

FINANCIAL OUTTURN AND RESERVE APPROPRIATION 2024/25

1. Purpose

To inform Members of the outturn position of the Authority for the 2024/25 financial year and seek approval for appropriations to and from reserves.

2. Context

2.1 The National Park Core Grant for 2024/25 was held at the same value as 2023/24 & 2022/23 at £6.7m. The Authority also received additional grants in 2024/25, being £250k for revenue expenditure, to help offset rising inflationary pressures and £250k towards Capital expenditure. This additional funding did not form part of the original balanced revenue budget which was approved by Members in February 2024. The approved revenue budget forecast a surplus of **£280k** for 2024/25.

2.2 The Audit, Budget and Project risk Group, replaced the Budget Monitoring Group in 2024/25. This group is made up of Members, the Head of Resources, the Finance Manager and Officers, where required. The group meets quarterly to discuss budgets monitoring, adjusted forecasts, significant risks to budget and review the level of reserves. At the Q3 review meeting in January 2025, the revised forecasted revenue outturn was expected to be a surplus of circa **£454k**.

2.3 Appendix A shows the final draft surplus or deficit arising from each service, after appropriations to and from reserves have been considered. The draft revenue outturn closed with a surplus of **£530k**. The results have been scrutinised with budget managers and Heads of Service. They were presented and discussed with the ABPRG on the 09th May. Commentary on significant variances is presented in Appendix A. In January 2025, it was announced that the Authority would undertake an organisational restructure, due to the financial outlook of the Medium Term Financial Forecast (MTFF). A vacancy factor of 5% is already built in to balance our budget. However, as a result of the restructure, vacancy control was tightened and some areas impacted by the changes saw larger vacancy factors. We also received an additional £250k from Defra, to help offset inflationary pressures, as a result of the cost-of-living crisis. This helped offset material increases in areas such as Audit, IT and insurance premiums. This also helped cushion the deficit arising from lower than forecast planning income. Our strong cash holding continues to attract a generous return on investment. Our interest receipts were £104k surplus to budget. This is despite the interest rates starting to fall from August 2024. The full surplus of £530k has been transferred to the Medium Term Financial Forecast Reserve to help the balance the Authority budget across the Medium Term Financial Forecast (MTFF). The forecast amount of £454k discussed above in point 2.2, was included in Revenue Budget & MTFF, approved by Authority, in March 2025.

2.4 Appendix B shows the final draft outturn position, before the appropriation of reserves.

2.5 Appendix C shows the net reserve movements to and from reserves including the General Fund Reserve, Capital Reserves, Specific Reserves and Restricted Reserves. The General Reserve has sufficient funds, with a closing balance of £376k. This remains comfortably in the recommended position of 2% of net expenditure plus £100k contingency. A detailed summary of the use of reserves is also within the appendix.

2.6 Appendix D shows the draft Capital outturn result being **£563k**. Total expenditure in year was £938k. The outturn figure is after disposals and external funding is offset. The outturn was funded by the additional Capital Grant from Defra of £250k, Capital Reserves totaling £289k and £25k from the revenue budget.

2.7 The Aldern House Reserve has been renamed the Corporate Operational Reserve. This reserve will continue to be utilised for the operational requirements of the Authority such as funding the deficit created by the core grant reduction in 2025/26 and funding the redundancy payments that cannot be met from the Restructuring Reserve.

3. Proposals

3.1 Members are asked to consider the outturn position and reserve movements for 2024/25. Supporting appendices detail the draft closing positions for 2024/25. Members are asked to note the renaming of the Aldern House Reserve to the Corporate Operational Reserve and the creation of the Warslow Revenue Reserve.

4. Recommendations

4.1 Consider and note the draft Revenue and Capital Outturn position, Variance Analysis report for 2024/25 and reserve movements (Appendices A, B and D).

4.2 That the specific reserve appropriations for Revenue and Capital of £1.1m shown in Appendix C be approved.

4.3 To consider and note the renaming of the Aldern House Reserve to the Corporate Operational Reserve and the creation of the Warslow Revenue Reserve.

5. Corporate Implications

a. Legal

The Accounts and Audit Regulations 2015 require the Chief Finance Officer to sign the draft financial statements annually. For the 2024/25 financial year the statutory deadline for the publication of the draft Statement of Accounts was 30 June 2025. The accounts were available on the Authority's website from 28th May 2025. The Audit backstop deadline for publishing audited local authority accounts for 2024/25 has been confirmed as 27 February 2026. Work on the external audit is not scheduled to begin until September 2025, therefore it is expected to be complete and brought to Members in February 2026.

b. Financial

The financial implications are contained in the main body of the report.

c. National Park Management Plan and Authority Plan

The Authority Plan includes Objective D (Financial Resilience) – To be financially resilient and provide value for money.

d. Risk Management

The Chief Finance Officer has a statutory responsibility under Sections 25 – 28 of the Local Government Act 2003 to report to Members, the Monitoring Officer and external auditors on the robustness of the budget setting and monitoring process. They have an express duty to monitor the budget and underlying assumptions throughout the year, and to act when significant overspends or shortfalls in income occur. The Annual Governance Statement prepared by the Monitoring Officer is reported to and approved by Members. The Senior Management Team consider financial risks in the Risk Register during the year. The External Auditor considers the financial position of the Authority as part of the annual Value for Money conclusion. The recommendations within are considered to be part of the evidence to support the effectiveness of the value for money processes as they relate to the 2024/25 financial year.

e. Net Zero

There is no impact.

6. Background papers (not previously published)

None.

7. Appendices

Appendix A- Variance analysis 2024-25

Appendix B-Revenue Outturn 2024-25

Appendix C-Reserve appropriations and closing balances 2024-25

Appendix D-Capital outturn 2024-25

Report Author and Responsible Officer, Job Title and Publication Date

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