



# Financial Update

## Agenda Item 12

### National Park Authority Board Meeting

8 December 2025

#### Paper for information

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#### 1. Purpose

1.1. The purpose of this paper is to provide the financial update including an update on the Statutory Accounts for 2024/25, the Management Accounts for the period ended 30 September 2025 and the Quarter 2 (Q2) budget revision for 2025/26.

#### 2. Recommendation(s)

2.1. That the Board note this report, the Management Accounts for the six months ended 30 September 2025 (Appendices 1 and 2) and the Q2 Budget Revision for 2025/26 (Appendix 3).

#### 3. Contribution to National Park Partnership Plan and/or Corporate Plan

3.1. Robust financial and budget management underpins the outcomes and priorities of the National Park Partnership Plan and Corporate Plan.

#### **4. 2024/25 Statutory Accounts**

4.1. The auditors confirmed completion of the audit and provided signed financial statements and Annual Audit Report on 25 September. The report and accounts were laid in Parliament on 14 October.

#### **5. 2025/26 Management Accounts**

5.1. The Management Accounts for the six months to 30 September are presented in Appendix 1 and Appendix 2. These are shown against full year and year to date budget.

5.2. Income to date totals £7,2m. This is made up of £6,5m of Grant in Aid and £700k of income from other sources.

5.3. Excluding Grant in Aid, income for the first six months is £165k ahead of the budget. Generated Income is £192k ahead of budget due to increased camping income due to the good weather and the introduction of the new Salloch site; this income is gross and associated costs in running the site are contained within the relevant expense lines. The sale of two boats has also generated £67k. Property Rental Income is £20k ahead of budget due to invoice timing, offset by Planning Fees which are £69k behind budget.

5.4. Operating Salaries to date total £3,5m against budget of £3,5m. Permanent and Fixed Term Staff Costs are £136k under budget, whilst Seasonal Staff Costs are £140k ahead of budget, due to the very busy visitor season. The estimated pay award is included in the staff costs for October; this will be reforecast during the Q2 reviews but is unlikely to be paid before December due to ongoing discussions with Scottish Government.

5.5. Operating Expenditure to date totals £1,5m against budget of £1,65m. Administration and Property costs are £52k and £49k under budget respectively. Transport costs are £15k under budget, whilst Staff costs are £23k under budget.

5.6. Net Activity Expenditure budget for 2025/26 is £3,2m made up of £2,3m capital and £937k revenue. Net project capital spend to date totals £141k against budget of £493k, an underspend of £352k. Net project revenue spend to date totals £412k against budget of £192k, an overspend of £220k. This overspend is down to timing and is not indicative of where we expect our outturn to be at year end. The main drivers of revenue spend are:

- Trossachs Explorer
- Completion of our Piers and Pontoon Inspection
- Combining our ICT security services
- National Park Police Officer

5.7. The Peatland budget for 2025/26 was revised down to £950k from the original budget due to the removal of one project and the revision of revenue costs. This is made up of £710k capital and £240k revenue. Peatland capital spend to date totals £71k against budget of £110k. Peatland revenue spend to date totals £89k against budget of £100k. As at the end of November Peatland have committed spend of £357k, with the majority of the remaining budget expected to be committed during December.

5.8. We have been awarded Nature Restoration Funding in 2025/26 totalling £1,025m, made up of £750k capital and £275k revenue. There has been no capital spend on NRF up to 30 September, NRF revenue spend to date totals £8k against budget of £10k. The team have factored in overprogramming within planned projects with committed spend totalling £878k and potential to add one further capital project.

## 6. Q2 Review Update

6.1. We update our budget once a year to reflect new pressures, reallocate funds across priorities and adjust plans to ensure that we are on track to deliver a balanced budget. This process is called the Q2 Budget Review. Total budgeted spend is updated for the full year, based on actual spend to date and the forecast for the rest of the financial year. The Q2 Budget Review is presented in Appendix 3.

6.2. The Q2 Budget review presents a forecast **revenue deficit of £199k** (down from £314k in the original budget) and a **capital deficit of £154k** (down from £350k in the original budget). This deficit position is a result of our approach of over-programming to mitigate against underspend. We have reviewed all spend yet to be committed as part of the Q2 process and believe we are still in a position to deliver a balanced outturn.

6.3. The main revisions included within the Q2 budget are:

6.3.1. **Grant in Aid income is reduced by £90k** due to an underspend in 24/25. SG advised us to retain the funding, but it would be taken from our 25/26 allocation.

6.3.2. **Generated income budget is increased by £167k** due to the sale of two boats and Salloch.

6.3.3. **Project Activity Expenditure revenue budget has decreased by £198k.** This is largely driven by the nature of our spend on Mission Zero projects alongside projects which have, and can, be funded by our NRF funding.

6.3.4. **Project Activity Expenditure capital budget is decreased by £42k** due to deferral of part of our website project, reduction in spend on our fleet strategy and anticipated slippage of our Place projects.

6.3.5. **Peatland and NRF project spend is reduced by £30k** due to Peatland handing back £30k during November.

## **7. 2026/27 Budget Process**

7.1. The Scottish Government have been signalling an increasingly challenging overall financial picture across both revenue and capital allocations. Our annual budget for 2026/27 is due to be announced on 13 January 2026 following the publication of the Scottish budget.

7.2. We expect Budget challenges to remain over the medium term, as such we remain cautious when considering future commitments relating to revenue and capital. Where we have identified an opportunity in the 2025/26 Q2 budget review to bring forward spend from 2026/27, this has been prioritised.

7.3. We are currently rolling out our 2026/27 Budget process to allow us to have informed discussions with the Scottish Government and complete their commissions. This will allow for the budget to be presented to Board in March.

## **8. 2025/26 Statutory Accounts**

8.1. We have now started the planning process for the 25/26 Statutory Accounts and have an initial meeting to discuss audit timings for the planning, interim and final audit work on 17 December.

## **9. Appendices**

Appendix 1 – Management Accounts to 30 September 2025 against FY Budget

Appendix 2 – Management Accounts to 30 September 2025 against YTD Budget

Appendix 3 – Quarter 2 Budget Review 2025/26

**Author:** Michael Ward, Finance Manager

**Executive Sponsor:** Jane Kemp, Head of Governance and Performance