



Annex 1 - Performance Report Extract from draft 2022/23 Annual Report and Accounts

Financial Performance Summary

1. This section provides a summary of the Park Authority's financial performance for the year against the Board approved budget and grant-in-aid awarded by the Scottish Government.
2. The Park Authority is expected to manage its budget in accordance with its Financial Memorandum and the Scottish Public Finance Manuals, and to deliver an outturn for the financial year within Scottish Government's budget limits. The commentary and tables below show how the budgets agreed by the Board have been applied during the year with comparisons to previous years' income and expenditure.

Income

3. The main source of our funding for the year was grant-in-aid funding from our sponsoring body, the Environment and Forestry Directorate, Natural Resources Division, of the Scottish Government.
4. We also acted as Accountable Body for the National Lottery Heritage Fund (NLHF) supporting significant ongoing projects: the delivery phase of the Capercaillie Framework and the development phase of the Heritage Horizons Cairngorms 2030 Project (Heritage Horizons).
5. The grant-in-aid settlement represents an agreed budget with our sponsoring department with an agreed level of funding support representing the Park Authority's allocations of Departmental Expenditure Limits (DEL) which covers all expenditure net of income from all other sources. DEL is further split between cash allocations to meet operational cost (resource or RDEL) and capital expenditure (capital or CDEL) and non-cash allocations. The non-cash allocation covers depreciation and impairment of non-current assets, which are capitalised tangible and intangible assets and now include, following the introduction of IFRS 16, right-of-use assets (rental properties, leased vehicles and leased office equipment) carried in the Statement of Financial Position at the year end.



6. The grant-in-aid settlement for 2022/23 was again favourable and increased in total by £1.671m with uplifts for both peatland restoration capital increase of £0.806m (though an increase of £1.732m was originally offered and reflected in the budget) and a capital increase of £0.178m for conservation, specifically for nature biodiversity and recovery. Funding received in 2021/22 to reduce the impact of COVID19 on activities within the Park (£0.5m) was not provided again in 2022/23. However, an additional £0.5m was received to support visitor management in the Park.
7. The following income and expenditure account provides a summary of our actual financial performance, cash and non-cash, for the year against the final budget. This final budget equates to the original budget, presented to the Board on 25 March 2022, with the addition of a £0.350m capital grant for nature recovery.

Income and expenditure

	Outturn	Budget	Variance
	£'000	£'000	£'000
Income			
Grant-in-aid Resource funding	7,472	7,472	-
Grant-in-aid Capital funding general	600	600	-
Grant-in-aid Capital funding peatland recovery	2,214	2,962	(748)
Grant-in-aid Capital funding nature recovery	350	350	-
	10,636	11,384	(748)
Other generated income*	898	182	716
Community Led Local Development (CLLD)	366	-	(366)
Cairngorms Capercaillie project	474	915	(441)
Heritage Horizons***	1,031	2,753	(1,722)
	2,769	3,850	(1,081)
Total income	13,405	15,234	(1,829)
Expenditure			
Staff and board costs**	5,071	4,624	447
Running costs	796	809	(13)
Operational plan costs	2,818	2,834	(16)
Peatland capital spend	1,945	2,962	(1,017)
Community Led Local Development (CLLD)	366	-	366
Nature Recovery capital spend	348	350	(2)
Cairngorms Capercaillie project	474	915	(441)
Heritage Horizons***	1,031	2,753	(1,722)
Total expenditure	12,849	15,247	(2,398)
Surplus/(deficit) on cash activities	556	(13)	569



Depreciation (non-cash)	321	-	321
Outturn taken to Taxpayers' reserves	235	(13)	248

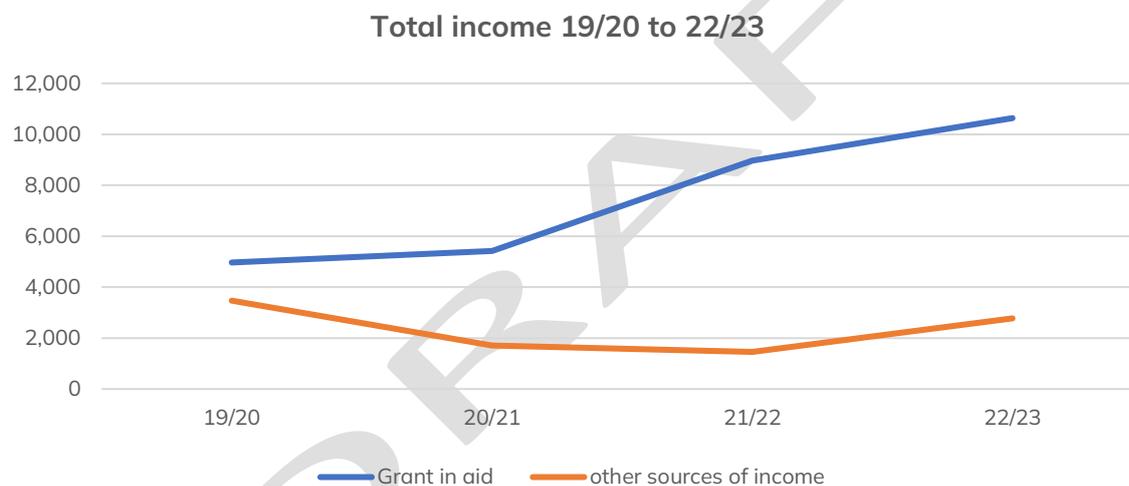
*includes project staff costs recovered

**includes project staff costs

*** some income / expenditure phased reprofiled into 2022/23 with extension of development phase activities to August 2023; some active travel activity reprofiled into delivery phase; small underspend in some project elements.

8. Income from all other sources, primarily partner funding, also increased over that received in 2021/22. Project income increase by £1.313m, with ongoing projects (Cairngorms Capercaillie and Heritage Horizons) gaining momentum after the disruption caused by COVID19 in the prior year, and increased activity in the development phase of the Heritage Horizon project. However, expenditure against this income was not at the level anticipated when the budget was set.

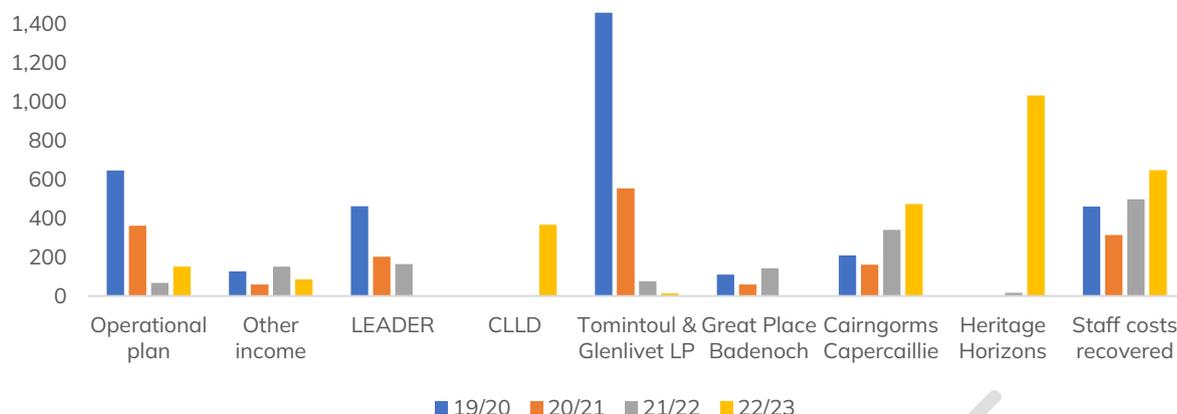
9. Overall total income has grown by 158% in total since 2019/20, with grant-in-aid growing by 214%, as is shown by the graph below:



10. The sources of other generated income are variable depending on the progress of projects during a financial year and changes to the emphasis and objectives in the corporate plan. For the four years since 2019/20, the split of the income, including completed projects, significant ongoing projects and operational plan activity is:



Operating income by activity



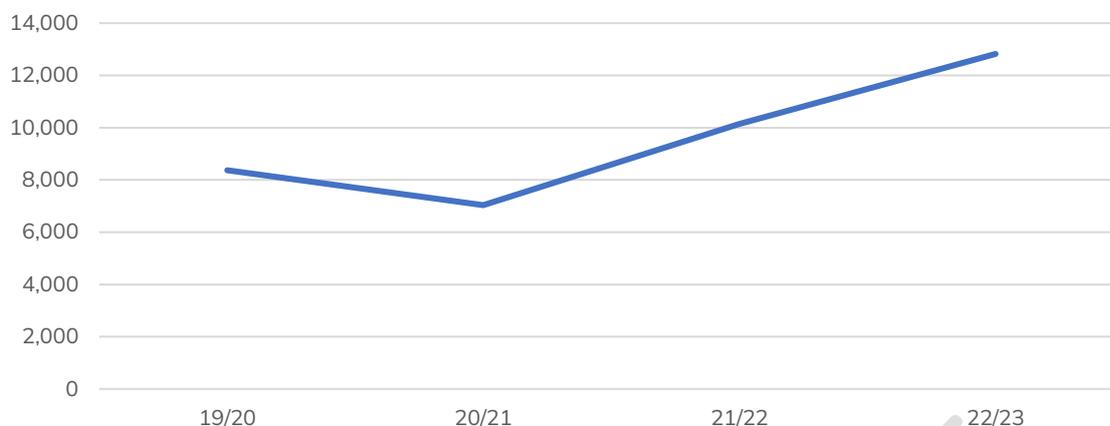
11. Income from operational plan activities has consistently reduced over the period reflecting the change in emphasis towards significant ongoing projects supported by the National Lottery Heritage Fund, and the realignment of objectives in this transitional year (before the next Park Partnership Plan) and towards Cairngorms 2030.
12. The LEADER programme has been replaced by the Scottish Government funded Community Led Local Development (CLLD) programme, which commenced during the year and the results of which are included in operational and other generated outcome totals. While the Tomintoul & Glenlivet Landscape Partnership closed in 21/22 there is a five-year management and maintenance period ending in early 2026/27, with minimal spend in the year. The delivery phase of the Cairngorms Capercaillie project will end in 2023/24, as does the development phase of the Heritage Horizons project. From minimal spend in 2021/22 the spend and matched recovery for Heritage Horizons in 2022/23 was £1.03m.

Operating expenditure

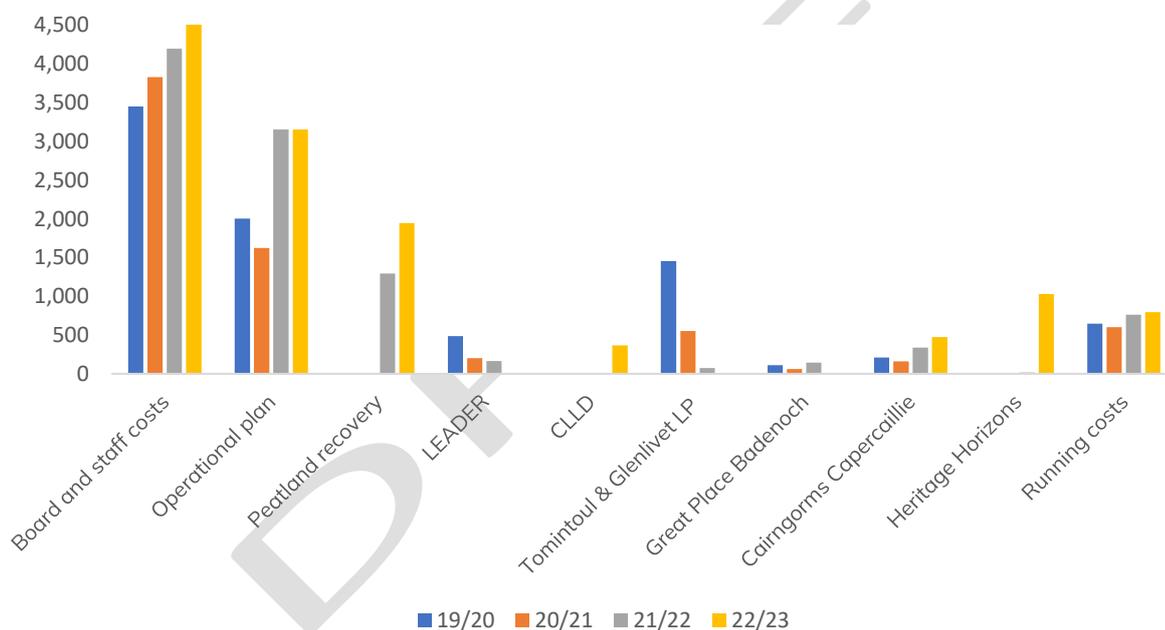
13. Overall, the increase in income is matched by an increase in expenditure, irrespective of source.



Total expenditure 19/20 to 22/23



Operating expenditure (excluding depreciation)



14. Staff costs, including Board fees, net of recoveries, accounted for 33% of total income (2021/22 35.4%). As a percentage of the grant-in-aid received this was 41.6% (2021/22 41.1%).

15. By agreement, the Scottish Government reduced resource grant-in-aid in the autumn of 2022 by £0.117m to assist in meeting continued financial pressures. This reduction was subsequently reversed, and while we were able to utilise this late



funding adjustment, unfortunately we were not able to commit it fully, resulting in a small resource surplus for the year of £0.018m.

16. While the Park Authority achieved the peatland restoration delivery target for the year in terms of hectares of peatland restored, we were unable to utilise the full capital award drawn down for peatland recovery as a consequence of the mix of works tendered being more straightforward and less expensive than first expected. This resulted in a substantial capital underspend on the peatland award of £0.269m.

Non-cash

17. A non-cash budget of £0.510m was allocated by Scottish Government for 2022/23 (21/22 £0.340m) to cover depreciation of capitalised intangible and tangible assets and right-of-use assets.

Reconciliation of cash spend surplus

	£'000
Surplus on cash activities	556
Capitalised tangible, intangible and right of use assets	(267)
Actual cash surplus	<u>289</u>
Represented by	
Underspend on Peatland recovery capital grant	269
Underspend on resource grant	18
Underspend on nature recovery capital grant	2
	<u>289</u>

Transfer to Taxpayer's funds

18. We are transferring £0.235m for the year (2022: £0.106m) to Taxpayers' equity, summarised in the table below, which is considered another excellent outcome.

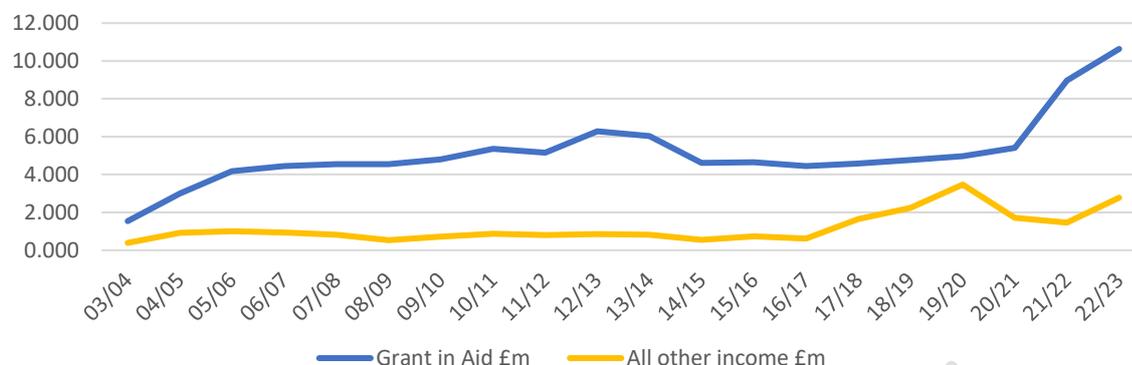
	£,000
Total cash grant-in-aid received	10,636
Less net expenditure	(10,080)
Less depreciation	(321)
Transfer for year to Taxpayers' Equity	<u>235</u>

20 years on...

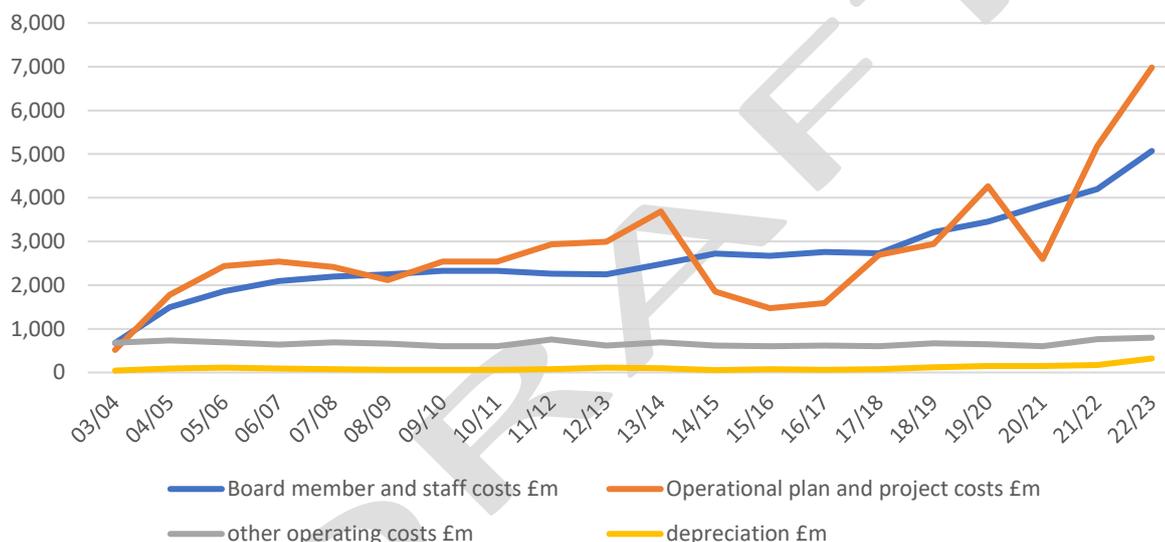
19. The report and accounts for 2022/23 are the 20 since the establishment of the Park Authority. The establishment date was 25 March 2003 with the Park Authority becoming fully operational, taking on all its statutory powers, on 1 September 2003.



20. Total **income** in the first year was £1.927m and is now £13.405m.



21. Total **expenditure** in the first year was £1,915m and is now £13.170m.



22. In the 20 years since its establishment, £126.75m has been invested in the Park (£102.91m from grant-in-aid and £23.84m from all other sources).

23. Staff numbers have grown from 35 (noted in the accounts at 31 March 2003) to 111. Of those 35, seven, including one Director, remain in post. One of the original board members has served continuously throughout the two decades and one of the original staff members joined the Board in September 2023.

24. The success and achievements of the Park Authority, its partners and staff will be celebrated throughout 2023/24.



Changes in non-current assets

25. Movements in non-current assets are shown in notes 9 and 10.

Charitable donations

26. There were no charitable donations made in the year or in the previous year.

Relationship with suppliers and partners

27. Our supplier payment policy complies with the terms of the Better Payment Practice Code. During the year to 31 March 2023, the time taken to pay creditors achieved an average of 9.11 days (2022: 9.07 days) against a target of 10 days (2022: 10 days), with 73.16% (2022: 67.4%) of payments being made by the target date.

Anti-bribery and corruption

28. The Park Authority has adopted a zero-tolerance policy against, fraud, bribery and corruption reflected in clear policies on conduct expected from staff and on hospitality.

29. During the year a cyber-based fraud was identified, which resulted in a financial loss of £15,665. Once the fraud was identified all bank transactions were paused and only recommenced following an internal investigation and revision of policies and procedures. There were no reports of fraud in 2021/22.

Ministerial Direction

30. There were no ministerial directions received from Scottish Government in 2022/23.



Operating Performance Summary

31. As set out in the preliminary sections of this report, the Park Authority has made significant, positive progress in the realisation of our strategic objectives in this interim year between the four-year Corporate Plans for 2018-22 and 2023-2027.
32. The Park Authority's Board receives quarterly updates from the Chief Executive on activities and performance to supplement the corporate performance reports linked above.
33. All quarterly update reports are published on our website to allow ongoing, open public awareness of the work of the Park Authority. We have distilled the key highlights and outstanding issues in our delivery of our strategic aims in the following sections of this Annual Report.

2022/23 Activity Highlights

Nature and Climate Change

34. **Woodland expansion:** Our woodland expansion target of 5,000 ha over a five-year period was met, with the approval of 5,195 ha of new woodland by July 2022 – 43% of this expansion was delivered through natural regeneration, of which 96% consisted of native species. Our delivery through supporting the Forestry Grant Scheme and our Woodland Challenge Funding continued, with significant interest coming from land managers in woodland expansion funding, complemented by wider action on deer management.
35. **Cairngorms Nature Action Plan:** The Cairngorms Nature Action Plan (2019–2024) is delivered by a wide range of partners including Non-Governmental Organisation (NGOs), land managers, academic and public sector organisations. Progress towards the three main aims of landscape-scale conservation, action for priority species and involving people is overseen by the Cairngorms Nature Strategy Group.
36. **Peatland restoration:** Capital funding in grant awards to land managers for peatland restoration totalled £1.945m. 15 projects were completed in 2022/23, comprising an estimated 1,080 ha of peatland brought into restoration. This exceeds the target of 905 ha, and the achievement of more than 1,000 ha brought into



restoration in a single year is a notable milestone for Cairngorms National Park Authority.

37. Nature restoration: The Park Authority continues to support and encourage coordination between Catchment Management Partnerships on the Spey, Dee and Esk. These partnerships have been successful in attracting over £0.5 m from the Nature Restoration Fund towards the design, delivery and monitoring of freshwater restoration in the Park.

We continue to work with a wide range of partners on our strategic objective to eliminate raptor persecution and develop wildlife tourism project around raptors. However, this aspect of our work continues to be highlighted as an escalated risk in our delivery. New approaches to tagging raptors are being trialled along with our partners.

Significant work has taken place in engagement with land managers, fisheries, residents and agencies over the planned release of beaver into the National Park later in 2023. Informal engagement with land managers has focussed on individual site visits, and with residents via drop-in sessions in communities.

Plans are underway for the release of wildcats into the National Park in summer 2023. The Park Authority is represented on the Saving Wildcats project board and delivery group. The Park Authority is working closely with The Royal Zoological Society of Scotland on two further captive breeding and release programmes this year: pine hoverfly and Dark Bordered Beauty moth, an extremely rare moth found in only four sites in the UK - three of which are in Cairngorms National Park.

The Park Authority continues to act as lead accountable body for the partnership delivering the Cairngorms Capercaillie Project, and through this work funded by National Lottery Heritage Fund (NLHF) contributes to the delivery of the Capercaillie Framework. Capercaillie habitats are hybrid spaces where people and nature coexist. Involving people to secure wider ownership of solutions and treating conservation as a socio-economic issue as well as an ecological one is now critical to prevent extinction in Scotland. The project complements the ongoing, ecologically focussed work being done by agencies and organisations with a people focussed approach, empowering communities of place and interest to develop and take ownership for their own ideas as to how they can play their part in capercaillie conservation. Our current assessment of the contribution targeted by work in the Cairngorms on capercaillie conservation suggests capercaillie population numbers



are unlikely to be met and is now flagged as a red rated risk in our corporate performance framework. Full national survey results are due in 2022 but other surveys suggest population has declined seriously from the 1,100 birds estimated 2016.

Our work with Deer Management Groups (DMGs) to deliver public interest priorities has continued. Strategic Land Use Plans for three DMGs in the Park.

have been presented for consideration, with the aim of developing delivery plans based around how estates can benefit from natural capital.

People

- 38. Paths and Long-distance Routes:** Substantial new path works have been completed on the Speyside Way, including those in Anagach Woods, and a new community led section at Kinraig which the Park Authority supported. Access issues are being addressed with the replacement of “rambler” style gates with more accessible ones. The Outdoor Access Trust for Scotland considered revised design options for the re-routing of the Braemar to Keiloch Path; this path is intended to be built during 2023/24 and will form part of the extended Deeside Way in due course.
- 39. Ranger Services:** The Park Authority Rangers have commenced a new path assessment process using a mobile path mapping application that populates the Cairngorms National Park Authority GIS. A gathering of all Ranger Services in the Park took place in early March at Glen Tanar to agree on common ways of working and priorities. Recruitment of Seasonal Rangers took place during January / February with the first Seasonal Rangers starting work on 13 March to prepare for Easter and a further intake starting in mid-April.
- 40. Tourism Infrastructure:** The Strategic Tourism Infrastructure Plan was approved by the Board in November and submitted to VisitScotland at the end of 2022. Work is now under way to identify projects that can be delivered in the short term. Six projects have been supported to a value of nearly £350,000 through the Visitor Infrastructure Improvement Programme. This includes two path improvement projects on Rothiemurchus Estate, creation of a new blue bike trail at Laggan Wolftrax, refurbishment of Burnfield Toilets in Grantown with motorhome waste disposal facilities, Cairngorm Mountain Sense of Arrival project and Glen Doll overflow carpark improvements. A new car park for access to Beinn a' Ghlo in Atholl is now complete delivered by the Outdoor Access Trust for Scotland.



- 41. Volunteering and Health Walks:** A new intake of 30 Volunteer Rangers took place in late 2022 with training provided in the early part of 2023. The new volunteers will be out from late March initially “buddying up” with Volunteer Rangers who have been part of the programme for three years or more. The programme of Health Walks led by local volunteers has continued over winter. A very successful and well-attended Health Walk leaders' gathering and training day was held in Grantown in early February.
- 42. Youth Action Team:** Nine people from the Cairngorms Youth Action Team attended a national youth residential event in Orkney in February. This aimed to build the youth voice to inform policy and governance as well as developing Youth Funds in Local Areas to support youth-led projects. With the Cairngorms Youth LAG members having already been involved in managing youth funds via the Cairngorms Trust, they were seen by other groups as being leaders in the field and were involved in presenting on this to the other areas.
- 43. Active Travel:** Work on the series of Active Travel projects has continued with draft concepts having been provided by the specialist consultants for the Active Aviemore and Badenoch communities projects. Five public engagement sessions were held to get community feedback on the ideas put forward with those in remaining areas due to be held in April / May. Draft reports on the Active Travel network plan, E-bike plan and the Deeside Active and sustainable Transport plan have been received. A second workshop with stakeholders was held to consider a range of options from the initial engagement events and to further develop the Glenmore Transport Plan.

Place

- 44. Local Development Plan:** Following adoption of the Cairngorms Local Development Plan (LDP) 2021 in March 2021 the Park Authority has been carrying out a two-year monitoring exercise and will report on this in September 2023. The National Planning Framework 4 came into force on 13 February 2023 and is a now formal part of the development plan. Work has begun on preparing the evidence report for the next LDP.
- 45. Housing Delivery:** The Park Authority are continuing to support Cairngorms Business Partnership and several social enterprises with housing delivery projects. A series of meetings with Communities Housing Trust and Rural Housing Scotland has taken place to promote key developments, and liaison continues with those communities who are developing community-led housing projects. Tomintoul & Glenlivet



Development Trust are close to launching their 12 new affordable homes as part of a five-year community-led project which saw them purchase, demolish and develop the former secondary school site in Tomintoul.

46. Wellbeing Economy Project and Economic Steering Group: Engagement events and online workshops were held during the year, as part of our work, in Partnership with Wellbeing Alliance (WEAll) Scotland, towards development of cornerstone and business indicators. Findings were presented to the Wellbeing Economy Working Group and Economic Steering Group in December. This work is crucial in developing the Wellbeing Economy Action Plan in 2023. The key themes identified include Transport, Community, Health, Nature, Skills and Business.

47. Sustainable Tourism Action Plan: In December, the Sustainable Tourism Action Plan was submitted, alongside the National Park Partnership Plan and supporting documents, to Europarc in application for the European Charter for Sustainable Tourism. As part of our assessment for the Charter, we will have a verification visit from a sustainable tourism expert from Romania and arrangements for that are currently being discussed, with a likely timescale of mid-May.

48. Communications and engagement: Communicating with residents, visitors, land managers, businesses and other stakeholders is vital for the work of the Park Authority and for the wider reputation of the Cairngorms National Park. It supports the work being undertaken across the organisation to deliver on the Nature and climate, People and Place objectives set out in our National Park Partnership Plan.

Our role is to raise the profile of the National Park and create a connection and commitment to care for it with identified audiences, so they actively support the National Park and benefit from doing so. In particular, we deliver communications campaigns and activity that encourage audiences to adapt their behaviour and help the National Park achieve its net zero targets.

49. Priorities:

- Deliver the Communication and Engagement Strategy and increase awareness, engagement and involvement with the National Park.
- Engage a wide range of stakeholders in the work of the National Park and Park Authority, ensuring they have a voice and that their priorities are reflected in the materials we produce.



- Coordinate communications and engagement activity for Cairngorms 2030, ensuring that this five-year, Lottery-funded programme delivers on its stated outcomes and engages identified target audiences.
- Deliver and support activity that ensures that everyone – no matter who they are, where they come from, what their beliefs or their needs are – is welcome in the National Park. This includes widening participation from a range of under-represented groups for whom specific barriers to engagement exist.
- Ensure high-quality internal communications that help deliver the key priorities of the Corporate Plan.

Corporate Services

50. Organisational Development (OD) Strategy: Over the last 12 months, the Organisational Development (OD) Strategy has focussed on supporting staff through the changed working environment that the pandemic prompted, around hybrid working and hot desking, and ensuring staff welfare in this working environment. Going forward, an OD Programme Board has now been established to coordinate the development of revised Organisational Development Strategy during 2023/24 on the basis of several staff surveys, drop-in sessions, and collaborative feedback opportunities that have been implemented over the last year. Key themes for the OD strategy that have emerged from this collective feedback are around Infrastructure, Data Management, Staff Skills, Staff Resilience and Wellbeing; Organisational Culture and Values, Internal communication.

51. Staff Consultative Forum: Our Staff Consultative Forum continues to work effectively, and operated throughout the last year. This has remained a very valuable conduit for staff consultation which has complemented drop-in sessions for all staff where direct conversations have been held on any questions or ideas offered by all staff.

52. Shared services: We have worked collaboratively with our colleagues at Loch Lomond and the Trossachs National Park Authority over a number of years, sharing both expertise and resources. 2022/23 saw a renewed commitment to this partnership, with the aim of developing further resilience in our respective IT provisions, sharing expertise in organisational development and finding efficiencies to the benefit of both organisations and the wider public sector. We continue to work on the development of a shared GIS provision, a project that will bring to full collaboration during 2023/24.



The Park Authority also provides shared services to other organisations and groups, in particular continuing to provide HR advice and support to the Scottish Land Commission and facilities support to a range of community partners in their delivery of NPPP and community development objectives.

- 53. Information Technology and Cyber Security:** Following the major modification of our IT infrastructure over the course of the past two years, 2022/23 has seen the organisation consolidate the benefits of a hybrid working environment. Cyber security remains a high priority, with particular attention given to reducing the risks inherent in the transition to cloud computing structures.
- 54. Audit:** Our internal and external audit review processes continue to confirm the effectiveness and efficiency of our management and control systems in our delivery of effective and efficient management and control systems.
- 55. Sustainability and climate change:** The Park Authority continues to refine our internal monitoring methodology and participate in the national model established by Scottish Government for reporting on carbon emissions generated through our business activities. Emissions for 2022/23 were calculated at 58 estimated tonnes of CO₂ (tCO₂e), a reduction of 91 tCO₂e (more than 60%) against our baseline year (2007/08). The most significant contributor to these emissions is that generated from business mileage, and we are managing this by increasing the proportion of hybrid and fully electric vehicles in our fleet.
- 56. Sustainability and climate change** remain key underlying themes within our Corporate Plan and also within the National Park Partnership Plan, underpinning the strategic work of the Park Authority and all its partners in the National Park. It is an objective of the Partnership Plan to ensure that the Cairngorms National Park reaches Net Zero as soon as possible and contributes all it can to helping Scotland to meet its Net Zero commitments. To this end, the Park Authority will work with partners including the Scottish Government to establish a Community Climate Action Hub. We will monitor and report on the organisation's progress towards the achievement of Net Zero, and lead on empowering individual contribution to our Net Zero ambitions.