For discussion

Title: Finance monitoring

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Purpose

This paper presents a view of the Park Authority's financial position at the start of the 2026/27 financial year. It includes an estimate of the outturn position for the financial year 2025/26, together with the budget management position at the end of July - month four of the 2026/27 financial year.

Recommendations

The Resources Committee is asked to:

a) Note the estimated outturn position for the 2025/26 financial year.
b) Consider the budget management position for 2026/27.

Outturn 2025-26

1. The final outturn is likely to be a small deficit of £27,000 which amounts to 0.18% of grant-in-aid (well within the target parameters of less than 1% overspent and less than 2% underspent).

2. Audit matters remain under discussion. A verbal update on any significant changes will be provided to the meeting.

Budget monitoring 2026/27

3. Financial performance for core delivery to the end of July against the phased budget is shown in Annex 1.

Staff costs

4. Staff costs have been running slightly higher than the phased budget during the first four months of the year. This variance is attributed to the profile by which the budget has been allocated across the year. Profiling has been based on the prior year's actual expenditure.

5. There are a number of factors that affect the distribution of cost across the year. These include the employment of seasonal staff, the timing of vacancy savings, and the pension options chosen by new staff. In 2025/26 the period over which our seasonal rangers started their roles within the Authority extended across the first quarter of the year. This year, recruitment was more concentrated into April and May. At this point in the year, the variance does not cause concern but will be monitored as we continue through the coming months.

6. There will be additional staff cost associated with staff time spent on supporting the response to the wildfires. The HR team are currently collating overtime hours from those colleagues involved. Some of this additional time will be accommodated through the flexi-time system, and staff are being encouraged to take time to rest after a period of very intense work. Nevertheless, there will, inevitably, be a need to pay for some of the additional time, so that the Park Authority's operations are not hindered through lack of resource. There is a balance to be struck here, and colleagues are being consulted on their own personal circumstances and preferences. Consequently, no cost figures are available at present.

Programme management

7. Spend to date to the end of July 2026 is provided in Annex 3, together with a projection of spending to the end of the programme.

8. To date, halfway through the delivery period for the full five-year programme, we have spent around one third of the total cost plan. There is, however, some high-cost work planned for delivery during the current year, including:
   a) Peatland restoration
   b) Climate resilient catchments
   c) Travel and transport

Operational plan and overheads

9. With the exception of monthly payroll costs (discussed above) expenditure is running very close to expectations. Advance spend can be seen against both the peatland restoration and place budgets.

10. Expenditure on peatland restoration projects funded from the 2026/27 budget allocation has commenced earlier this year than in 2025/26. Completion of delivery on grants awarded in 2025/26 continues alongside this new work.

11. The advance of expenditure on our Place projects results from specific grant awards made at the start of the year to support work on the Aultmore Bridge, Nethy Bridge.

12. A breakdown of committed cost against the various aims of the Operational Plan is provided in Annex 2.

13. The senior team reviewed the potential effects of the wildfires on planned delivery for the year. The biggest single impact is likely to be delays to peatland restoration projects, estimated to be valued at circa £150,000.

14. The figures to the end of July make no provision for additional cost arising from the fires. We anticipate the following cost impacts:
    a) Low-cost consumables and Personal Protection Equipment (PPE)
    b) Potential contribution into a fund to support the costs of volunteer 'contractors' for the use of machinery (bowsers, tractors etc.). The Authority is collaborating with other partners involved in the response and also Scottish Government on this matter.
    c) Repairs to damaged equipment – belonging to the Authority and to partners
    d) Communications support to local businesses
    e) Post fire monitoring costs
    f) Support for volunteer food provision at Nethy Bridge

    The quantum of these costs is not yet known.

Summary

15. The key points arising from the review of the financial position at the end of July 2026 are:
    a) There is an unfavourable variance on payroll costs, but this is an effect of the budget profile relating to the timing of the appointment of seasonal rangers and some dependency on the realisation of vacancy savings.
    b) There will be additional payroll costs to cover overtime costs relating to the wildfire response.

c) To the end of July, delivery against the operational plan objectives for the year has progressed well.

d) Additional costs will be incurred as a consequence of the wildfires. The quantum of these is not yet available.

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Annex 1

Financial performance for core delivery

31 July 2026

	Budget	Phased budget	Actual	Under/ (over) phased budget	%age of annual budget
Staff remuneration	6,413,174	2,166,205	2,209,927	(43,722)	
Board fees and expenses	314,905	101,359	87,405	13,954	
	6,728,079	2,267,564	2,297,332	(29,768)	34.1%
Organisational development	156,628	56,225	49,959	6,266	
Facilities	476,815	79,622	75,724	3,898	
IT and professional	601,060	143,685	136,370	7,315	
Communications	260,000	75,879	62,642	13,237	
Corporate	166,839	20,761	12,811	7,950	
	1,661,342	**376,172**	**337,506**	**38,666**	20%
Contribution to C2030 programme	**450,000**	**0**	**0**	**0**	
Peatland Restoration	3,510,000	2,500	149,041	(146,541)	4%
Nature & Climate	2,106,500	234,375	228,529	5,846	11%
People	428,496	136,786	74,100	62,686	17%
Place	1,046,736	161,052	197,100	(36,048)	19%
	7,091,732	**534,713**	**648,770**	**(114,057)**	9%
Total expenditure	**15,931,153**	**3,178,449**	**3,283,608**	**(105,159)**	**21%**
Other income	(271,000)	(84,500)	(148,080)	63,580	
Net cash expenditure	**15,660,153**	**3,093,949**	**3,135,528**	**(41,579)**	
Grant-in-aid draw down	**(15,660,000)**	**(3,985,000)**	**(5,005,011)**	**1,020,011**	

Annex 2

Committed expenditure at July 2026

Aim		Spent	Committed	Total spend to 31.07.26	Budget	Budget Remaining
		£	£	£	£	£
A01	Net zero	**38,049**	**210,155**	248,204	344,500	96,296
A02	Woodland expansion	0	1,213	1,213	12,500	11,288
A03	Peatland restoration	149,041	635,529	784,570	3,510,000	2,725,430
A04	Deer and herbivore impacts	8,100	58,340	66,440	25,000	(41,440)
A05	Moorland management	12,554	13,600	26,154	27,000	846
A06	Gamebird management	0	0	0	3,000	3,000
A07	Fire management	350	7,590	7,940	40,000	32,060
A08	Farming	24,299	75,797	100,096	105,000	4,904
A09	Freshwater systems	0	84,968	84,968	129,000	44,032
A10	Ecological network	0	403	403	80,000	79,597
A11	Ecological restoration	87	3,000	3,087	35,000	31,913
A12	Cairngorms Nature Index	1,000	34,442	35,442	50,000	14,558
A13	Species recovery	77,191	77,761	154,952	215,500	60,548
NRF		66,899	129,037	195,936	1,045,000	849,064
Total Nature & climate		**377,569**	**1,331,835**	**1,709,404**	**5,621,500**	**3,912,096**
	Percentage of full year budget	6.7%	23.7%	30.4%		69.6%
B04	Skills and training	26,812	38,699	65,511	125,000	59,489
B07	Community-led planning and development	0	22,000	22,000	120,000	98,000
B08	Gaelic language and culture	0	0	0	3,500	3,500
B09	Mental and physical health	999	153	1,152	5,000	3,848
B10	A Park for All	24,914	21,851	46,766	75,001	28,236
B11	Volunteering and outdoor learning	21,375	471	21,846	70,000	48,154
Total People		**74,100**	**83,174**	**157,275**	**398,501**	**241,226**
	Percentage of full year budget	18.6%	20.9%	39.5%		60.5%

Aim		Spent	Committed	Total spend to 31.07.26	Budget	Budget Remaining
		£	£	£	£	£
C01	**Access to housing**	0	18,000	18,000	68,000	50,000
C05	**Visitors to the National Park**	0	10,250	10,250	40,000	29,750
C08	**Accessible path and cycle network**	66,790	41,107	107,897	125,000	17,103
C09	**High quality visitor experience**	130,310	348,986	479,296	788,736	309,440
C10	**Cultural heritage**	0	1,400	1,400	25,000	23,600
Total Place		**197,100**	**419,742**	**616,842**	**1,046,736**	**429,894**
	Percentage of full year budget	**18.8%**	**40.1%**	**58.9%**		**41.1%**
Total Operational aims		**648,770**	**1,834,752**	**2,483,522**	**7,066,737**	**4,583,215**
	Percentage of full year budget	**9.2%**	**26.0%**	**35.1%**		**64.9%**
Corporate	HR initiatives	130	365	495	6,000	5,505
Corporate	Planning service	9,088	1,080	10,168	60,000	49,832
Corporate	Data management	0	0	0	5,000	5,000
Corporate	Shared services	0	0	0	67,400	67,400
Corporate	Contributions to programmes	0	0	0	450,000	450,000
Total Corporate		**9,218**	**1,445**	**10,663**	**588,400**	**577,737**
	Percentage of full year budget	**1.6%**	**0.2%**	**1.8%**		**98.2%**
Total operational plan 31.07.26		**657,987**	**1,836,197**	**2,494,184**	**7,655,137**	**5,160,953**
	Percentage of full year budget	**8.6%**	**24%**	**32.6%**		**67.4%**

Annex 3 – Cairngorms 2030 expenditure at July 2026

Project	Total Cost (incl VAT)	Actual 2023-24	Actual 2024-25	Actual 2025-26	Actual 2026-27 to 31.07.26	Actual Total to date	Projected 2026-27	Projected 2027-28	Projected 2028-29	Legacy	Total budget remaining
		£	£	£	£	£	£	£	£	£	£
Woodland expansion	258,000	0	0	49,677	0	49,677	123,000	85,323	0	0	208,323
Peatland Restoration - capital	12,000,000	0	3,053,309	3,276,217	149,041	6,478,567	2,850,959	2,670,474	0	0	5,521,433
Nature Recovery	1,458,120	0	167,000	80,000	0	247,000	540,000	433,000	238,120	0	1,211,120
Cairngorms Future Farming	640,060	0	54,755	104,578	6,973	166,306	178,077	200,000	95,677	0	473,754
Climate Resilient Catchments	1,506,960	0	37,915	96,944	24,286	159,145	1,093,347	208,164	22,303	24,000	1,347,814
Green finance and community wealth building	34,176	0	71	1,745	0	1,816	29,176	3,184	0	0	32,360
Wellbeing Economy	27,000	0	3,000	2,404	0	5,404	2,400	9,598	9,598	0	21,596
Public Health and the Outdoors	12,000	93	2,160	1,481	666	4,400	1,934	3,238	2,428	0	7,600
Dementia Activity Centre	515,461	41,857	84,207	65,098	20,663	211,824	77,714	129,099	96,824	0	303,637
Landscape and Communities	165,048	0	3,680	2,351	252	6,283	68,148	80,817	9,800	0	158,765
Effective Community Engagement	660,000	1,070	20,730	56,543	35,956	114,300	91,844	259,347	194,510	0	545,701
Climate Learning and Education	48,000	384	4,413	3,186	4,207	12,190	8,093	15,838	11,878	0	35,809
Climate Conscious Communities	48,000	0	279	1,012	0	1,291	10,400	20,748	15,561	0	46,709
Community Arts & Culture Programme	99,000	0	4,046	10,834	2,537	17,417	30,563	29,154	21,866	0	81,584
Community Managed Grant Scheme	1,012,000	0	0	0	1,593	1,593	301,907	404,857	303,643	0	1,010,407
Community Managed Grant Scheme - CLLD	1,250,000	0	522,322	290,078	0	812,400	200,000	100,057	75,043	62,500	437,600
Research and Knowledge Exchange	364,800	1,229	47,774	27,306	18,911	95,220	70,425	113,803	85,353	0	269,580
Cycle Friendly Cairngorms	850,200	0	77,366	96,378	69,020	242,764	419,772	107,800	19,864	60,000	607,436
Active Travel Communities	2,535,401	0	10,889	0	46,125	57,014	203,875	1,250,000	964,512	60,000	2,478,387
Active Travel Communities	4,526,948	0	0	377,750	0	377,750	750,000	1,000,000	2,000,000	399,198	4,149,198
Sustainable Transport	439,800	0	5,000	8,579	0	13,579	175,000	143,555	107,666	0	426,221
Travel behaviour change	96,000	0	3,716	32,046	16,312	52,074	37,719	3,207	3,000	0	43,926
Staffing	5,413,908	111,653	987,854	1,137,479	380,507	2,617,493	791,888	1,145,444	859,083	0	2,796,415
Other staff costs	96,000	96	4,332	1,938	0	6,366	17,200	41,391	31,043	0	89,634
Contingency	603,000	0	0	0	0	0	0	0	603,000	0	603,000
Inflation	320,000	0	0	0	0	0	0	0	320,000	0	320,000
	34,979,882	156,382	5,094,819	5,723,623	777,048	11,751,872	8,073,442	8,458,098	6,090,772	605,698	23,228,010
Percentage of total cost plan		*0.4%*	*14.6%*	*16.4%*	*2.2%*	*33.6%*					*66.4%*