

RAPC 569/25

NEW FOREST NATIONAL PARK AUTHORITY

RESOURCES, AUDIT AND PERFORMANCE COMMITTEE – 2 JUNE 2025

PLANNING FOR THE FUTURE (June 2025)

Report by: Alison Barnes, Chief Executive and the Strategic Leadership Team

Purpose:

This report provides a summary of the projected financial position of the Authority over the next three financial years and the proposed timetable to match resources to requirements to achieve the outcomes of the Partnership Plan and in particular with regard to our own Business Plan. As in previous years since 2010, we wish to take this work forward under the heading of 'Planning for the Future'.

1 Current Financial Position

1.1 The Authority has reacted positively over the last 15 years, through the global financial crash, the resulting UK government austerity programme, and more recently during the Covid crisis and right up to the widely-publicised current global economic challenges. We are primarily a staff-based organisation which relies on revenue funding to cover salaries. Over this period, our core Defra revenue National Park Grant has been:

2009/10 - £4.34m: its pre-austerity level

2019/20: down to £3.25m, losing £1m per year in cash terms

Last five years: flat cash of £3.25m pa but losing value in real terms

2025/26 - £2.99m: a further 9% cut in cash terms.

If our grant had kept pace with inflation since 2009/10, it would now be £6.90m per year.

Our grant is therefore now just **43% of its original value each year** in real terms and this has **cost the Authority and the Forest over £30m** of funding in 15 years.

- 1.2 Over the last 5 years, we have:
- increased our shared services - bringing in approximately £200-230k average per annum in the last five years (over £1m total)
 - reduced costs where possible – particularly within corporate functions
 - significantly increased our external funding and financial leverage – e.g. Our Past Our Future/Species Survival Fund/YouCAN lottery-funded schemes /; PedAll; Arts Council England funding; Higher Level Stewardship scheme; National Grid Landscape Enhancement Initiative; Farming in Protected Landscapes, green grants - consistently receiving over £18 for every £1 invested in our partnership projects
 - continued to provide a high-quality statutory planning service which meets and often exceeds the relevant Government standards for speed and quality of decisions
 - investigated our facilities requirements, current costs and future options around the Forest (since its inception the Authority has paid out nearly £2m to rent its main office space)
 - avoided front-line staffing and services reductions wherever possible
 - recently put in place interim staffing arrangements, following the departure of the Executive Director Strategy & Planning, up until the end of October 2025, to fit with the timeframe below for agreeing our future plans.

2 Defra Position

- 2.1 The government Comprehensive Spending Review (CSR) is currently underway and due to be presented to parliament by the Chancellor on 11 June. This should give the overall agreed funding allocation, capital and revenue, to Defra for a period of at least three years. The Authority is therefore unlikely to hear the impact(s) on our own funding until at least the late Summer or Autumn 2025. Given the stated significant funding priorities / requirements elsewhere in government, it is considered that the financial settlement for Defra could again be difficult.
- 2.2 Within its 2025/26 National Parks funding settlements, Defra has made it clear that revenue funding is under pressure and that it would like us to use any available capital funding to further reduce our reliance on the revenue grant. We have made it clear that this shift, likely to involve both the purchasing of income-generating assets and by means of invest-to-save ideas (for us this would include removing or significantly reducing the leased office costs), will take some time to understand / implement internally and to then bear fruit in terms of income generated.
- 2.3 Members of the Defra Protected Landscapes team visited the Forest in May 2025 and the funding position, alongside many other issues such as the future of Commoning, were covered in-depth to ensure they are fully briefed and up-to-date on our situation.

3 Projected Financial Position

- 3.1 The Medium-Term Financial Plan (MTFP), presented to the Committee and Authority in March 2025, projected a shortfall of £85,000 in 2026/27 and a further £80-120,000 to be found per year thereafter. This position will be worsened by c£120-150,000 per year if we have to continue renting/leases our current premises. We have discussed with Defra the possibility of capital funding to buy facilities to support our office requirements and other functions such as volunteering, green skills and health and wellbeing programmes; to date there has been no confirmation of the availability or timing of capital funding needed for this work. We plan to bridge the core gap with additional funding / income-generation at first instance, as per our Defra steer, and make expenditure reductions only if this was not fully achievable.
- 3.2 Using the updated assumptions, and other changes since March (see 3.4 below), our current financial projections are for funding shortfalls of:

	Funding Shortfall Each Year	Cumulative Shortfall
2025/26	None	None
2026/27	£220,000	£220,000
2027/28	£120,000	£370,000
2028/29	£150,000	£520,000

- 3.3 Any further revenue reduction in our core revenue grant would cost us:
5% cut - £150,000
10% cut - £300,000.
- 3.4 Preliminary assumptions in the current figures are:
- No use of core reserves in any year, only using the financial stability reserve over the next five years (including 2025/26)
 - Interest income available on investments matches the BoE forecasts
 - No continuation of any fixed-term (non-permanent / non-NPA funded) posts
 - Efficiencies in most corporate budgets to match any further inflationary pressures
 - No change in accommodation / facilities circumstances. It should be noted that the current lease on Lymington Town Hall ends in November 2026
 - We await to see whether the Government will implement its proposal that planning authorities will be able to set planning application fees that would represent a full costs recovery. Currently the planning application fees – even after the national increase on 1 April 2025 – do not cover the costs of determination.

All these assumptions can/will be kept under careful review.

- 3.5 Some potential areas for consideration are:
- Making our case for parity with other NPAs on resourcing of all our key services - we ask that the size of our planning service, high visitor pressure/access opportunities and nature conservation designations (and related nature recovery potential) are taken into account in future grant allocations
 - Savings on our current accommodation costs
 - Creating a capital programme to deliver an asset base for the Authority developed, again in line with other NPAs (average assets of English NPAs are c£20m), including those which we generate income for our Authority
 - Maintain strong leverage for our Defra grant through attracting external funding for the Forest – for example, we are currently developing a lottery Landscapes Connection bid for up to £10m over 10 years
 - Ensuring other Authorities within and around the Forest play their part and fully comply with their new S245 duty to further the National Park purposes - [Guidance for relevant authorities on seeking to further the purposes of Protected Landscapes - GOV.UK](#) - potentially whilst themselves going through devolution / local government reorganisation
 - Making our case for a full power of competence, to enable further income-generation opportunities.

4 'Planning for the Future' Process / Timetable

- 4.1 The Resources, Audit and Performance Committee established a 'Finance and Facilities' Task & Finish Group last year to bring together Members and Senior Officers. This group met monthly over the Autumn and Winter, six meetings in total, in the lead up to the (balanced) Budget and Work Programme for 2025/26 being presented to all Members at the Authority in March.
- 4.2 It is proposed that the T&F Group continue to meet through the next six months to continue its work (as per 3.5 above) and to consider emerging financial pressures and opportunities/solutions. This timeframe would include the announcement of the CSR nationally in June, any announcements from Defra of our direct funding position thereafter and also the finalising of Defra's Protected Landscapes Targets and Outcomes Framework.
- 4.3 Officers and the Task & Finish Group will regularly update Members, and Staff, as progress is made.

5. Recommendations:

- 1 **That the Committee approve the proposed plan, including the extension of the Finance and Facilities Task & Finish Group for a further six months.**
- 2 **Any resultant changes or actions from the Committee discussion be noted.**

Papers:

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Planning for the Future (June 2025)

Equality and Diversity Implications:

There are no specific equality or diversity implications arising out of this report.

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