



Finance Update

Agenda Item 9

National Park Authority Board Meeting

12 June 2023

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1. Purpose

1.1. The purpose of this paper is to provide a Finance Update for the Board.

2. Recommendation(s)

2.1. Members are asked **note** the contents of this report.

3. Contribution to National Park Partnership Plan and/or Our 5-year Plan

3.1. Robust financial and budget management underpins the outcomes and priorities of the National Park Partnership Plan 2018-23 and Our 5 year Plan.

4. Background

4.1. The appointment of Jane Kemp as the new Head of Governance and Performance was announced 25 May allowing for a brief handover period ahead of the departure of the Director of Corporate Services.

4.2. As a result we now have a vacancy for the Finance Manager role in addition to the ongoing Accountant vacancy role. We are actively pursuing recruitment options in a challenging market which means current capacity is significantly depleted.

5. 2022/23 Financial Year End

- 5.1. As usual, we experienced a high volume of invoice processing and payments through March and early April in order to close off 2022/23 expenditure. The Finance Team handled this very smoothly and should be commended for their hard work through this busy time.
- 5.2. Due to the staffing gaps, we are behind schedule on completing our year-end management accounts. Our draft management accounts show an overall underspend in the region of £120k in 2022/23 (£20k excluding peatland restoration and Nature Restoration Fund underspends). This is split between a capital underspend in the region of £100k and a resources underspend of £20k. Members should note that this figure is caveated in that year end processes are ongoing so there is a chance it may change. It is also, of course, unaudited.
- 5.3. Despite the underspend, delivery has markedly increased over the past year, for example with the replacement Bracklinn Bridge, new renewable and low carbon infrastructure on the NPA Estate, Conic Hill path replacement, and significant pier and pontoon repairs. In addition to this we have progressed delivery on peatland restoration and a series of projects funded by the Scottish Government's Nature Restoration Fund. Our final Annual Operational Plan progress report for 2022/23 also presented on this agenda sets out these achievements in more detail. Similarly the Place Programme Update Paper sets out overall progress in project delivery and developing a pipeline of strategic investment for the coming years. Following a very challenging procurement in environment in 2021/22 year this is an excellent turnaround in making sure all available financial resources are improving the National Park.
- 5.4. Once finalised Management Accounts are available these will be shared with Board members with an appropriate opportunity for scrutiny to be agreed with the Convener. The timing and format for this will be notified to Members in advance.

6. Statutory Accounts 2023/24

- 6.1. Like the management accounts, we are behind schedule on preparing our Statutory Accounts due to staff turnover. We have been reviewing the timetable and liaising with our new External Auditors on taking this forward. We currently expect to be able to complete the accounts and undertake the audit through late June and July in order to bring them to the Audit and Risk

Committee and Board in September. We will keep the Convener and Chair of the Audit and Risk Committee updated on our timescales.

7. Budget 2023/24

- 7.1. Since the Board meeting in March where the Budget for 2023/24 was approved, our Scottish Government funding for Peatland Restoration has now been confirmed as £421k of capital and £210k of revenue. The revenue budget allocation is particularly welcome and enables us to explore new staff resource to further scale up delivery of the peatland programme.
- 7.2. We are still expecting imminent confirmation of another £250k in Nature Restoration Fund direct allocation for 2023/24, with the possibility of a commitment to increasing funding in future years.
- 7.3. Members may recall that at the time of the March Board meeting the Scottish Government had not yet published its pay guidance for public bodies. Therefore, the salary budget approved included an assumption about the staff pay award for 2023/24. The pay guidance has now been received, and we are at an early stage of working through the implications of it. Our initial view is that the assumptions that we made in the budget are reasonable. We will be starting discussions with our trade union representatives about the 2023/24 pay award in due course.

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