



Q1 Finance report 2026 - 27

Summary

1. This report updates Members on revenue and capital budget performance up to **Period 3 (to June) 2026/27**. Overall, there are few major variance at this point in the year. Spend on the capital programme is relatively modest, budget holders have been made aware of the importance of ensuring they spend in year, in line with the grant conditions.
2. The Authority has been awarded an additional one-off £1.72m revenue grant in 2026/27. This will free up resources in year, which can be used to fund additional activities. The process of prioritising the additional activities has started and the proposals will be built into the 2027/28 budget setting process.
3. In addition, Officers are working on a HLF grant bid that would pay for investment in Greenside Mine as a heritage asset. The Financial Regulations require any new grant scheme >£100k in value requires Member approval. That approval is also sought.

Recommendation:

- a **Members note the report**
- b **Members approve the acceptance of the £244k HLF grant to fund the development phase of our 'Lead, Levels and Lives: the story of Greenside Mine' project**

Background

4. Authority approved the 2026/27 capital and revenue budgets in March 2026, with a further update to the capital programme approved at Authority in June.

Policy context

5. Monitoring of actuals against budget is a crucial element of budget setting and the Medium-Term Financial Strategy (MTFS). This helps ensure the budget continues to reflect the actual financial performance of the Authority. The format of this report has been amended following Member feedback. Annex 1 includes a more detailed split of budget and actual by function and also includes the actual to date from the prior year to allow year on year comparison. Current year to date vs budget year to date remains the key area for Members to understand the impact of in-year performance on the General Fund.

Revenue

6. The revenue position is summarised in **Annex 1**. Most variances to budget are small at this stage with the total variance across all teams of £215k net underspend. Within this, the single largest variance relates to the Strategy and Partnerships team which has a net underspend of £105k. It is anticipated this will largely be used up through the need to cover staffing in the Property and FiPL teams.
7. In addition, DEFRA have allocated LDNPA a one-off uplift to the revenue grant of £1.72m for 2026/27. This is not reflected in the figures in **Annex 1**. This additional grant will free up other resources (e.g. car parking income), which can then be used to fund additional projects or initiatives. The process to identify and prioritise how best to spend the £1.72m is making good progress. Further updates will be presented in subsequent monitoring reports and through the budget process, including any amendment to 2026/27 budgets or reserve contributions required.
8. In terms of year-on-year variances, comparing actuals at the same point to last year, the most significant differences relate to corporate items, including
- timing of payment of the first quarter's core grant where no payment was made by DEFRA in Q1 2026/27 (£2.6m received in 2025/26);
 - the significantly decreased employers' pension cost for 2026/27 (mainly due to the c£600k increase in rebate in 2026/27) and

- the reduced contribution from reserves in 2026/27 compared to 2025/26 (c£650k greater contribution from reserves in 2025/26 was required to set a balance budget, compared to 2026/27).

None of these indicate issues in 2026/27 for meeting the assumptions in the budget. The DEFRA grant was paid in July covering the first 6 months of the year.

Capital

9. The approved programme and spend to date is shown in **Annex 2**. Total spend to date is less than 10% of the full year total, 25% of the way into the year. Most of the spend is anticipated to be weighted to the second half of the year. Options to use any underspend are being worked up by Officers, in the event that some schemes don't require or struggle to spend the full budget in year. A fuller commentary on the projected position for the year will be presented at Q2.

Reserves

10. Reserve balances at the end of quarter one including a summary of movements are set out in **Annex 3**. The balance of the trading reserve is slightly above the year-end target of £500k, but further top ups and drawdowns are likely as we move through the year. The general reserve started the year higher than anticipated when the MTFS was set. This was due to underspends/savings at the end of 2025/26. As a result the balance exceeds the 2026/27 year-end target by c£160k. This is a positive position at this point in the financial year although as part of the process to prioritise spend of the additional £1.72m grant, a number of initiatives have been identified which are likely to require funding from the 2025/26 underspend.

Treasury Management Performance and cash

11. To the end of the period, our average daily investment was £5.6m. Interest earned to the end of the period was £53k vs budget of £30k. Given the trajectory on interest rates (see below), it is very likely that performance will exceed budget.

12. Following three base rate reductions in 25/26, the 26/27 investment interest budget was set assuming further drops in year. The conflict in the Middle East has resulted in sharp increases and volatility in oil prices, keeping inflation above the Bank's 2% target at 2.8% for June 2026. Consequently, the base rate has remained at 3.75% since December 2025.
13. All investments and activity for the quarter have been compliant with our Treasury Management Strategy. Investments at the end of the period are shown below:

Institution type	Holding amount (£000)
Major UK Banks (Current Account)	496
Major UK Banks (Investments)	72
Money Market Funds	5,000
Total	5,568
Average investment balance	5,600

14. Although there were delays with the DEFRA grant payment for Q1, as set out in **Annex 3**, the Authority's cash backed (usable) reserves position was c£6m. This is consistent with the average investment balance set out above. DEFRA paid a full 6 months of grant in July, significantly improving the cash balances.
15. The Authority set a balanced budget for the year and as set out in the monitoring above, there are no current indications that net costs will exceed the budget. There are therefore no significant risks in terms of cash flow overall.

2025 / 26 Outturn

16. A draft out-turn report was presented to Authority in June 2026. Since then, work to the Statement of Accounts by external audit has been largely completed. An updated out-turn, post audit is included in **Annex 4**. No

significant changes have been made since June and useable reserves remain unchanged. **Annex 4** is presented for information, as a requirement of the audit process.

Lead, Levels and Lives: the story of Greenside Mine

17. We have received confirmation from the National Lottery Heritage Fund (NLHF) that they are willing to fund the development phase of our 'Lead, Levels and Lives: the story of Greenside Mine' project. The development phase will last 17 months until February 2028 with a grant of £244k. The total project costs of this phase are £291k, which includes in kind contributions and volunteer time.
18. The project's aims are to remove the site from the Heritage at Risk register, install interpretation, undertake nature recovery on site and work with local schools and the community. We will submit the delivery phase application in February 2028, which will hopefully unlock a further £874k worth of NLHF funding to undertaking the project between 2028-2031.
19. The Financial Regulations require any new grant scheme >£100k in value to have Member approval. It is requested that Members approve the acceptance of the development phase grant.

Links to Vision, Management Plan and other strategic plans

20. Sustainable finances are core to the delivery of the Business plan, which underpins the Authority's contribution to the Management Plan. Regular budget monitoring is an integral part of the rolling MTFS process to ensure budgets continue to align with the actual financial position and performance.

Proposals

21. The proposal is that Members note the report and approve the acceptance of £244k of HLF grant, as set out in the recommendations.

Demonstrating best value

22. Effective financial management is a key element of corporate arrangements to achieve best value. This report relates to corporate budget monitoring and has no direct implications for specific cases relating to demonstrating best value.

Financial considerations

23. These are detailed in the annexes and summarised above.

Risk

24. The key corporate risk being addressed is CO41: "There is a risk that a range of inflationary pressures (pay, utilities, supplies, and services etc.), coupled with a reducing National Park Grant, could continue to place pressure on the Authority's ability to fund and deliver its Business Plan. Failure to deliver against the approved budgets may also lead to material changes to the resources projected in the Medium-Term Financial Strategy." This report addresses risk of failure to meet the approved budgets for 2026/27. The data to-date suggests the risk is very low. Approval of the grant is required in line with the financial regulations and represents an opportunity for external investment in one of our assets.

Legal considerations

25. There are no specific legal considerations within the report. Approval of the grant is required in line with the financial regulations.

Human resources

26. There are no specific HR considerations within the report.

Diversity implications

27. There are no specific diversity implications within the report.

Sustainability

28. Financial sustainability underpins the Authority's ability to fulfil its ambitions as set out in the Business Plan.

Background papers	2026/27 MTFS and Budget, and 2026/27 Treasury Management Strategy, Authority March 2026
Author / Post	Serena Armstrong, Financial Services Manager (dS151)
Responsible Director	Peter Notley, Head of Resources (S151)
Date written	11/09/2026

Revenue summary Q1

Prior Year Actual To date (C)				Current Year Working Budget Full Year			Current Year Working Budget Year To Date (A)			Current Year Actual Year to Date (B)			Variance Actual YTD: WB YTD (A vs B)			Ref
Total income £000	Total Cost £000	Net Cost £000		Total income £000	Total Cost £000	Net Cost £000	Total income £000	Total Cost £000	Net Cost £000	Total income £000	Total Cost £000	Net Cost £000	Total income £000	Total Cost £000	Net Cost £000	
-147.4	537.2	389.8	Rangers (inc RoW)	-521.6	2,347.0	1,825.4	-107.8	614.9	507.1	-95.3	602.8	507.5	12.5	-12.1	0.4	1
0.0	36.1	36.1	Volunteers	0.0	167.8	167.8	0.0	31.5	31.5	0.0	35.4	35.4	0.0	3.9	3.9	
-242.6	343.9	101.3	Brockhole	-155.9	357.6	201.7	-34.9	89.3	54.4	-29.7	89.4	59.7	5.2	0.1	5.3	
-913.6	485.1	-428.5	Car parking	-3,018.7	1,735.3	-1,283.4	-1,014.3	515.4	-498.9	-994.0	510.9	-483.1	20.3	-4.5	15.8	
-40.1	36.2	-3.9	Toilets	-124.2	155.1	30.9	-40.9	40.8	-0.1	-36.0	40.9	4.9	4.9	0.1	5.0	
-228.9	100.5	-128.4	Coniston boating centre	-694.4	495.6	-198.8	-252.4	116.1	-136.3	-257.3	95.3	-162.0	-4.9	-20.8	-25.7	
-116.4	17.7	-98.7	SVMG	-86.1	81.2	-4.9	-60.1	16.2	-43.9	-66.1	15.3	-50.8	-6.0	-0.9	-6.9	
-242.8	305.7	62.9	Information centres	-656.6	992.0	335.4	-192.7	212.4	19.7	-172.8	191.0	18.2	19.9	-21.4	-1.5	
-13.8	39.7	25.9	Education	-101.2	164.0	62.8	-44.9	39.2	-5.7	-59.8	37.8	-22.0	-14.9	-1.4	-16.3	
-6.1	104.3	98.2	Communications and Engagement	-0.2	559.6	559.4	-0.1	115.9	115.8	2.5	103.1	105.6	2.6	-12.8	-10.2	
-164.6	278.6	114.0	Development Management	-660.4	1,261.0	600.6	-166.4	296.6	130.2	-160.5	290.7	130.2	5.9	-5.9	0.0	
-300.0	43.2	-256.8	Development Management Projects	-30.0	110.8	80.8	-23.7	20.2	-3.5	-23.7	19.9	-3.8	0.0	-0.3	-0.3	
-149.0	239.9	90.9	Strategy team	-833.2	1,947.7	1,114.5	-579.0	300.8	-278.2	-612.8	229.6	-383.2	-33.8	-71.2	-105.0	
-29.4	74.2	44.8	Property team and green estate	-114.2	397.7	283.5	-25.0	64.5	39.5	-12.2	50.2	38.0	12.8	-14.3	-1.5	
-56.0	-5.4	-61.4	FiPL	-1,387.1	1,387.5	0.4	-15.0	56.0	41.0	-15.0	57.6	42.6	0.0	1.6	1.6	
-111.8	-157.6	-269.4	HBRG	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
0.0	0.0	0.0	Wildlife Rich Habitat	-887.4	887.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
11.2	51.0	62.2	Cumbria Woodlands	0.0	0.0	0.0	0.0	0.0	0.0	27.8	0.2	28.0	27.8	0.2	28.0	
0.0	111.3	111.3	Finance	0.0	673.8	673.8	0.0	138.1	138.1	0.0	121.1	121.1	0.0	-17.0	-17.0	
0.0	61.3	61.3	Programmes team	0.0	375.7	375.7	0.0	82.3	82.3	0.0	72.0	72.0	0.0	-10.3	-10.3	
0.0	108.9	108.9	Insurance	0.0	323.7	323.7	0.0	229.2	229.2	0.0	235.7	235.7	0.0	6.5	6.5	

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Total income £000	Total Cost £000	Net Cost £000		Total income £000	Total Cost £000	Net Cost £000	Total income £000	Total Cost £000	Net Cost £000	Total income £000	Total Cost £000	Net Cost £000	Total income £000	Total Cost £000	Net Cost £000	
-22.3	221.0	198.7	ICT	-104.1	697.0	592.9	-19.1	248.8	229.7	-22.2	241.8	219.6	-3.1	-7.0	-10.1	
-1.7	93.8	92.1	Legal	-10.6	309.3	298.7	-2.7	77.3	74.6	-4.1	81.7	77.6	-1.4	4.4	3.0	
0.0	110.6	110.6	People team	0.0	459.5	459.5	0.0	95.4	95.4	0.0	93.0	93.0	0.0	-2.4	-2.4	
0.0	24.7	24.7	Members	0.0	106.3	106.3	0.0	26.7	26.7	0.0	22.3	22.3	0.0	-4.4	-4.4	
0.0	176.2	176.2	Exec Board	-62.9	516.1	453.2	-20.5	160.9	140.4	-61.5	165.1	103.6	-41.0	4.2	-36.8	
0.0	-30.0	-30.0	Other corporate costs	-27.0	-166.0	-193.0	0.0	-73.7	-73.7	2.2	-31.2	-29.0	2.2	42.5	44.7	
-5.2	34.1	28.9	Vehicle fleet	-25.0	132.4	107.4	-6.3	33.6	27.3	-6.2	21.5	15.3	0.1	-12.1	-12.0	
-110.9	112.7	1.8	HQ and estate costs	-235.0	509.8	274.8	-59.9	111.7	51.8	-51.2	90.1	38.9	8.7	-21.6	-12.9	
0.0	-61.8	-61.8	Corporate Pension charges	0.0	-567.9	-567.9	0.0	-643.9	-643.9	0.0	-643.9	-643.9	0.0	0.0	0.0	
-2,891.4	3,493.1	601.7	Cost of services	-9,735.8	16,417.0	6,681.2	-2,665.7	3,016.2	350.5	-2,647.9	2,839.3	191.4	17.8	-176.9	-159.1	
-2,608.2	0.0	-2,608.2	Core Grant	-5,131.6	0.0	-5,131.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
-60.2	0.0	-60.2	Investment interest	-130.0	0.0	-130.0	-30.0	0.0	-30.0	-53.0	0.0	-53.0	-23.0	0.0	-23.0	
0.0	0.0	0.0	Investment properties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
0.0	0.0	0.0	Capital Grant	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
-5,559.8	3,493.1	-2,066.7	Total cost of services	-14,997.4	16,417.0	1,419.6	-2,695.7	3,016.2	320.5	-2,700.9	2,839.3	138.4	-5.2	-176.9	-182.1	
0.0	-536.1	-536.1	Movement earmarked reserves	0.0	-79.5	-79.5	0.0	-50.3	-50.3	0.0	-50.2	-50.2	0.0	0.1	0.1	
0.0	-194.0	-194.0	Movement General Fund	0.0	-43.8	-43.8	0.0	-43.8	-43.8	0.0	-43.8	-43.8	0.0	0.0	0.0	
0.0	-334.7	-334.7	Accounting adjustments	0.0	-1,296.3	-1,296.3	0.0	-324.1	-324.1	0.0	-357.1	-357.1	0.0	-33.0	-33.0	
-5,559.8	2,428.3	-3,131.5	Total revenue	-14,997.4	14,997.4	0.0	-2,695.7	2,598.0	-97.7	-2,700.9	2,388.2	-312.7	-5.2	-209.8	-215.0	

Notes on major variances vs budget (A vs B):

- 1 This mainly relates to staffing with some vacant posts, including the Rural Asset Manager.

The variance year on year (B vs C) is mainly explained by corporate items including timing of the first core grant payment, the employer's pension rebate and the budgeted movements on reserves.

Annex 2 Capital programme

Scheme	Full year budget	Spend to date	Budget remaining
IT Rolling Replacement Programme	55,900	15,308	40,592
PM Plant & machinery	76,000		76,000
Vehicle Fleet Replacement	184,000		184,000
Electric Chargers	14,300		14,300
RoW capitalisable works	115,000		115,000
Website	12,000	21,667	-9,667
ICT Research & Development	50,000		50,000
K2T Bridges	325,000	131,144	193,856
CBC Wendy House Replacement	64,094		64,094
Electric Bike Hire Hawkshead	24,000		24,000
CBC Jetty	45,000		45,000
ANPR Waterhead	100,000		100,000
Murley Moss Heat Pump	60,000		60,000
A4A	167,310		167,310
Buttermere Toilets	50,000		50,000
Elterwater Toilets	15,000	1,227	13,773
Grasmere Toilet Refurb	50,000		50,000
Toilet Turnstiles - various	35,000		35,000
Northern Office back up boiler	25,000		25,000
Solar - CBC	29,000		29,000
World Heritage Site Signage/Interpretation	20,000		20,000
Property Signage	30,000		30,000
Car Park Oil Traps	60,000		60,000
Storms Estate	80,000		80,000
Tree Nursery	25,000		25,000
K2T Closure Gates	20,000		20,000
Bioacoustic Equipment	10,000		10,000
Unsealed Roads Monitoring Equipment	13,000		13,000
Satellite Mobile Phones	11,250		11,250
K2T Extension	250,000	16,841	233,159
Total	2,015,854	186,187	1,829,667

Annex 3 Summary of reserve balances

Description	Balance 31 March 2026 £000	Transfers to/(from) reserves £000	Current Balance £000
Usable Reserves - capital			
Useable Capital Receipts Reserve	-666.8	0.0	-666.8
Capital Grants Unapplied Reserve	-245.0	0.0	-245.0
Total capital reserves	911.8	0.0	-911.8
Usable Reserves - revenue			
Capital Support Fund	0.0	-200.0	-200.0
Ring-fenced Funds Reserve	-516.5	-19.2	-535.7
External Grants Reserve	-174.8	-1.5	-176.3
Biodiversity Net Gain Reserve	-146.0	0.0	-146.0
Investing for our Future	-200.2	-80.0	-280.2
Inquiry reserve	-231.5	0.0	-231.5
Partnership Priorities Reserve	-240.2	32.9	-207.3
Fix the Fells Reserve	-94.6	0.0	-94.6
Public Rights of Way Reserve	-242.2	0.0	-242.2
Planning Fee Increase Reserve	0.0	0.0	0.0
Planning Interim Support Reserve	-231.2	41.8	-189.4
National Parks Portal Reserve	-45.6	0.0	-45.6
Farming in Protected Landscapes	-196.5	-15.3	-211.8
Visitor Services Trading	-500.0	-19.8	-519.8
Climate Change Reserve	-40.7	-5.0	-45.7
General Reserve	-1,914.9	43.9	-1,871.0
ATR committed funds reserve	-731.3	316.2	-415.1
Total Usable Reserves	-6,418.0	94.0	-6,324.0

Summary of out-turn 2025/26 in statement of accounts format

	Net Exp £000	Net budget £000	Variance £000	Notes
Executive Board & Legal	851	915	-64	1
Resources	2,315	2430	-115	2
Visitor Services	-824	-534	-290	3
People	555	567	-12	
Communications	423	440	-17	
Development Management	498	599	-101	4
Strategy & Rangers	2,259	2264	-5	
Non Distributed Costs	12	14	-2	
Cost of Services	6,089	6,695	-606	
		0	0	
Financing & Investment Income & Exp	-1256	-1144	-112	5
Non-specific grant income	-6,714	-6714	0	
(Surplus) or Deficit on Provision of Services	-1,881	-1,163	-718	
		0	0	
(Surplus) or deficit on revaluation of non-current assets	-676	-676	0	
Remeasurements of the defined benefit liability	1,364	1364	0	
Other Comprehensive (Income) & Expenditure	688	688	0	
		0	0	
Total Comprehensive (Income) & Expenditure	-1,193	-475	-718	
		0	0	
Capital financing	0	0	0	
Movement in reserves	1,193	475	718	
Total	0	0	0	

Notes on variances (all as previously reported)

1 The variance within exec board and legal is made up of a number of smaller variances, the single largest elements being £18k less claims than budgeted on Member Travel, and £40k over achievement against the corporate salary vacancy target.

2 The variance in Resources was made up of large number of smaller movement, the single largest elements were £60k cost saving on vehicle fleet leases

following outright purchase, and £57k saving on software licences, with both budgets subsequently reduced in the MTFS.

3 Visitor Services income and expenditure taken together were £290k favourable to the working budget. This was largely due to:

- car parking net income £145k more than budget, following good weather in Q1 and a mid-year price increase.
- Brockhole was £123k favourable to budget. This included £45k of dilapidations income from previous tenants, £20k of additional income from the Halloween event, and savings on staffing and running costs.
- TICs were £71k over budget, £46k related to Moot Hall including the cost of making good the property prior to handing back, plus reduced revenues relating to a shortened trading period (prior to closure). Coniston, Hawkshead and Glenridding TICs all had lower trading income (and lower net contribution) than budgeted.
- Coniston Boating Centre was £92k favourable to budget due to £33k greater income, and c£60k lower costs, including a back dated rates rebate of £25k and the impact of some vacant posts.

4 Development management costs were c £80k lower than budget and income was c£20k higher. £100k was credited to the planning reserve.

5 Investment income was £112k higher than budgeted; this is largely as interest rates have not reduced as quickly as we anticipated and cash balances have remained strong.