



Finance Update

Agenda Item 15

National Park Authority Board Meeting

10 June 2024

Paper for information

1.	Purpose	1
2.	Recommendation(s).....	1
3.	Contribution to National Park Partnership Plan and/or Our 5-year Plan	1
4.	Background.....	1
5.	Management Accounts	2
6.	Statutory Accounts.....	2
8.	Appendices	3

1. Purpose

1.1. The purpose of this paper is to present the draft financial update for the year ended 31 March 2024.

2. Recommendation(s)

2.1. That the Board note this report and the Management Accounts for the period ended 31 March 2024 (Appendix 1).

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 and Our 5-year Plan.

4. Background

4.1. Turnover in the Finance team has continued to affect available capacity and has particularly impacted on financial year end and other deadline driven work.

4.2. The revised budget (referred to as the 'Q2 budget') for 2023/24 was presented to the Board in December 2023. The draft Management Accounts present the full year actuals against the full year revised budget. The prior year actuals are included for reference.

4.3. The Q2 budget shows a revenue deficit of £175k and a capital deficit of £246k. Both revenue and capital budgets are over-programmed to reflect the fact that slippage is expected in some projects. The majority of project expenditure takes place in the latter half of the year and delivery can be challenging in the winter. The over-programming in the budget is designed to reduce the risk of budget underspend and ensure efficient budget management with the expectation that both overspend positions will be managed down throughout the remainder of the financial year.

5. Management Accounts

5.1. At the March Board meeting it was noted that a significant acceleration in spending would be needed in the last few weeks of the year were if we were to achieve a target of a balanced budget. An acceleration in spend did materialise.

5.2. Our year end management accounts are currently in the process of being finalised and are still subject to detailed review and audit. The draft outturn is showing a £81k underspend split between a small overspend of £46k on capital, offset by an underspend of £127k on revenue.

5.3. The capital outturn was heavily impacted by Tarbet, Mission Zero and Conic Hill. The last quarter spend on these projects was £1.7mil. Members will recall that these projects were planned to continue and be completed within 2024/25.

5.4. The drivers of the revenue underspend were lower than forecast staff costs and underspend on a couple of multi-year projects where spend slipped into 24/25.

6. Statutory Accounts

6.1. Progress is being made in line with our timetable on the production of the statutory accounts. The Interim Audit has been completed and the final audit by Mazars is planned to commence 10th June as scheduled.

7. Budget 2024/25

7.1. The budget for 2024/2025 was approved at the Board meeting in March. This included assumptions for the Peatland GIA budget of capital £666k and revenue of £242k, and Nature Restoration Fund GIA budget of capital £400K. Both categories of budget spend continue to be estimates as we are awaiting final confirmation from the Scottish Government.

7.2. 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 2024/25. Any necessary adjustments following the issuance of guidance will be made at the time of the Q2 24/25 Budget Reforecast.

8. Appendices

Appendix 1 – Management Accounts to 31 March 2024

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