



For discussion

Title: Budget monitoring

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Purpose

1. This paper sets out an overview of the Park Authority's budget management position at the end of November - month 8 of the 2024/25 financial year.

Recommendations

2. The Resources Committee is asked to:
 - a) Consider the budget management position for 2024/25.

Overview

3. Annex 1 provides a summary of expenditure against the profiled budget.
4. Total expenditure at the end of the November was 51% of the annual budget; our expenditure profile continues to run ahead of the pattern seen in prior years.
5. Expectations remain for an outturn forecast of full expenditure being achieved and supported by available resources, with the possible exception of the peatland budget. Budget in the order of £200,000 remains unallocated, and therefore at risk of underspend. Presently, the amount is being held as a 'contingency' to cover potential cost increases on committed and contracted projects. The current reported position may therefore narrow further in the final quarter of the year. This position is under review and draw-down of funds will be managed according to need.

Budget changes

6. Budget reallocations are set out in the budget change log provided at Annex 2. They are also reflected in the summary budget position presented in Annex 1.
7. Since the last report provided to the Committee, budget has been reallocated to support Active Travel projects within the Cairngorms 2030 programme (C2030). The Authority has already made the annual contribution of £450,000 to which it is



formally committed. In addition, however, the Executive approved the advance from future planned funding of additional contributions as follows:

	£,000
Payroll budget – vacancy savings	200
Planned visitor infrastructure projects unlikely to go ahead in 2024-25	90
Total reallocated	290

The Park Authority is committed to an annual contribution of £450,000 to the C2030 programme - £2.25 million over the life of the project. To date, £900,000 has been paid, and the 2025/26 budget includes allocation of a further tranche of £450,000, leaving £900,000 as committed funding scheduled for payment in 2026/27 and 2027/28.

8. This advance, from the remaining £900,000 committed, will provide contingency in support of the development of Stage 3 / 4 designs for two major active travel projects. These are significant construction projects that are a major element of the C2030 programme. They currently have no secured funding, and work to develop them is becoming time-critical, following a one-year hiatus in funding from Sustrans / Transport Scotland. While there is optimism that project funding will be made available in due course, current delays present a high risk for their completion during the lifespan of the C2030 programme. Provision of an advance of funding in 2024/25 (and subsequently in 2025/26 – see Paper 2) provides mitigation against risks arising from further delay.

Staff and Board

9. Continued underspend against the payroll budget to the end of November has facilitated the reallocation of budget to C2030 as described above.
10. The annual pay award was implemented in November, providing better certainty over the likely outturn of staff costs to the year end. This has been an unusual year during which there have been significant staff movements and recruitments, with core staff taking up roles in the C2030 programme, and core vacancies needing to be backfilled. The savings arising from vacancies and recruitment delays have resulted in significant space within the payroll budget. Resource has now been reallocated from the staff budget to meet other operational needs. The remaining favourable variance of £58,000 allows some flexibility towards the year-end.



Programme management

11. While most projects within the programme are progressing well, the mitigation of risk associated with the Active Travel projects has required additional funding of £290,000 to be allocated from core resources, and for provision to be made in the core 2025/26 budget for additional support of £338,000.
12. Testing of projected salary costs for 2025/26 against the C2030 payroll budget (developed when the application to National Lottery was made) has confirmed the sufficiency of budget for staff costs for the coming year.
13. Recovery of costs through grant claims has been straightforward, with no expenditure turned back by National Lottery Heritage Fund (NLHF).

Overheads

14. Overall, running costs are under the phased budget for the period. This variance is largely the result of delayed spending on repairs and maintenance. The commitment of this budget will be reviewed at the start of quarter 4.

Operational plan

15. Operational plan expenditure shows an underspend of £170,000 against the phased budget. The £200,000 unallocated budget for peatland restoration is a significant contributor to this reported underspend, with other services delivering close to budget expectations.
16. In the first half of the year, there was very little cash-based expenditure against the 2024/25 peatland restoration budget. However, most of the work on projects carried over from the prior year is now complete. The recorded spend of £802,000 relates to work on projects funded from the 2024/25 budget.

Grant-in-aid

17. Draw down of grant-in-aid has been made according to the plan submitted to Scottish Government at the start of the year. It provides cash flow to meet organisational need for both core activities and the Cairngorms 2030 (C2030) programme.



Summary

18. The report provides information on

- a) expenditure on core activities to the end of November (period 8) and
- b) details of budget reallocations made over the course of the year.

19. The projected outturn is within budget, with risks identified around:

- a) Financial resources advanced to support Active Travel projects within the C2030 programme, and
- b) Peatland restoration, where £200,000 of the 2024/25 budget is currently unallocated while subject to potential cost increases in contracted projects.

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