North York Moors National Park Authority

Finance, Risk and Audit Standards Committee

1 September 2026

Item 14, Quarter 1 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 1 with a light touch forecast for the full 2026/27 financial year.

2. Background

2.1 This report details the position of income and expenditure to 30 June 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 a categorisation change between income and expenditure of £47k.

3.2 The table below shows the latest budget.

-	Original budget	Latest budget	Change in budget
-	£k	£k	£k
Gross Income	17,133	17,086	-47
Gross Expenditure	-18,078	-18,031	47
Surplus/(Deficit)	**-945**	**-945**	**0**
Cont. (to)/from reserves	1331	1331	0
Internal borrowing	1049	1049	0
Surplus/(-Deficit)	**1,435**	**1,435**	**0**

4. Financial Performance Overview

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

Income	Budget Q1	Actual Q1	Variance	Full year budget	Full year forecast	Full year variance
-	£k	£k	£k	£k	£k	£k
Earned income	476	532	56	1,841	1,841	0
External income	212	684	472	2,581	6,573	3,992
Defra grant income	0	58	58	8,431	8,731	300
S106 compensation & mitigation	2,430	2,631	201	4,233	4,233	0
Total income	**3,118**	**3,905**	**787**	**17,086**	**21,378**	**4,292**
Expenditure	-	-	-	-	-	-
Core expenditure	-1,612	-1,658	-46	-10,140	-10,170	-30
External expenditure	-442	-213	229	-3,658	-7,950	-4,292
S106 compensation & mitigation	-1,165	-1,111	54	-4,233	-4,233	0
Total Expenditure	**-3,219**	**-2,982**	**237**	**-18,031**	**-22,353**	**-4,322**
Total surplus/deficit before reserves/borrowing	**-101**	**923**	**1,024**	**-945**	**-975**	**-30**

4.2 At the end of June there is a much higher surplus than budgeted. This is principally due to the earlier drawdown than the budget assumption of S106 and external project funding including for Active Travel England, Restoring Roseberry and Reconnect. This is partly offset by reversing accrued income in 2025/26 for which the claim is still outstanding at the end of June. External project spend is also a little lower than expected, although a part of this is funding to other bodies that can't be paid across until the Cleveland Way quarter 4 claim is complete. Core funding is close to budget expectations at this stage. 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 At this early stage of the year forecasts are limited. Officers will work towards mitigating the current £30k adverse forecast against core spending. This will be updated at Q2.

5. Income

5.1 Overall earned income at Q1 is higher than budget with a number of areas performing well. As always, it is too early in the year to forecast as yet, but with the Q2 forecast including summer data, it is expected that some of these will be reforecast at that stage.

Earned income	Budget Q1	Actual Q1	Q1 Variance	Full year budget	Full year forecast	Full year variance	Prior year Q1
-	£k	£k	£k	£k	£k	£k	-
Car parking	293	302	9	969	969	0	316
Retail & central stock sales	50	68	18	196	196	0	66
Planning fees	91	31	-60	364	364	0	65

Earned income	Budget Q1	Actual Q1	Q1 Variance	Full year budget	Full year forecast	Full year variance	Prior year Q1
-	**£k**	**£k**	**£k**	**£k**	**£k**	**£k**	**-**
Outdoor Learning & Exhibitions	17	33	16	70	70	0	28
Income from Assets	20	31	11	106	106	0	19
Income initiatives	5	29	24	27	27	0	14
Interest	0	0	0	100	100	0	0
Capital Receipts	0	3	3	0	0	0	0
Other	0	35	35	9	9	0	10
Total	**476**	**532**	**56**	**1,841**	**1,841**	**0**	**518**

5.2 Retail income has performed strongly in the first quarter similarly to last year with a successful easter. 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. By Q2, there will be a full year of data under the new strategy to be able to assess performance at both sites.

5.3 Planning fees are down a little currently. The table above does include a £38k reversing provision, so the underlying performance is a shortfall of £22k. It is too early to forecast at the moment, by the time we forecast Q2 there will be a clearer picture on the income trend of applications as well as the likelihood of any larger applications in year. This is however an area of risk to watch carefully.

5.4 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 It is expected that interest will exceed the £100k but we are awaiting confirmation of the first quarter interest figure. Bank of England base rate continues at 3.75%, which exceeds the budgeted 2% and therefore a windfall at the end of the year is anticipated. The quarter 1 interest which will be received in quarter 2 is estimated to be around £77k.

5.6 The other income in the table above mostly relates to Rye Legacy funding 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.

5.7 Car parking has performed well in the first quarter, just above budget target. Although it is slightly down on prior year. Car park performance can be found below:-

-	Budget Q1	Actual Q1	Variance	Full year budget	Full year forecast	Full year variance	Prior year Q1
-	£k	£k	£k	£k	£k	£k	
Car Parks-General	17	16	-1	66	66	0	2
Hutton-le-Hole	18	21	3	55	55	0	19
Thornton-le-Dale	47	48	1	138	138	0	55
Newton under Roseberry	53	60	7	171	171	0	65
Saltersgate	16	23	7	62	62	0	21
Chop Gate	2	0	-2	6	6	0	2
Goathland	33	36	3	117	117	0	33
Grosmont	17	10	-7	45	45	0	17
Sutton Bank	65	67	2	213	213	0	74
Danby Lodge	23	19	-4	88	88	0	26
Cawthorne	2	2	0	8	8	0	2
Total	**293**	**302**	**9**	**969**	**969**	**0**	**316**

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 just £46k higher than budget. These are the main points of note :-

- Corporate – there are a number of areas of timing such as IT and HR where works have been undertaken earlier than anticipated in the budget profile. These are partly offset by creditors still to be paid from the end of last year, most notably the final external audit costs. At this stage these are all considered timing differences and there are no current issues that require forecasting.

- Recreation and wellbeing – pay at Sutton Bank will exceed budget this year as more funds are needed to help cover sickness during the peak summer season. A £30k forecast has been put in for this, and options to mitigate this in year will be sought ahead of Q2 forecast. Maintenance costs look high at both centres at the end of Q1, but a full assessment of this position will be taken at Q2. The maintenance undertaken is considered essential for health and safety purposes, with some of this being resolving issues raised in a recent health and safety audit. Vacancies in the ranger south team is likely to lead to some pay savings, but some of this will be put into contractor spend to help deliver the work on the ground while the team are reduced in number. Some access works are also a little behind budget due to resources but this is expected to catch up over the year for core funded activity.

- 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 – timing includes a reversal of a provision from 2026/27 for £38k. Staffing costs are just over budget at this stage with the team now fully recruited. An MHCLG grant has been received or £108k to help fund the Local Plan over three years. A full spend profile for this funding will be developed in time for Q2, with the majority of this allocation expected to be in years 1 and 3 covering initial and inspection costs.

- 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 At this stage, it is expected that all capital expenditure will be in line with the approval as follows :-

- £750k to headquarters build reducing borrowing
- Defra 30x30 spend – £150k match funding for Esk and Coastal Streams Project
- Toilet refurbishment of Sutton Bank and Thornton-le-Dale £100k
- Danby Lodge overflow car park and interpretation £103k
- Ticket machine replacement £14k
- Business as usual capital works including IT, access, vehicles, tools, capitalisation of salaries etc. £381k

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 is currently under review, with a new post in recreation and wellbeing taking up the project to review delivery of that service. The role will also support the transition of some areas of outdoor learning to external funding to help achieve that target. The volunteer team have had a number of team changes in the first quarter with all but one role in the team impacted. The saving is reliant on the new strategy which will begin delivery in the second half to the year. Therefore there is a risk to this saving delivery in year, although some vacancy savings will help to offset part of this. Utilities saving is expected to be met.

8.3 There is some risk to the savings above, this will be reviewed at Q2 from a forecasting perspective when progress becomes clearer.

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	Budget Q1	Actual Q1	25/26 C/F budget	26/27 budget	Total budget	Forecast outturn	Full year variance
-	£k	£k	£k	£k	£k	£k	£k
Core Policy D	264	180	1,461	**1056**	2,517	2,517	**0**
L&E	232	243	263	**927**	1,190	1,190	**0**
Tourism	341	337	250	**879**	1,129	1,129	**0**
Archaeology/Geology	18	84	99	**70**	169	169	**0**
Employment	0	63	0	**63**	63	63	**0**
Monitoring	40	20	198	**160**	358	358	**0**
Signage	0	0	403	**0**	403	403	**0**
Over/(under) spend	**895**	**927**	**2,674**	**3,155**	**5,829**	**5,829**	**0**
Boulby S106	**Budget Q1**	**Actual Q1**	**25/26 C/F budget**	**26/27 budget**	**Total budget**	**Forecast outturn**	**Full year variance**
-	£k	£k	£k	£k	£k	£k	£k
L&E	160	134	576	**636**	1,212	1,212	**0**
Tourism	61	43	279	**241**	520	520	**0**
Peat	41	0	169	**168**	337	337	**0**
Heritage	0	0	32	**0**	32	32	**0**
Monitoring	8	7	-4	**33**	29	29	**0**
Over/(under) spend	**270**	**184**	**1,052**	**1,078**	**2,130**	**2,130**	**0**

9.2 Budget across most areas is close to 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.

10. Externally Funded Projects

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

10.2 The main changes are new projects that have been added since the budget was approved in March. These are Defra funding for the wildfire restoration of £3.5m and Local Plan grant support of £108k. The latter will need to be phased over three years which will be done in time for Q2, so this years element of the allocation is more likely to be c£50k.

10.3 Additional funding has now been added to the current Restoring Roseberry, Active Travel England and Linking Levisham projects. The Restoring Roseberry funding is a final release of funds from LEI and will need to be allocated to new projects in the area.

10.4 Projects are all forecast to spend to budget at this stage. The Projects report on this agenda highlights where there are potential risks. In addition, the property report on this agenda includes a more detailed analysis of that projects progress. As at the end of June 2026 spend on the Headquarters project was limited.

11. Waivers and virements

11.1 There were two waivers in the first quarter of the year.

- Support survey analysis for Esk river habitat and Pearl Mussel work. Value £13k. Reason for waiver – could not get three companies to quote for the work despite approaching three companies that could deliver. Timescales and specialist nature require waiver. One other quotation helps to prove value for money in the accepted quote.

- Appointment of a consultant to co-ordinate Generation Green 3 application. Tight timescales of the application window and the experience Amy Simcox already has require a waiver to ensure that the ability to submit an application is not compromised. Value £9.6k-13k.

12. Conclusion

12.1 Quarter 1 is always a light touch forecast with it being so early in the year. The main changes are for new externally funded projects or additional secured funds in existing projects.

12.2 The only forecast impacting the bottom line is an additional £30k for Sutton Bank staffing to help cover sickness during the peak summer period. Whilst this is not offset at quarter 1, savings will be sought across all Directorates to help offset this at quarter 2 where a more substantial forecast will be carried out.

12.3 Income performance is strong across all areas with the exception of planning which is £22k lower for application fee income at the end of Q1. There is risk here but also potential for a larger application fee which will help to meet budget, so will be reviewed at quarter 2.

12.4 Capital programme remains as set out in the budget paper and is on target to deliver as planned.

12.5 There is some degree of risk in the savings programme, in part due to changes in staffing in key areas. This will be reviewed closely at quarter 2.

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

-	Budget Q1	Actual Q1	Variance	Annual budget	Forecast outturn	Full year variance	Commentary
-	Jun-26	Jun-26	Jun-26	Mar-27	Mar-27	Mar-27	-
Income	**£k**	**£k**	**£k**	**£k**	**£k**	**£k**	-
Cultural Heritage	60	129	69	63	63	0	Carried forward Raiding the Bank funding in actuals
Natural Environment	0	510	510	1,890	5,564	3,674	Wildfire grant funding
Farming in Protected Landscapes	0	58	58	1,057	1,357	300	Additonal grant for Wildlife Rich funding
Recreation Management	401	214	-187	1,742	1,952	210	Additional funding Active Travel England and Restoring Roseberry.
Promoting Understanding	84	160	76	340	340	0	-
Rangers and Volunteers	0	0	0	0	0	0	-
Development Management	141	81	-60	414	414	0	-
Forward Planning	0	114	114	0	108	108	Local Plan Grant
Corporate and Democratic Core	2	8	6	107	107	0	-
Defra Grant	0	0	0	7,240	7,240	0	-
Total Function Income	**688**	**1,274**	**586**	**12,853**	**17,145**	**4,292**	-
S106 Compensation & Mitigation	2,430	2,631	201	4,233	4,233	0	-
Total Income	**3,118**	**3,905**	**787**	**17,086**	**21,378**	**4,292**	-
Expenditure	**£k**	**£k**	**£k**	**£k**	**£k**	**£k**	-
Cultural Heritage	-42	-55	-13	-170	-170	0	-
Natural Environment	-393	-357	36	-2,418	-6,092	-3,674	Wildfire grant funding
Farming in Protected Landscapes	0	-33	-33	-1,057	-1,357	-300	Additonal grant for Wildlife Rich funding
Recreation Management	-443	-116	327	-2,060	-2,270	-210	Additional funding Active Travel England and Restoring Roseberry.
Promoting Understanding	-265	-322	-57	-1,172	-1,202	-30	Additional £30k staffing for Sutton Bank
Rangers and Volunteers	-213	-191	22	-893	-893	0	-
Development Management	-181	-184	-3	-730	-730	0	-

-	Budget Q1	Actual Q1	Variance	Annual budget	Forecast outturn	Full year variance	Commentary
-	**Jun-26**	**Jun-26**	**Jun-26**	**Mar-27**	**Mar-27**	**Mar-27**	-
Forward Planning	-37	-37	0	-147	-255	-108	Local Plan Grant
Corporate and Democratic Core	-480	-576	-96	-5,151	-5,151	0	-
Total Function Expenditure	**-2,054**	**-1,871**	**183**	**-13,798**	**-18,120**	**-4,322**	-
S106 Compensation & Mitigation	-1,165	-1,111	54	-4,233	-4,233	0	-
Total Expenditure	**-3,219**	**-2,982**	**237**	**-18,031**	**-22,353**	**-4,322**	-
NET Surplus/Deficit	**-101**	**923**	**1,024**	**-945**	**-975**	**-30**	-

Appendix 2 – Externally Funded Projects

Externally Funded Projects	-	Budget Q1 £k	Actual Q1 £k	Variance £k	Annual budget £k	Forecast outturn £k	Full Year Variance £k	Comment
Mosaic Championing NP	Income	0	1	1	0	0	0	-
-	Expenditure	0	-5	-5	0	0	0	-
-	**Total**	**0**	**-4**	**-4**	**0**	**0**	**0**	-
Cleveland Way	Income	0	-218	-218	221	221	0	Note : Q4 claim still to be processed so income in Q1 is negative (timing).
-	Expenditure	-63	60	123	-256	-256	0	-
-	**Total**	**-63**	**-158**	**-95**	**-35**	**-35**	**0**	-
Coast to Coast	Income	0	-164	-164	10	10	0	Note : Q4 claim still to be processed so income in Q1 is negative (timing).
-	Expenditure	-2	-4	-2	-10	-10	0	-
-	**Total**	**-2**	**-168**	**-166**	**0**	**0**	**0**	-
Birds on the Edge	Income	0	0	0	0	0	0	-
	Expenditure	0	-28	-28	0	0	0	-
	Total	**0**	**-28**	**-28**	**0**	**0**	**0**	-
REConnect Esk Climate Action	Income	68	245	177	205	205	0	- - -
-	Expenditure	-68	-35	33	-205	-205	0	-
-	**Total**	**0**	**210**	**210**	**0**	**0**	**0**	-
Linking Levisham	Income	0	0	0	60	208	148	Additional funding from Natural England in year.
-	Expenditure	-15	-60	-45	-60	-208	-148	-
-	**Total**	**-15**	**-60**	**-45**	**0**	**0**	**0**	-
Raiding the Bank	Income	15	106	91	60	60	0	-
-	Expenditure	-15	-3	12	-60	-60	0	-
-	**Total**	**0**	**103**	**103**	**0**	**0**	**0**	-

Externally Funded Projects	-	Budget Q1 £k	Actual Q1 £k	Variance £k	Annual budget £k	Forecast outturn £k	Full Year Variance £k	Comment
Peatland Wildfire Restoration Grant	Income	0	-171	-171	754	4,280	3,526	New funding approved post March budget setting. Q4 grant still to be claimed in Q1 leading to negative income in actuals (timing).
-	Expenditure	-20	-15	5	-754	-4,280	-3,526	-
-	**Total**	**-20**	**-186**	**-166**	**0**	**0**	**0**	-
Fylingdales Moor Fire Environmental Recovery	Income	290	289	-1	292	292	0	-
-	Expenditure	-70	0	70	-292	-292	0	-
-	**Total**	**220**	**289**	**69**	**0**	**0**	**0**	-
Grubs Up	Income	33	30	-3	135	135	0	-
-	Expenditure	-33	-22	11	-135	-135	0	-
-	**Total**	**0**	**8**	**8**	**0**	**0**	**0**	-
Shallow Peat	Income	0	0	0	240	240	0	-
-	Expenditure	-20	-11	9	-240	-240	0	-
-	**Total**	**-20**	**-11**	**9**	**0**	**0**	**0**	-
Esk Pearl Mussels	Income	0	0	0	50	50	0	-
-	Expenditure	-12	-17	-5	-50	-50	0	-
-	**Total**	**-12**	**-17**	**-5**	**0**	**0**	**0**	-
Restoring Roseberry	Income	20	258	238	80	240	160	All LEI funding now released which is higher than the previous value at the time the budget was set.
-	Expenditure	-20	-4	16	-80	-240	-160	-
-	**Total**	**0**	**254**	**254**	**0**	**0**	**0**	-
Catchment Restoration (Defra)	Income	35	35	0	150	150	0	-
-	Expenditure	-35	-8	27	-150	-150	0	-
-	**Total**	**0**	**27**	**27**	**0**	**0**	**0**	-

Externally Funded Projects	**-**	**Budget Q1 £k**	**Actual Q1 £k**	**Variance £k**	**Annual budget £k**	**Forecast outturn £k**	**Full Year Variance £k**	**Comment**
Active Travel England	Income	37	200	163	150	200	50	Final grant funding higher than budgeted.
-	Expenditure	-37	-3	34	-150	-200	-50	-
-	**Total**	**0**	**197**	**197**	**0**	**0**	**0**	-
Bransdale	Income	12	**0**	-12	50	50	0	-
-	Expenditure	-12	-1	11	-50	-50	0	-
-	**Total**	**0**	**-1**	**-1**	**0**	**0**	**0**	-
Raisdale	Income	12	0	-12	50	50	0	-
-	Expenditure	-12	-1	11	-50	-50	0	-
-	**Total**	**0**	**-1**	**-1**	**0**	**0**	**0**	-
Digital Planning	Income	12	50	38	50	50	0	-
-	Expenditure	-12	0	12	-50	-50	0	-
-	**Total**	**0**	**50**	**50**	**0**	**0**	**0**	-
Local Plan Grant	Income	0	108	0	0	108	108	Grant funding for Local Plan setting to be spent over three years. Phasing of spend to be clarified in Q2 but likely to be c£50k in 26/27.
-	Expenditure	0	0	0	0	-108	-108	-
-	**Total**	**0**	**108**	**0**	**0**	**0**	**0**	-
Total	**Income**	**534**	**769**	**127**	**2557**	**6549**	**3,992**	-
-	**Expenditure**	**-446**	**-157**	**289**	**-2592**	**-6584**	**-3,992**	-
-	**Net Total**	**88**	**612**	**416**	**-35**	**-35**	**0**	-