For discussion

Title: Budget monitoring

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Purpose

This paper sets out an overview of the Park Authority's budget management position at the end of September - month six of the 2025/26 financial year.

Recommendations

The Resources Committee is asked to:

a) Consider the budget management position for 2025/26.

Overview

1. Annex 1 provides a summary of expenditure against the budget.

2. A phased budget has been prepared based on the distribution of costs across the previous year. Spend is typically low in the first half of the year, but the particular distribution of spend across each month will depend on the nature of the projects to be delivered during that year. Nevertheless, last year's spend profile provides a benchmark against which to compare this year's performance.

3. At the end of the first half of the year, a little under a third of the annual budget (agreed by the Board in March and updated for late funding awards) had been spent. However, commitments in excess of £3,250,000 had been made, such that total expenditure (spent and committed) represented 53% of the amended budget.

Budget changes

4. Additional funding confirmed, for peatland restoration and from the Nature Restoration Fund is now reflected in the figures shown in Annex 1, together with the allocation of that funding to operational plan delivery.

Staff and Board

5. The trend in payroll costs noted in July have continued, with a lower proportion of the budget spent in 2025/26 than at the same time in the prior year.

6. However, payroll costs are 51% of the total annual budget. Staff costs generally show some front-loading because of the employment of seasonal staff between April and October. The application of just over half of the annual budget is a reasonable position at this stage in the year.

7. Spend against the payroll budget will be kept under review over the coming months, with any potential underspend being assessed against budget shortfall elsewhere in the organisation.

Programme management

8. We have now completed formal procurement for the design stages of the Aviemore and Boat of Garten Active Communities projects (Royal Institute of British Architects (RIBA) stages three and four) and are in the process of formalising the contract with Mott Macdonald. Costs of £620,000 have been quoted for this financial year, with a further £515,000 requirement for 2026/27 if funding is made available.

9. The second claim of the year to the National Lottery in respect of the Cairngorms 2030 project will be made in November.

Overheads and operational plan

10. Work on delivery of the operational plan is moving on; at the half-year point, spend was 14% of the annual budget allocation (£1,026,000). However, by the end of October, total expenditure (spent and committed) was £4,655,000, equivalent to 57% of the annual budget.

11. Annex 2 shows the position recorded at 22 October 2025. The two single budgets with greatest uncommitted spend were those for Peatland Restoration and Nature Restoration – the two areas where we have been significant increases in funding this year. Confirmation of these additional funds was given part way through the first quarter of 2025-26, and, as a consequence, project development commenced later than for other operational plan delivery.

12. Reforecast of budget requirements was carried out in September and discussed by the Senior Team at its Policy Day. The reforecast indicated that the budget allocations made are appropriate, with planned delivery anticipated to be accommodated within the annual budget.

Summary

13. The key points arising from the review of the financial position at the end of September 2025 are:
    a) The budget agreed by the Board in March 2025 has now been updated to reflect the additional £2,175,000 of financial resource awarded to the Park Authority.
    b) The contract for design stages (RIBA three and four) for the Active Communities transport projects has been awarded to Mott Macdonald.
    c) Running costs and operational plan commitments are in line with expectation at the half-year point.

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23 October 2025