS AND DEPENDENCIES THAT EXIST OUTSIDE OF THIS IMMEDIATE PROJECT, IDENTIFYING THE POTENTIAL IMPACT AND MITIGATING ACTIONS>

4C Risk assessment

<INPUT – RISKS RELATING TO CUSTOMERS, DELIVERY PARTNERS AND THE AUTHORITY AS A RESULT OF THIS PROJECT BEING IMPLEMENTED. OUTLINE MITIGATING ACTIONS AND ASSOCIATED COSTS>

5. Commercial & Governance Case

The Commercial & Governance Case demonstrates that the project will result in a viable and well-structured solution. This section should include details relating to the planning and management of the procurement and subsequent contractual arrangements.

5A Procurement strategy / approach

<INPUT – OUTLINE THE PROPOSED PROCUREMENT STRATEGY, ALONG WITH ANY ASSOCIATED RISKS, COSTS AND BENEFITS>

5B Contractual arrangements

<INPUT – OUTLINE THE NATURE OF THE KEY CONTRACTUAL RELATIONSHIP THAT WILL EXIST BETWEEN THE SELLER AND YOURSELF>

5C Governance mechanism / approach

<INPUT – OUTLINE GOVERNANCE MECHANISM TO BE ESTABLISHED AND KEY ROLES AND RESPONSIBILITIES WITHIN IT>

6. Financial Case

The Financial Case demonstrates that the project will result in a fundable and affordable arrangement for the decision-maker. You need to summarise the overall capital and revenue affordability of the project, including any additional funding requirements. There are different ways to present this information that will be appropriate for different projects; some template tables are included below as examples.

6A Capital and revenue requirements

Total funding required					
What is it for? (equipment, facilities, external expertise etc.)	When is the cost incurred?				
	Capital or Revenue?	Year 1 20xx/xx	Year 2 20xx/xx	Year 3 20xx/xx	Year 4 20xx/xx
Totals					

6B Funding Secured

Funding currently secured (if any)					
Where is it from? (Grant, revenue budget, capital budget – include cost centres if known)		When will the money be available?			
	Capital or Revenue?	Year 1 20xx/xx	Year 2 20xx/xx	Year 3 20xx/xx	Year 4 20xx/xx
Totals					

6C Resource requirements

Staff Resources													
Service Area/Function	FTE's	When are new staff needed?											
		Year 1				Year 2				Year 3			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total													

6D Remaining Resources Required

Balance of funding requested				
	Year 1 20xx/xx	Year 2 20xx/xx	Year 3 20xx/xx	Year 4 20xx/xx
Total - Revenue				
Total - Capital				

6E Other Financial Information

Any resultant savings coming from the project / afterwards?

Any other comments?

7. Management case

The management case demonstrates that the project is capable of being delivered successfully, in accordance with recognised best practice.

This section requires the project to demonstrate that there are robust arrangements in place for project management, change management and contract management, the delivery of benefits and the management and mitigation of risk (you could include a risk register as a separate document).

It also requires the project team to specify the arrangements for monitoring during implementation and for post implementation evaluation, and the contingency plans for risk management.

7A Project management plans

<INSERT – EXPLAIN PROJECT MANAGEMENT AND GOVERNANCE ARRANGEMENTS AND INSERT ORGANISATION STRUCTURE IF POSSIBLE>

7B Change management arrangements/requirements

<INSERT – OUTLINE OF APPROACHES TO ENSURE EFFECTIVE CHANGE MANAGEMENT AND CHANGE OF ORGANISATIONAL CULTURE, INCLUDING ASSOCIATED COSTS>

7C Approach to management and delivery of benefits

<INSERT – STRATEGY, FRAMEWORK AND PLAN FOR DEALING WITH THE MANAGEMENT AND DELIVERY OF BENEFITS>

7D Approach to risk management

<INSERT – APPROACH TO MANAGING RISKS DURING AND POST IMPLEMENTATION, INCLUDING ASSOCIATED COSTS>

7E Monitoring during implementation

<INSERT – OUTLINE PROPOSED METHODS OF MONITORING PROGRESS DURING IMPLEMENTATION STAGE, INCLUDING CHECKPOINTS/MILESTONES AND END OF STAGE ASSESSMENTS>

7F Post implementation evaluation arrangements

<INSERT – DETAILS OF HOW THE EFFECTIVENESS OF THE PROPOSAL WILL BE MEASURED POST ESTABLISHMENT>

7G Contingency arrangements/exit strategy

<INSERT – DETAILS OF CONTINGENCY ARRANGEMENTS SHOULD TOLERANCES BE EXCEEDED DURING THE IMPLEMENTATION STAGE>

<INSERT – DETAILS OF AN EXIT STRATEGY SHOULD THE PROPOSED ENTITY FAIL POST ESTABLISHMENT>

8. Any other issues for further consideration

<INSERT>

9. Option(s) – Final Appraisal

<INSERT>

10. Final Conclusion / Proposal (your recommendation to the decision maker)

<INSERT>

Appendices (if required)

You could include your implementation plan, risk register, benefits register, staffing plan in an appendix.
You could also include comments from project team leads and partners to support your case.