



## 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 April - month one 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. After significant activity in the final months of 2025/26, with operational teams working hard to ensure delivery of projects before the end of the financial year, the position reported to Scottish Government (SG) is shown in the table below:

	To date	C2030 contribution	Estimated accruals	Total	Estimated outturn	
					Resource	Capital
					£	£
SALARY	6,183,245			6,183,245	6,183,245	
GOODS & SERVICES	2,889,935		187,820	3,077,755	3,077,755	
INDIRECT CAPITAL	3,898,964	450,000	1,097,165	5,446,129		5,446,129
DIRECT CAPITAL	211,441		26,090	237,531		237,531
	<b>13,183,586</b>	<b>450,000</b>	<b>1,311,075</b>	<b>14,944,661</b>	<b>9,261,000</b>	<b>5,683,660</b>

2. The Finance Team is working to firm up accruals as we develop the position to be reported in the annual report and accounts for the year. The work carried out will ensure that all costs relating to delivery in the 2025/26 year are properly recorded, and will continue into May, as invoices are received and estimates refined. Currently the estimate of expenditure to be accrued is £1.3 million, split across peatland restoration, other operational plan delivery and running costs.



3. The position shown above also includes the committed annual contribution of £450,000 to Cairngorms 2030 (C2030).
4. This compares with the budget allocation of £15.131 million on which we have been reporting to SG throughout the year:

	Resource	Capital
	£	£
National Parks Grant in Aid - Resource	7,866,000	
Deer Management	50,000	
National Parks Grant in Aid - Capital		1,750,000
Peatland grant - capital		3,620,000
Peatland grant - resource - staff	650,000	
	<b>8,566,000</b>	<b>5,370,000</b>
Nature Restoration Fund	695,000	500,000
<b>Total budget allocation</b>	<b>9,261,000</b>	<b>5,870,000</b>
<b>Estimated outturn</b>	<b>9,261,000</b>	<b>5,683,660</b>
<b>Under / (over) spent</b>	<b>(0)</b>	<b>186,340</b>

5. The projected underspend includes the anticipated underspend on peatland restoration of £80,000.
6. Any remaining underspend will be applied to advance the Park Authority's contribution to C2030.
7. It should be emphasised that the accruals position is very much an estimate at present. However, the risk of under / overspend at 31 March 2026 can be mitigated through the Park Authority's contribution to C2030. This is already £300,000 in advance of commitment, which means that we are in a position to amend the contribution for 2025/26 to either increase or decrease funds passed to the programme.
8. These figures are subject to change as the Finance Team finalises the closing position for the year. Further updates will be brought to the Resources Committee and to the Audit and Risk Committee to support its work in overseeing the external audit of the final accounts.

### **Budget monitoring 2026/27**

9. Funding from SG has now been confirmed and is in line with the figures used in the budget model approved by the Board in March:



	Resource	Capital
	£'000	£'000
National Parks Grant in Aid - Resource	8,560	
National Parks Grant in Aid - Capital		2,085
Peatland restoration - capital		3,500
Peatland restoration - resource	705	
Nature Restoration Fund	800	245
Community Led Local Development	364	
	<b>10,429</b>	<b>5,830</b>

## Staff costs

10. As is customary at this time of the year, we report to the Resources Committee on the position, against budget, of the cost of April payroll, in order to test the sufficiency of the budget allocation for staff costs.
11. The budgeted investment in staff for 2026/27 has been set at £6.45 million, equivalent to 40% of the total expenditure budget resourced by SG funding.
12. The actual value of payroll costs in April 2026, which include the annual pay award, were £530,000. A meaningful comparison of the actual cost incurred in April against budget requires a split of the full year's payroll budget across 12 months, but with adjustment to recognise that the costs for seasonal staff are incurred only between April and October. On this basis, payroll costs would be expected to be £556,000; actual costs are therefore £26,000 less than might have been expected (4.7% under budget).
13. 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 pension options chosen by new staff. Nevertheless, on the basis of April projections, it would appear that the payroll budget is a reasonable reflection of the likely staff costs expected for the year.
14. Given the significance of payroll costs as a percentage of the total organisational expenditure budget, the Finance Team and the Senior Management Team (SMT) will play close attention to this budget position over the early months of the year to determine whether any budget reallocations are needed.



## Programme management

15. At its last meeting, the Committee requested reporting on the performance of the C2030 programme. To start this cycle of reporting, the spend to date to the end of March 2026 is provided in Annex 1, together with a projection of spending to the end of the programme.
16. Work costing just under £11 million has been delivered to date and has been fully covered by income from the National Lottery Heritage Fund (NLHF), SG, Transport Scotland and other public sector partners. The contribution from the Park Authority to date has been £1.335 million (out of a total commitment of £2.25 million over the life of the programme).
17. The next two years of the programme require significant annual expenditure of between £8 million and £9 million. The most significant expenditure will be through the projects:
  - a) Peatland restoration
  - b) Climate resilient catchments
  - c) Community managed grants
  - d) Active travel communities
18. We continue to discuss funding contributions with partners, our most recent commitment being £600,000 from Highland and Islands Enterprise (HIE).
19. The latest cash flow forecast indicates the need for £1.225 million of cash flow advantage from the receipt of cash in advance of core needs through Grant-in-Aid. In order to cover this, the cash draw down agreed with SG has been designed to provide some front-loading of income. Assuming that the profile of core expenditure incurred in 2026/27 is similar to that experienced in 2025/26, then, from the end of July onwards, cash drawn down should be in advance of expenditure by at least £1.225 million, allowing the Park Authority to support the cash flow requirements of the C2030 programme.

## Operational plan and overheads

20. With the exception of monthly payroll costs (discussed above) there has been very little spend in April (circa £50,000). This is typical of this early part of the year, when much of the work undertaken is either planning for the year's delivery, or completion of work funded from the 2025/26 budget allocation.



## Summary

21. The key points arising from the review of the financial position at the end of April 2026 are:
- a) Work is underway to close the accounts for 2025/26; outturn for the year is anticipated to be close to break even, with flexibility provided through the potential to vary the contribution to the C2030 programme.
  - b) Confirmed funding from SG is in line with that anticipated in the budget agreed by the Board in March.
  - c) Initial indications are that the payroll budget provided for the year will be sufficient.
  - d) Delivery of the third year of the C2030 programme has commenced. To date, income received has been sufficient to cover costs incurred.
  - e) Running costs and operational plan expenditure in month one reflects the pattern of spending experienced in prior years.

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## Annex 1 - C2030 programme expenditure

	Project	Total programme budget	Actual				Remaining programme budget	Projected spend			Legacy
			2023-24	2024-25	2025-26	To date		2026-27	2027-28	2028-29	
		£	£	£	£	£	£	£	£	£	
1	Woodland expansion	258,000	0	0	49,677	49,677	208,323	123,000	85,323	0	0
2	Peatland Restoration - capital	12,000,000	0	3,053,309	3,276,217	6,329,526	5,670,474	3,000,000	2,670,474	0	0
3	Nature Recovery	1,458,120	0	167,000	80,000	247,000	1,211,120	540,000	433,000	238,120	0
4	Cairngorms Future Farming	640,060	0	54,755	104,578	159,333	480,727	185,050	200,000	95,677	0
5	Climate Resilient Catchments	1,506,960	0	37,915	96,944	134,860	1,372,100	1,117,633	208,164	22,303	24,000
6	Green finance and community wealth building	34,176	0	71	1,745	1,816	32,360	29,176	3,184	0	0
7	Wellbeing Economy	27,000	0	3,000	2,404	5,404	21,596	2,400	9,598	9,598	0
8	Public Health and the Outdoors	12,000	93	2,160	1,481	3,734	8,266	2,600	3,238	2,428	0
9	Dementia Activity Centre	515,461	41,857	84,207	65,098	191,161	324,300	98,377	129,099	96,824	0
10	Landscape and Communities	165,048	0	3,680	2,351	6,031	159,017	68,400	80,817	9,800	0
11	Effective Community Engagement	660,000	1,070	20,730	56,543	78,343	581,657	127,800	259,347	194,510	0
12	Climate Learning and Education	48,000	384	4,413	3,186	7,983	40,017	12,300	15,838	11,878	0
13	Climate Conscious Communities	48,000	0	279	1,012	1,291	46,709	10,400	20,748	15,561	0
14	Community Arts & Culture Programme	99,000	0	4,046	10,834	14,880	84,120	33,100	29,154	21,866	0
15	Community Managed Grant Scheme	2,262,000	0	522,322	290,078	812,400	1,449,600	503,500	504,914	378,686	62,500
16	Research and Knowledge Exchange	364,800	1,229	47,774	27,306	76,309	288,491	89,336	113,803	85,353	0
17	Cycle Friendly Cairngorms	850,200	0	77,366	96,378	173,744	676,456	488,792	107,800	19,864	60,000
18	Active Travel Communities	7,062,349	0	10,889	377,750	388,639	6,673,710	1,000,000	2,250,000	2,964,512	459,198
19	Sustainable Transport	439,800	0	5,000	8,579	13,579	426,221	175,000	143,555	107,666	0
20	Travel behaviour change	96,000	0	3,716	32,046	35,762	60,238	54,031	3,207	3,000	0
Whole programme	Staffing	5,413,908	111,653	987,854	1,137,479	2,236,986	3,176,922	1,172,395	1,145,444	859,083	0
	Other staff costs	96,000	96	4,332	1,938	6,366	89,634	17,200	41,391	31,043	0
	Contingency	603,000	0	0	0	0	603,000	0	0	603,000	0
	Inflation	320,000	0	0	0	0	320,000	0	0	320,000	0
		<b>34,979,882</b>	<b>156,382</b>	<b>5,094,819</b>	<b>5,723,623</b>	<b>10,974,824</b>	<b>24,005,058</b>	<b>8,850,490</b>	<b>8,458,098</b>	<b>6,090,772</b>	<b>605,698</b>