North York Moors National Park Authority

Finance, Risk and Audit Standards Committee

16 November 2026

Item 11, Quarter 2 Financial update 2025/26

1. Purpose of the report

1.1 To provide Members with an update on the financial position at the end of quarter 2 with a forecast for the full 2026/27 financial year.

2. Background

2.1 This report details the position of income and expenditure to 30 September 2026 compared with the budget, highlighting any key issues to bring to Members' attention.

2.2 The original budget was set at National Park Authority (NPA) in March 2026 and updated for the late notification of additional one-off Defra revenue funding at the NPA meeting in June 2026.

3. Budget changes

3.1 The only change to the budget since the most recent approval in June 2026 reflect the Q1 forecast changes relating to the wildfire site funding and amendments to the spending profile of the shallow peat project.

3.2 The table below shows the latest budget.

-	**Latest budget £k**	**Latest budget £k**	**Change in budget £k**
Gross Income	17,133	21,396	4,263
Gross Expenditure	-18,078	-22,341	-4,263
Surplus/(Deficit)	**-945**	**-945**	**0**
Cont. (to)/from reserves	1,331	1,331	0
Internal borrowing	1,049	1,049	0
Surplus/(-Deficit)	**1,435**	**1,435**	**0**

4. Financial performance overview

4.1 The table below summarises the current position as at 30 September 2026.

Financial performance Q2	Budget Q2	Actual Q2	Variance	Annual budget	Forecast outturn	Full year variance
-	Sep-26	Sep-26	Sep-26	Mar-27	Mar-27	Mar-27
Income	**£k**	**£k**	**£k**	**£k**	**£k**	**£k**
Earned income	1,102	1,202	100	1,920	1,930	10
External income	1,126	1,665	539	6,591	6,706	115
Defra grant income	3,687	5,313	1,626	8,731	8,750	19
S106 compensation & mitigation	2,430	2,631	201	4,233	4,067	-166
Total income	**8,345**	**10,811**	**2,466**	**21,475**	**21,453**	**-22**
Expenditure	**-**	**-**	**-**	**-**	**-**	**-**
Core expenditure	-4,229	-4,138	91	-10,219	-10,151	68
External expenditure	-2,254	-1,260	994	-7,968	-8,136	-168
S106 compensation & mitigation	-2,203	-1,627	576	-4,233	-4,067	166
Total expenditure	**-8,686**	**-7,025**	**1,661**	**-22,420**	**-22,354**	**66**
Total surplus/deficit	**-341**	**3,786**	**4,127**	**-945**	**-901**	**44**

4.2 At the end of September there is a much higher surplus than budgeted, principally due to the earlier drawdown of Defra grant funding which is now claimed twice a year as opposed to 4 times and the full FiPL funding has been drawn down in advance as opposed to retrospective claims as we have done in the past. External project spend is also higher than expected, mainly due to the additional funding in Reconnect and higher than expected carry forward spending on Raiding the Bank. Core funding is close to budget expectations, most of the capital expenditure is in the second half of the year. Key points relating to the movements against budget can be found in sections 5 and 6 below with additional detail of all variances in **appendix 1.**

4.3 Forecasts indicate an underspend compared to budget of £44k. This is mainly driven by expenditure reductions on core / earned income across a range of areas. More details can be found in sections 5 and 6.

5. Income

5.1 Overall earned income at Q2 is higher than budget with a number of areas performing well. There are limited forecasts on car parking and retail which is a prudent approach until we can see how the Christmas period performs. For planning, the large application will likely mitigate the shortfall, so the position will be reviewed at Q3, but for now the assumption is an on budget position.

Earned Income Q2	Budget Q2	Actual Q2	Variance	Annual budget	Forecast outturn	Full year variance
-	Sep-26	Sep-26	Sep-26	Mar-27	Mar-27	Mar-27
-	£k	£k	£k	£k	£k	£k
Car parking	639	660	21	969	969	0
Retail & central stock sales	120	147	27	196	196	0
Planning fees	182	96	-86	364	364	0
Outdoor Learning & Exhibitions	35	68	33	70	70	0
Income from assets	53	61	8	106	106	0
Income initiatives	47	51	4	105	115	10
Interest	25	78	53	100	100	0
Capital receipts	0	0	0	0	0	0
Other	0	41	41	10	10	0
Total	**1,101**	**1,202**	**101**	**1,920**	**1,930**	**10**

5.2 Retail income has performed strongly in the first half. Sutton Bank in particular is seeing strong performance which is continuing into the summer months. Initiatives at both centres to stock food and drinks as well as more focussed protection of margins is paying off in terms of performance. An assessment of retail performance against the strategy will be made in early 2027 for both sites.

5.3 Planning fees are down currently both against budget and compared to last year despite an increase in fees. The table above does include a £38k reversing provision, so the underlying performance is a shortfall of £47k. There is clearly a trend of lower application volumes and value per application currently. At this stage we would normally forecast the shortfall, but there is an expectation that there may be a larger fee to come this year which will help to mitigate the current adverse variance. In addition, there will be new fees introduced by Central Government soon which will result in an increase in fees. It is recommended however that planning fee income is reviewed carefully as part of budget setting for 2026/27.

5.4 Outdoor learning and gallery income does contain some repayable commission payments, so actual income year to date is higher than budget at this stage. The income from assets is a reflection of the continuing success of the cafes and the concession element of the agreement which is performing strongly with a direct correlation to sales. Income initiatives is mainly made up of 3rd party income covering salaries, which has a target to reduce expenditure by £79k in the year.

5.5 Interest will exceed the £100k capped budget figure this year with the actuals to date being just the Q1 figure at this stage with payments from North Yorkshire Council quarterly in arrears. Current estimate for the year is £350k which will lead to a year end windfall of £250k. Bank of England base rate has just risen to 4% on the 5th November 2026, which exceeds the budgeted 2%. It is not expected to reduce in the short-term.

5.6 The other income in the table above mostly relates to Rye Legacy funding and wayleave income relating to previous years which has been returned, so this will be repurposed and income from other National Parks to cover the cost of the SNPS

conference which we hosted this year. Assumption until this is allocated is that there will be corresponding expenditure, so there is no forecast until this is clearer.

5.7 Car parking continues to perform well building on the first quarter performance. It is £45k higher than prior year which is driven by both increase tariff and higher use. Performance by individual car park can be found below:-

Car park income Q2	Budget Q2	Actual Q2	Variance	Annual budget	Forecast outturn	Full year variance	Prior year Q2
-	Sep-26 £k	Sep-26 £k	Sep-26 £k	Mar-27 £k	Mar-27 £k	Mar-27 £k	Sep-26 £k
Car Parks-General	33	30	-3	66	66	0	9
Hutton-le-Hole	44	45	1	55	55	0	39
Thornton-le-Dale	108	110	2	138	138	0	114
Newton under Roseberry	106	124	18	171	171	0	116
Saltersgate	38	53	15	62	62	0	38
Chop Gate	4	3	-1	6	6	0	4
Goathland	73	82	9	118	118	0	68
Grosmont	34	29	-5	45	45	0	35
Sutton Bank	131	133	2	212	212	0	136
Danby Lodge	64	46	-18	88	88	0	52
Cawthorne	4	5	1	8	8	0	4
Total	**639**	**660**	**21**	**969**	**969**	**0**	**615**

6. Earned/Revenue Grant Expenditure

6.1 This section covers the expenditure funded by earned income and revenue grant. This includes the additional £1.72m of revenue grant approved in June 2026.

6.2 Overall year to date expenditure is £91k lower than budget with a forecast saving of £44k. These are the main points of note :-

- Corporate – there are a number of areas of timing such as IT, utilities and audit fees which will come back to budget by the year end. More material forecasts include savings from delays in recruitment of new posts £90k, expected utility savings of £8k, external advice savings £16k and £12k of net additional cost from other smaller variances.

- Recreation and wellbeing – £30k was forecast at Sutton Bank for additional staffing costs to cover sickness over the busy summer season. There are no other forecasts in recreation and wellbeing expenditure at this stage. There are risks in diesel costs and maintenance which are being monitored. If diesel costs continue at the higher level by Christmas then an adjustment may be needed. Maintenance costs are also higher, but some of this relates to health and safety additional requirements which has a budget allocation within Corporate. Access works are underspent currently but are expected to be fully spent by the end of the year. All of these areas need to be monitored carefully ahead of Q3.

- Tourism, Marketing and Communications – nothing of significant note at this stage of the year. Additional offsetting income and expenditure relating to the hosting of the SNPS conference.

- Planning –Staffing costs are just over budget at this stage with the team now fully recruited. An MHCLG grant has been received for £108k to help fund the Local Plan over three years. £60k of this will be spent this year and income and expenditure have been reduced by £48k since Q1 to reflect this. The budget expected that the £50k funding would cover existing staff costs but it looks like this may not be the case, with additional external resources required or carry forward the funding into a future year. As such a £20k forecast has been put in to illustrate this risk.

- Conservation and Climate Change – just some small areas of timing and nothing too much of note at this stage of the year.

7. Defra capital expenditure

7.1 In 2026/27, Defra has provided £1.499m of capital expenditure funding and a programme for this was approved in 2026/27.

7.2 The table below shows the original allocation and current expectation :-

-	**Original Allocation £k**	**Latest Forecast £k**	**Comment**
Headquarters build	750	750	Build on target
Defra 30x30	150	150	Complete
Toilet Refurbishment	100	70	One toilet to be refurbed in 26/27
Danby Lodge Overflow	103	103	On target to delivery in Q4
Ticket Machine Replacement	14	14	Complete
Botton Depot Works		20	Health and Safety fire requirements
Additional access works		60	Required capital access works
Business as usual works	381	331	No vehicle replacements in year
Total	**1,498**	**1,498**	-

7.3 The capital programme largely remains as planned but due to resource constraints it is expected that only one toilet location will be refurbished this year with the other moving into next year's programme. Danby Lodge Overflow works are about to be contracted to deliver in Q4. Following fire safety reviews at Botton Depot, it has been identified that a fire door and a second fire escape are requirements, so a budget has been allocated to this. In addition, a number of capital access works for which there isn't an existing budget have been identified. Funds released from the BAU line as a result of no vehicles being replaced this year have been reallocated to this.

8. Savings

8.1 The savings plan as reported in the budget paper is as follows :-

Savings category	£k	Comment
Apprentice funding	55	There is need to find an alternative way to fund our level 2 apprentices in 2026/27 through project and access funding.
Volunteer service	20	Funding core posts in the service from external sources or delivering more efficiently.
Outdoor learning	22	Funding core posts in the service from external sources or delivering more efficiently.
Utilities	16	Saving derived from the installation of solar panels across the estate in 25/26.
Total	**113**	-

8.2 The apprentice funding has been reviewed and a plan for funding part of the L2 roles laid out. The bridge funding agreed by Members may still need to be used in the short-term as the project and external funding is sought. The outdoor learning saving will not be made in full this year – so a £14k forecast reduction has been included. Volunteers falls just short of target by £2k which is also forecast. Utilities saving is expected to be met.

9. S106 Agreements – Financial update

9.1 The table below shows a breakdown of the current S106 expenditure position against budget including carried forward budget from previous years.

Woodsmith S106	25/26 C/F Budget £k	26/27 In year allocation £k	2026/27 Forecast outturn £k	Full year variance £k	Forecast end of year C/F £k
Core Policy D	1,461	1056	910	-146	1,607
L&E	263	927	927	0	263
Tourism	250	879	859	-20	270
Archaeology/Geology	99	70	70	0	99
Employment	0	63	63	0	0
Monitoring	198	160	160	0	198
Signage	403	0	0	0	403
Over/(under) spend	**2,674**	**3,155**	**2,989**	**-166**	**2,840**

Boulby S106	25/26 C/F Budget £k	26/27 In year allocation £k	2026/27 Forecast outturn £k	Full year variance £k	Forecast end of year C/F £k
L&E	576	636	636	0	576
Tourism	279	241	241	0	279
Peat	169	168	168	0	169
Heritage	32	0	0	0	32
Monitoring	-4	33	33	0	-4
Over/(under) spend	**1052**	**1078**	**1078**	**0**	**1,052**

9.2 Budget across most areas is on budget. The new wildfire restoration project funding from Defra will be match funded by other organisations plus funding from Boulby peatland and Woodsmith L&E funds including carried forward monies from prior years. Core Policy D is set to deliver 83ha this year – 10ha higher than target but the cost of delivering that is lower than the annual allocation as one of the schemes is on Levisham Estate and does not require fencing or incentive payments.

10. Externally Funded Projects

10.1 The list of projects is included in **appendix 2**.

10.2 One new project has been added since Q1 which is the Natural Health Service which we will be delivering on behalf of the Trust (£240k)

10.3 There have been small changes to the following projects :-

- Coast to Coast has a £23k higher allocation on confirmation than expected as additional funds were sourced from Natural England for rectifying damage to the trail from the wildfire.
- Shallow Peat has been rephased with the provider reducing spend in the current year by £107k which will be spent in 27/28.
- Smaller rephasing of Bransdale, Local Plan and Digital Planning delivery.

10.4 Total external funding spend including Farming in Protected Landscapes is expected to be close to £8m this year. Farming in Protected Landscapes is expected to spend in year.

10.5 There is risk to spend on the wildfire recovery site based on the requirement to delivery by the end of March 2027 and weather dependency on site. There are resource pressures in areas such as Grubs Up which may result in delayed spend. However at this stage, these are risks to be monitored and not forecast.

11. Waivers and virements

11.1 There was one waiver in the second quarter of the year which was to contract a consultant for Generation Green 3 : Tomorrow's Stewards UK fund application which NYMNP are acting as the accountable body on behalf of a number of National Parks. Amy Simcox was already carrying out work on the application having been procured by the Yorkshire Dales and this waiver was to extend that work further. The value is expected to be between £9-13k.

12. Conclusion

12.1 Quarter 2 forecast indicates £44k of additional savings compared to budget. This is driven predominantly by in year cost savings.

12.2 The £30k overspend position reported at Q1 has been covered in the Q2 forecast. However, there are a number of areas of risk that need to be monitored including planning and maintenance budgets in particular.

12.3 Income performance is strong with car parks in particular performing well in the crucial first half of the year.

12.4 Defra capital funding will all be spent, but there are some reallocations of spend with projects on Access and Botton Depot added.

12.5 Project and S106 spend is broadly on target but there is some project risk to be monitored ahead of Q3.

13. Financial and staffing implications

13.1 As detailed in the report.

14. Contribution to National Park Management Plan

14.1 It is a requirement for the Authority to produce quarterly updates on the financial position and an outturn report at the end of the year. The financial position underpins the delivery of the Management Plan.

15. Legal and sustainability implications

15.1 There are no legal issues as a result of this report.

16. Recommendations

16.1 That Members note the content of the report.

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Background documents to this report

1. Budget papers approved at March and June Full Authority meetings.

Appendix 1

-	Sept 26 budget	Actual Sept 26	Variance Sept 26	Annual budget	Forecast outturn	Full year variance	Commentary
Income	**£k**	**£k**	**£k**	**£k**	**£k**	**£k**	**-**
Cultural Heritage	60	128	68	63	63	0	-
Natural Environment	348	908	560	5,563	5,542	-21	External project adjustments
Farming in Protected Landscapes	0	1,615	1,615	1,357	1,376	19	Additonal grant for Wildlife Rich funding
Recreation Management	1,290	1,182	-108	1,970	2,176	206	New Active Travel projects
Promoting Understanding	188	281	93	340	337	-3	-
Rangers and Volunteers	0	1	1	0	0	0	-
Development Management	341	255	-86	523	454	-69	Local plan and digital planning rephasing
Forward Planning	0	6	6	0	0	0	-
Corporate and Democratic Core	17	102	85	107	119	12	One off income receipts forecast
Defra Grant	3,631	3,620	-11	7,240	7,240	0	-
Total Function Income	**5,875**	**8,098**	**2,223**	**17,163**	**17,307**	**144**	**-**
S106 Compensation & Mitigation	2,430	2,631	201	4,233	4,067	-166	Forecast Core Policy D and tourism
Total Income	**8,305**	**10,729**	**2,424**	**21,396**	**21,374**	**-22**	**-**
Expenditure	**£k**	**£k**	**£k**	**£k**	**£k**	**£k**	**-**
Cultural Heritage	-85	-104	-19	-170	-170	0	-
Natural Environment	-1,497	-1,301	196	-6,092	-6,071	21	External funding expenditure
Farming in Protected Landscapes	-679	-143	536	-1,357	-1,376	-19	Additonal grant for Wildlife Rich funding
Recreation Management	-850	-498	352	-2,288	-2,507	-219	New Active Travel projects
Promoting Understanding	-591	-652	-61	-1,172	-1,202	-30	Forecast Sutton Bank pay from Q1
Rangers and Volunteers	-445	-370	75	-893	-884	9	Vehicle leasing budget moved to Corporate
Development Management	-422	-350	72	-838	-789	49	Local plan rephasing
Forward Planning	-74	-65	9	-147	-147	0	-
Corporate and Democratic Core	-1,800	-1,915	-115	-5,151	-5,062	89	Expenditure reforecasting - salaries main saving
Total Function Expenditure	**-6,443**	**-5,398**	**1,045**	**-18,108**	**-18,208**	**-100**	**-**
S106 Compensation & Mitigation	-2,203	-1,627	576	-4,233	-4,067	166	Forecast Core Policy D and tourism
Total Expenditure	**-8,646**	**-7,025**	**1,621**	**-22,341**	**-22,275**	**66**	**-**
NET surplus/ deficit	**-341**	**3,704**	**4,045**	**-945**	**-901**	**44**	**-**

Appendix 2 – Externally Funded Projects

Externally funded projects > £50k	-	Budget Q2	Actual Q2	Variance	Annual budget	Forecast outturn	Full year variance
-	-	Sept 26 £k	Sept 26 £k	Sept 26 £k	March 27 £k	March 27 £k	March 27 £k
Cleveland Way	Income	0	-4	-4	-221	-221	0
Cleveland Way	Expenditure	128	-26	-154	256	256	0
Cleveland Way	**Total**	**128**	**-30**	**-158**	**35**	**35**	**0**
Coast to Coast	Income	0	0	0	-10	-33	-23
Coast to Coast	Expenditure	5	14	9	10	33	23
Coast to Coast	**Total**	**5**	**14**	**9**	**0**	**0**	**0**
REConnect Esk Climate Action	Income	-102	-294	-192	-205	-205	0
REConnect Esk Climate Action	Expenditure	102	99	-3	205	205	0
REConnect Esk Climate Action	**Total**	**0**	**-195**	**-195**	**0**	**0**	**0**
Linking Levisham	Income	-60	-61	-1	-208	-208	0
Linking Levisham	Expenditure	136	69	-67	208	208	0
Linking Levisham	**Total**	**76**	**8**	**-68**	**0**	**0**	**0**
Raiding the Bank	Income	-60	-106	-46	-60	-60	0
Raiding the Bank	Expenditure	15	17	2	60	60	0
Raiding the Bank	**Total**	**-45**	**-89**	**-44**	**0**	**0**	**0**
Peatland Wildfire restoration grant	Income	-300	-291	9	-4,572	-4,572	0
Peatland Wildfire restoration grant	Expenditure	560	559	-1	4,572	4,572	0
Peatland Wildfire restoration grant	**Total**	**260**	**268**	**8**	**0**	**0**	**0**
Grubs Up	Income	-86	-86	0	-135	-135	0
Grubs Up	Expenditure	60	60	0	135	135	0
Grubs Up	**Total**	**-26**	**-26**	**0**	**0**	**0**	**0**
Shallow Peat	Income	-15	-8	7	-240	-133	107
Shallow Peat	Expenditure	60	23	-37	240	133	-107
Shallow Peat	**Total**	**45**	**15**	**-30**	**0**	**0**	**0**
Esk Pear Mussels	Income	0	0	0	-50	-50	0
Esk Pear Mussels	Expenditure	25	32	7	50	50	0
Esk Pear Mussels	**Total**	**25**	**32**	**7**	**0**	**0**	**0**

Externally funded projects > £50k	-	Budget Q2	Actual Q2	Variance	Annual budget	Forecast outturn	Full year variance
-	-	Sept 26 £k	Sept 26 £k	Sept 26 £k	March 27 £k	March 27 £k	March 27 £k
Restoring Roseberry	Income	-258	-258	0	-258	-258	0
Restoring Roseberry	Expenditure	20	8	-12	258	258	0
Restoring Roseberry	**Total**	**-238**	**-250**	**-12**	**0**	**0**	**0**
Catchment Restoration (Defra)	Income	0	0	0	-150	-150	0
Catchment Restoration (Defra)	Expenditure	37	40	3	150	150	0
Catchment Restoration (Defra)	**Total**	**37**	**40**	**3**	**0**	**0**	**0**
Active Travel England	Income	-200	-200	0	-200	-200	0
Active Travel England	Expenditure	15	16	1	200	200	0
Active Travel England	**Total**	**-185**	**-184**	**1**	**0**	**0**	**0**
Bransdale	Income	0	**0**	0	-50	-20	30
Bransdale	Expenditure	25	12	-13	50	20	-30
Bransdale	**Total**	**25**	**12**	**-13**	**0**	**0**	**0**
Raisdale	Income	0	0	0	-50	-45	5
Raisdale	Expenditure	25	7	-18	50	45	-5
Raisdale	**Total**	**25**	**7**	**-18**	**0**	**0**	**0**
Natural Health Service NYMNP	Income	0	0	0	0	-240	-240
Natural Health Service NYMNP	Expenditure	0	0	0	0	240	240
Natural Health Service NYMNP	**Total**	**0**	**0**	**0**	**0**	**0**	**0**
Digital Planning	Income	-50	-50	0	-50	-30	20
Digital Planning	Expenditure	12	1	-11	50	30	-20
Digital Planning	**Total**	**-38**	**-49**	**-11**	**0**	**0**	**0**
Local Plan grant	Income	-60	-108	-48	-108	-60	48
Local Plan grant	Expenditure	15	0	-15	108	60	-48
Local Plan grant	**Total**	**-45**	**-108**	**-63**	**0**	**0**	**0**
Total	Income	-1,191	-1466	-275	-6567	-6620	-53
Total	Expenditure	1239.9	930.9	-309	6602	6655	53
Total	**Net Total**	**49**	**-535**	**-584**	**35**	**35**	**0**