

Report to **South Downs National Park Authority**
Date **16 October 2025**
By **Interim Chief Finance Officer**
Title of Report **Budget Monitoring 2025/26: Capital Programme and Budget Variation**

Decision

Recommendation: The Authority is recommended to:

- I. Approve the use of reserves totalling £0.065m set out paragraph 3.2 to fund variations to the capital programme.**
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1. Introduction

- 1.1** This report provides an update on the South Downs National Park Authority's capital programme as at the end of Month 4 (July 2025) for the 2025/26 financial year and seeks approval for the use of £0.065m of reserves to fund variations to the capital programme. It highlights the current capital forecast, key projects, and the use of reserves to address variations within the capital programme. The report is presented in accordance with the Authority's Financial Regulations and Standard Financial Procedure and supports the oversight of the Authority's financial position and resource management.

2. Policy Context

- 2.1** The revenue and capital budgets are developed in accordance with the Authority's agreed budget framework alongside the Corporate Plan and the Partnership Management Plan (PMP) in order to ensure that the budget aligns with the Authority's priorities and objectives. The budget monitoring process reports on variances against approved budgets to identify changes and resource requirements at the earliest opportunity. Any changes to the approved budget are considered by the Policy and Resources (P&R) Committee, as part of the budget monitoring process, and recommended for approval to the National Park Authority.

3. Issues for consideration

- 3.1** The Authority's capital forecast at month 4 is an underspend of £2.886m, mainly due to two externally funded projects being delivered over multiple years. These budgets will be reprofiled to future years, with no impact on the Authority's resources as they are externally funded.
- 3.2** The P&R Committee recommends the Authority to approve the use of reserves totalling £0.065m to fund cost overruns for agricultural equipment and works at Centurion Way. In the report to the Policy and Resources Committee the source of the funding was identified as £0.003m from the general reserves and £0.062m from the CIL reserve, however, it has since been identified these proposed funding sources may not be the most appropriate use of the Authority's reserves. Officers will provide a further update on which reserve/s the

funding is proposed to be drawn from. This will ensure the capital programme remains fully funded and cost pressures are managed within available resources.

- 3.3 Defra made available £2m of capital funding to be executed by year-end, with delegated authority to manage this on an agile basis. Key projects include Centurion Way (multi-year, total cost to 2027/28: £5.161m), New Barn Cottage (funded from Defra allocation, releasing £207k back to reserves), Downs to the Sea (wetland restoration, £2.48m funding), and Heathlands Reunited Strategic access management and Monitoring (SAMM)(externally funded, £0.765m over five years).

4. Other implications

Implication	Yes*/No
Will further decisions be required by another committee/full authority?	No
Does the proposal raise any Resource implications?	Yes. Budget monitoring requires action plans to mitigate above budget variances to ensure that the Authority does not overspend on its available resources. A below budget variance at the end of the financial year could increase reserve levels and may have implications for the Medium-Term Financial Strategy of the Authority.
How does the proposal represent Value for Money?	Internal controls and governance are in place to ensure the economical, efficient, and effective use of resources.
Which PMP Outcomes/ Corporate plan objectives does this deliver against	None
Links to other projects or partner organisations	No
How does this decision contribute to the Authority's climate change objectives	None
Are there any Social Value implications arising from the proposal?	No
Have you taken regard of the South Downs National Park Authority's equality duty as contained within the Equality Act 2010?	There are no implications arising directly from this report. The Authority's equality duty shall be considered in respect to all expenditure and programmes undertaken by the National Park Authority.
Are there any Human Rights implications arising from the proposal?	No
Are there any Crime & Disorder implications arising from the proposal?	No
Are there any Health & Safety implications arising from the proposal?	No

Implication	Yes*/No
Are there any Data Protection implications?	No

5. Risks Associated with the Proposed Decision

- 5.1 If the budget variations are not approved it would risk part of the Authority’s capital programme being unfunded.

CRAIG GAROGHAN

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South Downs National Park Authority

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Appendices: 1. 2025/26 Capital Forecast
2. 2025/26 Reserves Position

SDNPA Consultees Chief Executive; Director of Planning; Chief Finance Officer; Head of Governance and Monitoring Officer; Legal Services, Head of Finance and Corporate Services.

External Consultees None.

Background Documents Information in this report is taken from audited Financial Management Information Systems maintained by the Corporate Financial Services provider, Brighton & Hove City Council.

This report is presented in accordance with the Authority’s Financial Regulations and Standard Financial Procedure.

2025/26 Capital Forecast

Table 1 below sets out the total capital programme for the authority. Projects with highlighted titles are outlined in the table in this report, and those from which we anticipate an income generation element, are in italics. It is important to note that some of the project resources span more than this current financial year. Table 2 summarises the variances and reprofiles that P&R are being asked to approve.

Project Title	Defra Capital £'000	SDNPA Capital/ Reserves £'000	SDNPA Cfws £'000	SDNPA SIF £'000	External Contribution £'000	Total Resource £'000	25-26 Spend to date £'000	25-26 Forecast Spend £'000	Variance £'000	Comment
<i>Agricultural Kit</i>	160	-	-	-	-	160	153	163	3	Variance: Increase in costs to be funded by reserves
Air Con in Comms Room	7	-	-	-	-	7	-	7	-	
<i>Alternative Model for Woodland Creation</i>	25	-	-	-	-	25	-	25	-	
Barlavington Woodland Connectivity	20	-	-	-	-	20	-	20	-	
Beavers at Foley	70	-	-	-	-	70	-	70	-	
BioChar	75	-	-	-	-	75	-	75	-	
Centurion Way	400	-	-	-	-	400	462	462	62	Variance: to fund from CIL source
Centurion Way Improvement of Asset	50	-	-	-	-	50	-	50	-	
Chilcomb Ponds	11	-	-	-	-	11	-	11	-	
Dark Skies Monitoring Kit	20	-	-	-	-	20	-	20	-	
Ebernoe and Butcherlands Landscape Enhancement Scheme	20	-	-	-	-	20	-	20	-	
<i>Energise Southdowns Solar Panel Investment</i>	100	-	-	-	-	100	100	100	-	
Fencing Goodwood estate, Singleton school and Crouch Farm	9	-	-	-	-	9	-	9	-	

Project Title	Defra Capital £'000	SDNPA Capital/ Reserves £'000	SDNPA Cfwds £'000	SDNPA SIF £'000	External Contribution £'000	Total Resource £'000	25-26 Spend to date £'000	25-26 Forecast Spend £'000	Variance £'000	Comment
<i>Foxhole Cottage Gardens</i>	25	-	-	-	-	25	-	25	-	
Grazing at Hookway	25	-	-	-	-	25	-	25	-	
Grazing at SSCP	23	-	-	-	-	23	-	23	-	
Hampshire Hangars	20	-	-	-	84	104	-	104	-	
IT Firewalls	10	-	-	-	-	10	10	10	-	
IT Hardware	12	-	-	-	-	12	12	12	-	
Mid Meadows	10	-	-	-	-	10	-	10	-	
<i>New Barn Farmhouse</i>	302	-	-	-	-	302	266	302	-	
<i>Partner investment in Land</i>	100	-	-	-	-	100	-	100	-	
Pen Hill Ponds	12	-	-	-	-	12	-	12	-	
Pond Creation and Enhancements	32	-	-	-	-	32	-	32	-	
Saddlescombe Farm Fencing	7	-	-	-	-	7	-	7	-	
Salaries capitalised	220	-	-	-	-	220	-	220	-	
Sand Martins	10	-	-	-	-	10	-	10	-	
SDNPA Signage	23	2	-	-	-	25	22	25	-	
South Downs Farm Resilience Programme Regenerative Farming	25	-	-	-	-	25	-	25	-	
SSCP Adopt a Phone Box	8	-	-	-	-	8	-	8	-	
SSCP Fencing	94	-	-	-	-	94	-	94	-	
Stanmer Security Fencing	25	-	-	-	-	25	22	25	-	
Sussex Wildlife Trust Collars	13	-	-	-	-	13	-	13	-	
Turtle Doves	20	-	-	-	-	20	13	20	-	

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Wildflower Enhancement at Dangstein Farm Rogate	17	-	-	-	-	17	-	17	-	
Midhurst Shoring Up Works	-	-	116	-	-	116	10	10	(106)	Reprofile: Ongoing reserve to recharge to insurers on completion
SSCP Car Park Improvement Works	-	50	-	-	-	50	79	79	29	Reprofile: Revenue cost miscodes, deferred to 26-27 Actual is commitment for next year £30k on South Car park
Changing Chalk - Dew Ponds	-	-	-	6	61	67	5	67	-	
Changing Chalk - Grazier Post	-	-	-	4	72	76	20	76	-	
Communities in the South Downs	-	-	-	13	-	13	-	13	-	
Forestry Partnership	-	-	47	-	-	47	-	47	-	
Grandfather's Bottom	-	-	-	30	239	269	-	269	-	
Green South Downs	-	-	-	1	-	1	-	1	-	
Our South Downs	-	-	-	8	-	8	-	8	-	
Timescape Residencies 24	-	-	-	2	-	2	-	2	-	
Downs to the Sea: Recovery and Resilience in Wetland Habitats	-	-	-	-	2,487	2,487	96	289	(2,198)	Reprofile: Multiyear Project

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Farming in Protected landscapes	-	-	-	-	738	738	355	738	-	
Wealden Heath SAMM	-	-	53	-	767	820	355	144	(676)	Reprofile: Multiyear Project
Total	2,000	52	216	64	4,448	6,779	1,980	3,893	(2,886)	

Table 2 Variation category	£'000	Comment
Reprofile	(2,951)	No call on authority resources in 2025/26. £2.8m is externally funded and the remaining from resources already allocated in revenue and reserves.
Variance	65	£0.062m from CIL resources and £0.003m from general reserves.
Total Variance	(2,886)	

2025/26 Reserves Position

Reserve Type & Title	Purpose of Reserve	2025/26 Opening Balance £'000	Contribution to/(from) Reserves (pre M4) £'000	Movement Between Reserves £'000	Contribution to/(from) Reserves (post M4) £'000	2025/26 Estimated closing balance £'000
General Reserve						
Working Balances (MTFS)	Working Balances to support MTFS	791	305	0	(57)	1,039
Approved Risk Reserves						
Working Balances (Minimum)	Working Balances	672	0	0	0	672
Planning Reserve	To fund unforeseen planning inquiries, changes to future delegation arrangements, significant income falls and support for neighbourhood plans	358	0	0	0	358
Earmarked Reserves						
Partnership Management Plan Reserve	To fund outcomes identified in the Partnership Management Plan	216	0	0	0	216
Strategic Fund	Reserve to hold unspent Strategic Fund Allocations	317	0	0	(64)	253
Affordable Housing	Funds to implement an Affordable Housing Strategy within the NP	161	0	0	0	161
Invest to Save	To Support future schemes to save money in future years	1,017	0	0	0	1,017
Trading Company Borrowing Reserve	To allow the company to borrow funds to purchase assets to allow operations at SSCP to begin	220	0	0	(220)	0
Climate Change Fund Reserve	Funds to support the Authority becoming a 'net zero organisation by 2030	42	0	0	0	42

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Nature Based Solutions (Green Finance) Reserve	Funds to support the management of nature recovery funded from income received in previous years	497	0	0	0	497
Funds held in lieu of Agreements						
South Downs Way	Funding transferred from South Downs Joint Committee	20	0	0	0	20
Section 106 Receipts Reserve	Receipts primarily used to develop infrastructure within the National Park	339	0	0	0	339
Section 106 interest on statutory receipts		586	0	0	0	586
Community Infrastructure Levy Reserve*	Receipts to fund infrastructure in development areas	7,811	0	0	0	7,811
Capital (Timing) Reserves)						
Capital Receipts	Proceeds from disposal of assets available for use on capital expenditure	39	0	0	0	39
Estates Management Reserve	To support refurbishment of area offices	50	0	0	0	50
Vehicle Repairs and Renewals	To fund purchase of replacement vehicles	5	0	0	0	5
Total Reserves Balances		13,141	305	0	-341	13,105

*The value of the Community Infrastructure Levy reserve represents amounts receivable in accordance with Financial Regulations and the Town and County Planning Act 1990.

The reserve value may not represent the value of actual income received due to agreed payment terms and profile of payments for some developments.