

15. FINANCIAL OUTTURN AND RESERVE APPROPRIATION 2025/26

1. Purpose

To inform Members of the outturn position of the Authority for the 2025/26 financial year and seek approval for appropriations to and from reserves. The financial outturn has been scrutinised by the Resources Committee at their last meeting on the 05th June 2026.

2. Context

2.1 The Defra revenue grant for 2025/26 was reduced to £6.2m, a reduction of £.6m on 2024/25, equating to an 8.2% reduction year on year. To balance the budget the Authority had to put an allocation against its reserves to bridge the Defra revenue funding reduction. Additionally, to mitigate the revenue funding cut, Defra approved a £1.6m capital grant. This grant had fixed expenditure criteria and could only be spent within the conditions set. These being 1) invest to save 2) revenue generation 3) 30 by 30. The Authority chose to focus the majority of the spending on income generation, due to the financial outlook in the Medium-Term Financial Forecast. Despite the organisational restructure in early 2025, the cut to revenue funding indicated the Authority could not balance its budget from 2026/27 onwards, should the 2025/26 core grant be set as the new baseline. The Authority modelled various funding scenarios and a further organisational restructure was announced in October 2025.

2.2 The original revenue budget approved by Members in March 2025 placed significant reliance on reserves. Following a late funding announcement from Defra and an unexpected reduction in revenue funding, the Authority was required to use reserves to fund the resulting deficit in order to achieve a balanced budget.

FY 2025/26 Budget presented to Authority March 2025

Table 1

	£,000
Net Cost of Service	7,548
Central Debt Charges	32
Net Revenue Expenditure	7,580
Funded by:	£,000
NPG	6,150
Reserves	789
Vacancy factor	384
Interest on balances	300
Total	7,623
Surplus to /(deficit from) reserves	43

2.3 The Authority updated the rolling reforecast of the original budget to reflect additional income anticipated from capital projects, together with revisions to other income streams informed by the 2024/25 year-end outturn. The main revisions to the reforecast budget were as follows:

- Pay award 3.2% versus a budget of 5%-£128k saving
- Phase 3/4 Organisation changes-£97K saving
- Adjusted income targets in line with the capital programme/increases in general parking income £279k additional income
- Defra- swapped FIPL capital funding to Defra revenue funding-£100k funding increase

Rolling forecast FY 2025/26 presented to Resources Committee

Table 2

	£,000
Net Cost of Service	6,920
Central Debt Charges	32
Net Revenue Expenditure	6952
<i>Funded by:</i>	£,000
NPG	6,250
Reserves	87
Vacancy factor	363
Interest on balances	300
Total	7,000
Surplus to /(deficit from) reserves	48

Draft Actuals FY 2025/26

Table 3

	£,000
Net Cost of Service after reserve movement	6,663
Central Debt Charges	32
Net Revenue Expenditure	6,695
<i>Funded by:</i>	£,000
NPG	6,269
Interest on balances	476
Total	6,745
Surplus to /(deficit from) reserves	50

2.4 The draft Revenue Outturn for 2025/26 shows a surplus to original budget of **£653k**. Appendix A shows the draft surplus or deficit arising from each service, after appropriations to and from reserves have been considered. These variances are against the original budget set in March 2025. A summary of the original budget can be found in table 1.

The Authority has been working off a rolling forecast since July 2025 as outlined above in table 2. This is managed offline and regular updates have been shared at the Resources Committee. The net cost of services was reduced by £628k in the rolling forecast (table 1 versus table 2)-this essentially the surplus reflected against the original budget.

The actual surplus is £50k and has been moved to the general reserve (table 3)

The updated car parking income forecast has exceeded expectation, as reflected in the final surplus. All car parks have performed well, largely due to favourable weather, increased fees, capital programme works to increase income (including tidying bays and creating additional bays) and enhanced enforcement.

Filming, events and licence fees have all had a strong year, allowing a movement of £40k to reserves for future trails maintenance costs.

National Park Centres are currently being supported by donor funding. The centres aim is to achieve a break even position by 2027/28. The closure of Castleton for

building works in Q4 has naturally resulted in lost sales and concession income (net loss of £25k). The Business Transformation Manager is working with the centres looking at retail enhancement, optimum staff modeling scenarios and other income generating proposals to ensure we achieve this. Cycle hire income has performed well, again weather having a positive impact. However, sales against budget for used bikes and components are lower than forecast. These budgets have not been realistic and this has been addressed in the 2026/27 budget.

General planning fees are higher than forecast by £23k. In April 2025, planning fees doubled for most application types. Although planning applications have greatly reduced over the last two years, the new fee structure has helped mitigate the lost income as a result of fewer applications. The Planning and Infrastructure Bill will allow local authorities to set their own fees in future. A one-off fee in Strategic Planning of £107k for the extension of the Hope Limestone quarry was received in Q4. This was additional, unbudgeted income.

Vacancy savings, outside of planned savings from restructures in the year, came in lower than forecast at £256k versus a budget of £363k. Vacancy savings have been lowered from 5% to 4% for the 2026/27 budget and will be closely monitored. However, this has been mitigated by the large planning fee of £107k, discussed above, that was unbudgeted.

Corporate overhead is £85k higher than forecast. This is due to additional staff being hired through Moors for the future (AMP 8 funding) and Landscape Observatory. £42k has been offset against redundancy payments in year leaving £43k in surplus.

As presented at Q2 & Q3 budget monitoring updates, surplus interest and project income to the Authority has not been factored into the rolling forecast. It was communicated that any surpluses from interest and projects at year end would be used to offset redundancy costs, relieving pressure on the Corporate Operational Reserve. This equated to £226k (£176k additional interest and £50k project income-this is where baseline staff working on projects are paid for via external funding). We have introduced tighter management around cashflow, working to retain high cash balances to attract strong investment returns. This is despite the drops in interest rates in 2025/26. A summary of the funding used to offset redundancy costs is outlined below

Summary of redundancies and funding

	£'000
Organisational Change redundancy costs 2025/26	701
Funded by	
Project income	-50
Surplus Interest	-176
Early exiters-Organisational change	-63
Corporate overhead	-42
Budget surpluses	-47
Residual contingency	-115
Funded from reserves	-208
Remaining	-

2.5 Appendix B 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 £425k. This remains comfortably in the recommended position of 3% of net expenditure plus £100k additional contingency. A detailed summary of the use of reserves is also within the appendix.

Appendix C shows the draft Capital Outturn being **£1.6m**. Total expenditure in year was £1.7m. The outturn figure is after disposals and external funding (excluding Defra) is offset. The outturn was funded by the capital grant from Defra of £1.5m, Capital Reserves totaling £90k, Specific Reserves totaling £6k and £62k from the revenue budget. Appendix D shows an overview of each project and total expenditure to date. Some of the projects are incomplete as of 31/03/2026, therefore an estimated cost to complete these projects is circa £250k (Castleton National Park Centre, Moorland Centre and Millers Dale car park). This will be funded from the Defra capital grant in 2026/27.

3. Proposals

3.1 Members are asked to consider the outturn position and reserve movements for 2025/26. Supporting appendices detail the draft closing positions for 2025/26.

4. Recommendations

4.1 Consider and note the draft Revenue and Capital Outturn position and reserve movements (Appendices A, B and C).

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 2025/26 financial year the Authority deadline for completion is the 31st May 2026. The Audit backstop deadline for publishing audited local authority accounts for 2025/26 has been confirmed as 26 January 2027. Work on the external audit is not scheduled to begin until August/September 2026, and is expected to be completed and brought to Members in November 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 2025/26 financial year.

e. Net Zero

There is no impact.

6. Background papers (not previously published)

None.

7. Appendices

Appendix A-Revenue Outturn 2025-26

Appendix B-Reserve appropriations and closing balances 2025-26

Appendix C-Capital Outturn 2025-26

Appendix D-Summary of capital projects 2025-26

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