



Financial Update

Agenda Item 14

National Park Authority Board Meeting

9 March 2026

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1. Purpose

1.1. The purpose of this paper is to provide the financial update including an update on the Management Accounts for the period ended 31 December 2025, the Statutory Accounts 2025/26 and the draft Budget for 2026/27.

2. Recommendation(s)

2.1. That the Board note this report, the Management Accounts for the nine months ended 31 December 2025. (Appendices 1 and 2).

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. 2025/26 Management Accounts

4.1. The Management Accounts for the nine months to 31 December are presented in Appendix 1 and Appendix 2. These are shown against full year and year to date budget. The budget figures have now been updated to reflect the Q2 budget presented at December's Board meeting.

- 4.2. Income to date totals £11m. This is made up of £10,2m of Grant in Aid and £852k of income from other sources.
- 4.3. Excluding Grant in Aid, income for the nine months is £31k down on the Q2 budget. Property Rental Income and Interest Received are £27k and £14k ahead of budget, offset by Planning Fees which are £78k behind budget.
- 4.4. Operating Salaries to date total £5,5m against the Q2 YTD budget of £5,6m. Permanent and Fixed Term Staff Costs are £108k under budget, whilst Seasonal Staff Costs are £69k ahead of budget, due to the very busy visitor season. The pay award is included in the staff costs and was paid in December.
- 4.5. Operating Expenditure to date totals £2,0m against a Q2 YTD budget of £2,2m. Key areas which are under budget for the 9 months to 31 December are Property costs (£73k), Staff costs (£26k) and Transport Costs (£21k).
- 4.6. Net Activity Expenditure was revised at the Q2 budget and for the full year is £3,0m made up of £2,2m capital and £739k revenue. Net project capital spend to date totals £240k, with a further £1,6m committed. Net project revenue spend to date totals £431k, with a further £300k committed, an underspend of £8k compared to the full year budget. For note, the Q2 YTD capital budget shows a net income position for capital spend for 9 months to 31 December due to cashflow timing mismatch between upfront receipt of external funding and payments to contractors.
- 4.7. 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. It was agreed with Scottish Government in November that we would hand back £30k capital. Peatland capital spend to date totals £278k against a Q2 YTD budget of £410k. A further £276k of capital has been committed since 1st January. Peatland revenue spend to date totals £149k against a Q2 YTD budget of £150k.
- 4.8. We were awarded Nature Restoration Funding (NRF) in 2025/26 totalling £1,025m, made up of £750k capital and £275k revenue. Capital spend on NRF to date totals £67k, NRF revenue spend to date totals £68k against a Q2 YTD budget of £20k. Potential underspend has been managed by the team by factoring in overprogramming. The composition of NRF agreements means majority of spend will occur in Q4.
- 4.9. We are on track to deliver a balanced outturn for our revenue budget. We have experienced delays on some of our capital projects due to the current Scottish Government approval process for spend over £100k and as a result we are forecasting a capital underspend in the region of £200-300k. Our Sponsor team are aware of our expected year end position.

5. 2025/26 Statutory Accounts

5.1. We have now started the planning process for the 25/26 Statutory Accounts. The interim audit started on 16 February and is expected to last for two weeks with the final audit being scheduled to commence 1 June.

6. 2026/27 Budget Process

6.1. We received our 2026/27 budget from The Scottish Government on 13 January 2026.

6.2. Draft allocations are £10,408k revenue and £1,800k capital. These are still subject to Parliamentary approval. There is a separate process for Peatland and NRF funding and indications are that we will receive funding in line with 25/26 but are subject to finalisation.

6.3. We present our draft budget for approval to the Board as a separate agenda item in this Board meeting. As with previous years we take an approach of over-programming to mitigate against the risk of underspend.

7. Appendices

Appendix 1 – Management Accounts to 31 December 2025 against FY Budget

Appendix 2 – Management Accounts to 31 December 2025 against YTD Budget

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