

NFNPA RAPC 582/26

NEW FOREST NATIONAL PARK AUTHORITY

RESOURCES, AUDIT AND PERFORMANCE COMMITTEE – 2 FEBRUARY 2026

Q3 BUDGETARY CONTROL REPORT 2025/26

Report by: Nigel Stone, Head of Resources (Chief Finance Officer) and Tom Knott, Finance & Sustainable Procurement Officer

Purpose:

This report provides a summary of financial performance up to the end of December 2025, the first nine months of the 2025/26 financial year.

1. Introduction

1.1 This report provides a summary of financial performance in the first three quarters of 2025/26, providing detail on potential variances and the responses to them. **Annex 1** sets out the summary financial position; **Annex 2** includes indicative splits of the 2025/26 budgets across the purposes & duty and the statutory accounting format; further detail is then provided on the Programme Fund (**Annex 3**), Authority-led Partnership Projects (**Annex 4**) and Developer Contributions / Reserves.

2. Current Position

2.1 The overall income and expenditure budgets for 2025/26 are £7.07m, as shown in Annex 1. This includes £1.3m from Authority-led partnership projects (externally-funded).

2.2 The overall expenditure position shows £4.26m spend over the first nine months of the financial year (60% of budget). Without the partnership projects, spend was £3.4m from a budget of £5.74m (59%). Further excluding the capital projects, spend was 79% of budget.

2.3 The overall income position shows £5.02m received (71% of budget) over the first nine months of the financial year. Without the partnership projects, income was £4.35m from a budget of £5.74m (76%).

3. Budgetary Review Process

- 3.1 All budget holders were again requested to scrutinise their budgetary positions and provide details of known or potential over- or underspends; key responses and outcomes are included in section 4 below.

4. General Budget Analysis

- 4.1 Overall the figures after nine months of the financial year, shown in detail in Annex 1, are largely still on track and no significant issues have emerged of which Members need to be made aware of at this time.

Current Net Position: Balanced Budget.

- 4.2 As previously noted, a number of small savings often occur across budget lines which cumulatively will aid the financial position towards the end of the year.

5. Sustainable Communities Fund (SCF) Monitoring

- 5.1 The SCF budget for 2025/26 is £30,000 and we have £47,000 in the SCF Reserve which has previously been allocated to projects but yet to be formally claimed following completion of the relevant works. After nine months of the year a total of £34,000 has been claimed.

6. Developer Contributions

- 6.1 As detailed in Annex 5, during the first nine months of the financial year a further £277,000 has been received in respect of developer contributions and £12,000 spent or allocated.
- 6.2 As Members are aware, a very significant proportion of the remaining Affordable Housing contributions will soon be utilised to fund a pair of homes at the site in Burley (for which the procurement of a building contractor is currently underway).

7. Reserves Position

- 7.1 As detailed in Annex 5, the General Fund Reserve remains at £350,000 and is projected to do so until the end of the financial year.
- 7.2 Earmarked reserves are being utilised in line with the budget approved in March 2025.

8. Treasury Management Position

- 8.1 The end-of-December Treasury Management position projects that the Authority will receive around £140,000 from interest on its investments and holdings this year (an overall return of around 4%); this matches the original budget projection.

9. Partnership Projects

- 9.1 As Members will be aware, we have been highly successful over the last year in bidding for external funding to leverage our core Defra grant; it is estimated that in 2025/26 we will receive over £1.3m in this partnership projects funding as detailed in Annex 4.
- 9.2 This year, for every £1 the Authority is contributing to these partnership projects, it will generate a further £46 from funders / partner organisations. On average, over the last five years, we have generated a further £25 from funders / partner organisations.
- 9.3 The capital works delivery phase of the Species Survival Fund project ended in December 2025, with the full project completion by March – a full update paper on the project will be brought to the March meeting.

10. Future Budgets

- 10.1 Defra is yet to confirm our grant settlement for either 2026/27 or beyond, despite receiving its own future projections in the Comprehensive Spending Review in July, some six months ago. We have been requested to provide projected impacts for potential scenarios, some including further reductions in our core grant. Following the 9% grant cut this year, the Authority's staffing capacity has been reduced to around 50 full-time-equivalents, roughly split as 25 FTEs related to the statutory planning function and 25 to run the Authority and deliver all the other elements of our purposes and duty.

11. Recommendation

It is recommended that Members:

- 1 note the current income and expenditure position, including the potential savings and pressures identified.**

Papers:

NFNPA/RAPC 582 /26	Budgetary Control Report
NFNPA/RAPC 582 /26 Annex 1	Budget Monitoring
NFNPA/RAPC 582 /26 Annex 2	2025/26 Budget Formats
NFNPA/RAPC 582 /26 Annex 3	Programme Fund
NFNPA/RAPC 582 /26 Annex 4	Authority-led Partnership Projects
NFNPA/RAPC 582 /26 Annex 5	Developer Contributions and Reserve Balances

Equality and Diversity Implications:

There are no specific equality or diversity implications arising out of this report.

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Annex 1

Budget Monitoring 2025/26
Summary Accounts for the period 1 April – 31 December 2025

	Original Budget	Payments to date	% of Budget Spent
	£000	£000	
<u>Expenditure:</u>			
Employee Costs (Salary, Travel, Pensions etc)	3,099	2,335	75%
Programme Fund	180	144	80%
Sustainable Communities Fund	30	34	113%
Strategy & Planning	90	82	91%
Central Costs (split below)	797	718	90%
Capital Budgets (split below)	1,546	93	6%
Subtotal	5,742	3,406	59%
Authority-led Partnership Projects	1,331	851	64%
Total Expenditure	7,073	4,257	60%

<u>Income:</u>			
Defra National Park Grant (Revenue)	-3,019	-2,339	77%
Defra National Park Grant (Capital)	-1,393	-1,079	77%
Defra Access for All (Capital)	-153	-115	75%
Planning Income	-600	-432	72%
Shared Services	-228	-121	53%
Income Generation (inc Affordable Housing)	-90	-60	67%
Investment & Interest Income	-140	-118	84%
Net Contribution to Other Earmarked Reserves (estimated)	-119	-89	75%
Subtotal	-5,742	-4,353	76%
Authority-led Partnership Projects	-1,331	-670	50%
Total Income	-7,073	-5,023	71%

Central Costs Split

	Latest Budget £000	Payments to Date £000	% of Budget Spent
Secretariat	49	49*	100%*
Human Resources	75	60	80%
ICT Services	195	192*	98%*
Member Services	69	45	65%
Finance & Audit Services	89	67	75%
Accommodation	230	224*	97%*
Business Support (e.g. insurance, printing, stationery)	90	81*	90%*
TOTAL	797	718	90%

* Figures include significant annual invoices paid in advance (e.g. memberships, licences, business rates, rent, insurance premium).

Capital Budgets Split

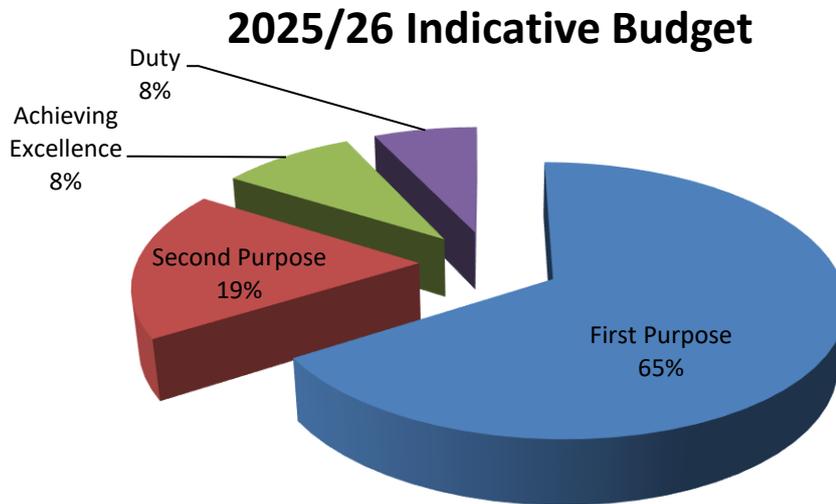
	Original Budget £000	Payments to Date £000	% of Budget Spent
Website Update	50	17	34%
Income Generation and/or Land improvements for Climate and Nature Recovery	1,343	0	0%
Access for All	153	76	50%
TOTAL	1,546	93	6%

Annex 2

2025/26 Original Budget (£4.20m – not including partnership projects) shown as ‘Protect, Enjoy, Prosper & Achieving Excellence’

	First Purpose*	Second Purpose	Duty	Achieving Excellence
	£000	£000	£000	£000
Employee Costs (allocated)	2,043	541	243	272
Programme Fund	42	116	22	-
Sustainable Communities Fund (approximation)	18	9	3	-
Strategy & Planning	90	-	-	-
Central Costs (allocated)	526	139	62	70
TOTAL	2,719*	805	330	342

*Includes all costs directly related to the Planning Service



2025/26 Budget revenue position in Authority's formal reporting format

	Budgeted Net Cost of Services 2025/26		Actual Expenditure April - Dec	Actual Income April - Dec	Net Actual April - Dec
	£000		£000	£000	£000
Conservation of the Natural Environment	304		743	-446	297
Conservation of Cultural Heritage	233		228	-24	204
Recreation Management and Transport	349		502	-170	332
Promoting Understanding	540		597	-120	477
Rangers, Estates and Volunteers	160		210	-59	151
Development Control	802		1,097	-432	665
Forward Planning and Communities	432		326	0	326
Corporate and Democratic Core	458		461	-32	429
SUBTOTAL	3,278		4,164	-1,283	2,881
National Park Grant	-3,019			-2,339	
Investment & Interest Income	-140			-118	
Use of Reserves	-119			-89	
TOTAL	0			-3,829	

Annex 3

Programme Fund 2025/26	Original Project Budget	Payments to date	% of Budget Spent	Notes on significant variations
FIRST PURPOSE*	£000	£000		
Ecology and Catchment Co-ordination	12	12	100%	Work with Freshwater Habitats Trust
Natural Environment Evidence Base (HBIC / WRC)	15	14	93%	
Archaeological Projects and SLAs	8	4	50%	
OTHER (Projects £3,000 or less)	7	5	71%	
FIRST PURPOSE SUBTOTAL	42	35	83%	
SECOND PURPOSE*	£000	£000		
Access Improvements	7	6	86%	
Health and Wellbeing	5	2	40%	
Education (Travel Grants and Resources)	10	8	80%	
Recreation Management	5	4	80%	
Interpretation & Information	8	8	100%	
New Forest Show	6	6	100%	Promotional/educational materials will also be used at future events
Media and Promotion	23	19	83%	
Publications and Advertising	32	30	94%	
Contact Management System	5	3	60%	
Ranger Projects	5	2	40%	
People and Wildlife Ranger Projects	4	4	100%	
OTHER (Projects £3,000 or less)	6	4	67%	
SECOND PURPOSE SUBTOTAL	116	96	83%	

	Original Project Budget	Payments to date	% of Budget Spent	Notes on significant variations
DUTY*	£000	£000		
New Forest Marque	4	0	0%	Grant payment – supplemented by comms and admin staffing support
Sustainable Tourism	5	5	100%	
Sustainable Transport	8	4	50%	
OTHER (Projects £3,000 or less)	5	4	80%	
DUTY SUBTOTAL	22	13	59%	
TOTAL EXPENDITURE	180	144	80%	

* The designation of projects to 'Protect, Enjoy & Prosper' are for illustrative purposes only and do not constitute the total funding allocated to each area by the Authority (see Annex 1)

Authority-led Partnership Projects 2025/26

Annex 4

	Authority Contributions	Partner Financial Contributions	Total Project Budget	Total Payments to date	Payments as % of budget	Notes on significant variations
	£000	£000	£000	£000		
Pedall (Lottery)	0	190	190	106	56%	
YouCAN - Youth for Climate & Nature (Lottery)	10	225	235	215	91%	
Higher Level Stewardship	0	95	95	72	76%	
Health Fellowship Programme	0	36	36	0	0%	£180k of funding over 5 years
Hampshire Greenprint	0	10	10	4	40%	
Species Survival Fund (Defra)	11	215	226	219	97%	
New Routes to Nature – Volunteers (Lottery)	3	112	115	84	73%	
Landscape Enhancement Initiative Projects (National Grid)	0	75	75	32	43%	
Farming In Protected Landscapes – Grants Fund (Defra)	0	318	318	71	22%	
Land Advice Service	5	55	60	48	80%	
TOTAL	29	1,331	1,360	851	63%	

Annex 5

Developer Contributions:

	Affordable Housing	Open Space	Ecological Mitigation	Transport (via HCC)	Solent Mitigation (via Fareham)
	£000	£000	£000	£000	£000
Starting Balance	867	174	840	0*	0*
Funds Received	181	0	84	0	12
Funds Spent / Released	0	0	0	0	(12)
Current Balance	1,048	174	924	0*	0*

* Funds paid over to the relevant organisations on an annual basis at year-end. Transport contributions over the previous five financial years have totalled £67,000 and Solent Mitigation £49,000.

Current Reserve Balances:

	Starting Balance	Projected Movement	Closing Balance
	£000	£000	£000
General Fund Reserve	350	0	350
Earmarked Reserves:			
Revenue Support Reserve	89	0	89
Financial Stability Reserve	352	(70)	282
Capital / Major Projects Reserve	557	0	557
Planning / Risk Reserve	170	20	190
Other (net)	1,333	(69)	1,264
TOTAL	2,851	(119)	2,732