



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 July - month four 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. Total expenditure at the end of month four is 20% of the annual budget agreed by the Board in March. In addition, spend of £900,000 has been committed against the delivery of the operational plan, and £450,000 has been committed as a contribution to the Cairngorms 2030 programme. Resources spent and committed represent 30% of the original budget allocation for the year.

Budget changes

4. Funding from Scottish Government was confirmed in mid-May as shown below:

	£'000
Resource	7,866
Capital	1,750
Total Grant in Aid	9,966



5. The final figure for Resource funding is £50,000 lower than the initial indication from Scottish Government.
6. Funding for peatland restoration has been confirmed as:

	£'000
Resource	650
Capital	3,980
Total Grant in Aid	4,630

This gives the team an additional £980,000 with which to deliver planned restoration work. With the agreement of Scottish Government, £500,000 of this allocation will be used to develop projects for future restoration delivery.

7. An award of funding from the Nature Restoration Fund (NRF) has been confirmed at £1,195,000. This award provides £975,000 more funding than had been estimated in the approved budget (£220,000).
8. Funding of £347,000 (against the original budget of £350,000) has been confirmed for Community Led Local Development (CLLD) activity. Changes to CLLD funding have little impact on the Park Authority, as distribution of grants to the community are made up to the level of funding received. Funding of around £70k is applied to cover staff costs incurred by the Park Authority in delivering these awards.
9. Additional funding confirmed, for peatland restoration and from the Nature Restoration Fund, **is not** reflected in the figures shown in Annex 1 but will be included in subsequent reporting.

Staff and Board

10. Consideration of the adequacy of the payroll budget was considered by the Committee in May, based on results to the end of April. The July figures indicate a prudent budget, and a lower proportion of the budget spent in 2025/26 than at the same time in the prior year.
11. 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

12. As discussed at recent meetings of the Committee, the risk within the C2030 programme has been largely with the Active Communities 'transport' projects, both in respect of the anticipated cost of the projects and the availability of funding for them. We have now been through formal procurement for the design stages of the Aviemore and Boat of Garten projects (Royal Institute of British Architects (RIBA) stages three and four) and are in a position to award the work to our preferred bidder following confirmation of funding. 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.
13. Expenditure of £1.5 million has been included in the first claim of the financial year made to National Lottery Heritage Fund (NLHF) in respect of costs incurred in delivery of the C2030 programme.

Overheads and operational plan

14. Work on delivery of the operational plan is moving on, and while spend is only 7% of the annual budget allocation (£357,000) committed spend is a further £900,000, giving a total commitment of just under 24% of the annual budget. Given the elapse time required to develop and deliver projects, this is a fairly typical position for the organisation to be in at this stage of the year.
15. Reforecast of budget requirements and allocations for the second half of the year is in progress.

Summary

16. The key points arising from the review of the financial position at the end of July 2025 are:
 - a) Confirmation of all additional funding streams, including those for Peatland Restoration, Nature Restoration and CLLD has now been received, and provide the Park Authority with an additional £2,175,000 of financial resource.
 - b) Procurement for design stages (RIBA three and four) for the Active Communities transport projects has been completed and costs quoted are in line with the funding award now confirmed.
 - c) The payroll budget continues to appear prudent. The reforecast for the second half of the year, currently underway, will include consideration of future payroll needs.



- d) The first claim of the year has been made to NLHF, against expenditure of £1.5 million on the C2030 programme.
- e) Running costs and operational plan commitments are in line with expectation at this stage in the year.

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