



# Finance Update Q1

## Agenda Item 12

**National Park Authority Board**  
Tuesday 11 September 2023

Paper for noting

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### 1. Purpose

- 1.1. This paper presents the financial update and management accounts as at the end of the first quarter (30 June 2023).

### 2. Recommendations

- 2.1. The Board is asked to note the management accounts and financial update.

### 3. Background

- 3.1. Stephen French joined the Authority on 3 July as Finance Manager. We have filled the ongoing Accountant vacancy and the candidate

starts on 4 September. Capacity will continue to be significantly depleted until new team members have completed their induction and training.

#### **4. Budget 2023/24**

- 4.1. The budget for 2023/24 was approved by the Board on 13th March 2023, inclusive of additional funding of £500k revenue for visitor management, £400k capital and £178k revenue for Peatland and £250k for Nature Restoration.
- 4.2. The overall budget position for 23/24 is projected to be a net capital deficit of £423k and a net revenue deficit of £154k. Both are expected to be managed down throughout the year.
- 4.3. An additional £300k capital budget will be transferred from Transport Scotland for EV charging infrastructure. This will be reflected in the budget following the Q2 reforecast.
- 4.4. Scottish Government recommenced monthly Budget Monitoring commissions from June month end. The first return was submitted on Monday 10th July. These will be monthly for the remainder of the financial year and are due for submission to our SG Sponsor Team around the 6th working day of the month.

#### **5. Management Accounts to 30 June 2023**

- 5.1. This is the first Management Accounts report of the new financial year and first report produced by new members of the Finance Team.
- 5.2. The Management Accounts present the actual year to date financial position at 30th June 2023 against the full year budget, year to date budget and prior year to date results for comparison purposes.
  - As at end of June, total income excluding Grant in Aid for the first three months of the year is £390k. This is £150k above the YTD budget and £47k above the same period 22/23, partly due to early grant receipts and early recognition of rentals. Revenue generation across car parking, camping and toilets is ahead of budget and is partially offset by a negative budget variance within planning fees.
  - Salary costs to the end of June are £1,459k including seasonal costs. This is in line with the YTD budget of £1,468k. The actuals do not include any uplift for 23/24 pay award.
  - Total YTD operational spend is £795k, higher than the YTD budget of £649k but lower by £12k than the same period in the previous year.

The variance in the quarter relates mainly to timing differences in this year's spending profile particularly on property related costs.

- Net project spend, excluding funding for Peatland, Rural Tourism Infrastructure Fund (RTIF) and Nature Restoration Fund (NRF) activities, is low with £78k capital expenditure (of which £27k is capital grant payments) and a credit of £74k against revenue expenditure due to early grant receipts.

## **6. SG 2023/24 Strategic Approach to Budgeting (SAB) Commission of Resource Spending (RSR) Allocations**

- The Scottish Government have been signalling an increasingly challenging overall financial picture for this year, which has been further stretched as a consequence of inflationary pressures, the increased cost of living and associated pay negotiations.
- We were asked to model our spend profile to 2026-27. We set out the implications of various budget scenarios on what the organisation can deliver. At the time of writing there has been no response or further follow ups.

### **Appendix 1 – Management Accounts 30 June 2023**

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