For discussion

Title: **Finance monitoring**

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Purpose

This paper presents a view of the Park Authority's budget management position at the end of September, month 6 and the mid-point of the 2026/27 financial year.

Recommendations

The Resources Committee is asked to:

a) Consider the budget management position for 2026/27.

Budget monitoring 2026/27

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

Staff costs

2. Staff costs continue to run higher than the phased budget and show an unfavourable variance of £136,000 at the end of period six.

3. The variance arises as a consequence of two main factors:
   - Additional costs incurred in providing staff to support the wildfire response
   - Projected vacancy savings not realised to date

4. Overtime payments relating to the wildfire response totalling £34,000 (including oncost) were made to staff in September.

5. Estimated vacancy savings of £197,000 were included in the budget agreed by the Board in March. These savings have been profiled across the months at the same rate as anticipated costs, such that savings of £100,000 would have been expected by the mid-point of the year; in fact, savings have been less than £15,000, resulting in £85,000 of unrealised savings.

6. The full year saving on current leavers is estimated at £70,000, resulting in a potential for unrealised savings for the full year of £127,00. Future staff movements are, of course, unpredictable at this point. We do know, however that we will incur additional payroll liability for maternity cover, which is likely to amount to £40,000 to the end of the year.

7. The pressures identified on the payroll budget are likely to result in material overspend on this budget heading. Mitigation of this risk will be considered in the October reforecast.

Programme management

8. 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.

Operational plan and overheads

9. With the exception of monthly payroll costs (discussed above) overhead expenditure is running very close to expectations.

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

11. Expenditure on the operational plan is lower than anticipated in the phased budget, however, the total of spend and commitment on operational plan delivery was £5.18 million at the end of September, representing 68% of the total budget for the year. At the same point in the prior year, spend and commitments were at 56% of budget.

12. A significant contributor to the value of committed expenditure is peatland restoration. 93% of this budget (£3.25 million) has been allocated to projects.

13. Expenditure arising from the wildfire response is included within the operational plan report. To date the amount spent (in addition to overtime payments noted at paragraph 4 above) has been £29,000 as shown below.

Nature of expenditure	£'000
Low-cost consumables and Personal Protection Equipment (PPE	4
Support for volunteer contractors for their time and machinery	19
Support for volunteer food provision at Nethy Bridge	6
Total to date (22/10/26)	**29**

14. Some of the additional costs anticipated have not yet been incurred:
    a) Communications support to local businesses estimated at £30,000
    b) Post fire monitoring costs £25,000

15. Additional funding has been awarded to support recovery costs. The UK National Park Vodafone fund will provide £57,000. In addition, Scottish Government is providing £140,000 to assist with the costs of repairing tracks and firebreaks.

Earned income

16. Income received, additional to Grant In Aid, was £184,000 at the mid-year point. This figure includes £100,000 in ticket sales and sponsorship relating to the recent National Parks conference. Expenditure relating to these ticket sales is included within corporate overheads; income and expenditure for the event balance out to break even.

Summary

17. The key points arising from the review of the financial position at the end of September 2026 are:
    a) There is an unfavourable variance on payroll costs, arising from additional costs from the wildfire response, and unrealised vacancy savings.
    b) In this first half of the year, delivery against operational plan objectives has progressed well. In particular, most of the peatland restoration budget has now been allocated to projects.
    c) Additional costs relating to the wildfire response have been £63,000 to date (staff costs and operational expenditure). A further £55,000 is expected to be incurred and will be managed through existing budget allocation.

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Annex 1

Financial performance for core delivery

30 September 2026

	Budget	Phased budget	Actual	Under/ (over) phased budget	%age of phased budget	%age of annual budget
	£	£	£	£		
Staff remuneration	6,413,174	3,264,962	3,400,487	(135,525)		
Board fees and expenses	314,905	155,098	130,605	24,493		
	6,728,079	3,420,060	3,531,092	(111,032)	103%	52.5%
Organisational development	156,628	87,571	79,236	8,335		
Facilities	476,815	188,253	185,559	2,694		
IT and professional	601,060	230,414	229,104	1,310		
Communications	260,000	99,557	74,751	24,806		
Corporate	166,839	71,561	81,333	(9,772)		
	1,661,342	**677,356**	**649,984**	**27,372**	96%	39%
Contribution to C2030 programme	**450,000**	**0**	**0**	**0**		
Peatland Restoration	3,510,000	1,079,343	418,744	660,599		12%
Nature & Climate	2,106,500	443,475	302,870	140,605		14%
People	428,496	221,650	112,086	109,564		26%
Place	1,046,736	328,410	324,411	3,999		31%
	7,091,732	**2,072,878**	**1,158,110**	**914,768**	56%	16%
Total expenditure	**15,931,153**	**6,170,294**	**5,339,186**	**831,108**	87%	**34%**
Other income	(271,000)	(153,000)	(184,127)	31,127		
Net cash expenditure	**15,660,153**	**6,017,294**	**5,155,059**	**862,235**		
Grant-in-aid draw down	**(16,024,336)**	**(6,500,000)**	**(6,535,118)**	**35,118**		

Annex 2

Committed expenditure at 30 September 2026

Aim		Spent	Committed	Total spend to 30.09.26	Budget	Budget Remaining	Total spend to 31.07.26	Movement
		£	£	£	£	£	£	£
A01	Net zero	48,176	197,886	246,062	344,500	98,438	**248,204**	(2,142)
A02	Woodland expansion	1,213	0	1,213	12,500	11,288	**1,213**	0
A03	Peatland restoration	418,744	2,833,897	3,252,642	3,510,000	257,358	**784,570**	2,468,071
A04	Deer and herbivore impacts	6,000	20,940	26,940	25,000	(1,940)	**66,440**	(39,500)
A05	Moorland management	13,754	400	14,154	27,000	12,846	**26,154**	(12,000)
A06	Gamebird management	0	0	0	3000	3000	**0**	0
A07	Fire management	3,559	7,590	11,149	40,000	28,851	**7,940**	3,209
A08	Farming	26,425	71,960	98,385	105,000	6,615	**100,096**	(1,712)
A09	Freshwater systems	0	54,983	54,983	81,968	26,985	**84,968**	(29,985)
A10	Ecological network	403	1,261	1,664	49,832	48,168	**403**	1,261
A11	Ecological restoration	87	25,000	25,087	80,000	54,913	**3,087**	22,000
A12	Cairngorms Nature Index	8,856	20,348	29,204	80,168	50,964	**35,442**	(6,238)
A13	Species recovery	90,807	68,296	159,102	217,532	58,430	**154,952**	4,151
NRF		103,590	298,021	401,611	1,045,000	643,389	**195,936**	205,676
Total Nature & climate		**721,614**	**3,600,582**	**4,322,196**	**5,621,500**	**1,299,304**	**1,709,404**	**2,612,791**
	Percentage of full year budget	12.8%	64.1%	76.9%		23.1%	30.4%	
B02	NPPP Economic data baseline gathering	0	0	0	30,000	30,000	**0**	0
B04	Skills and training	32,812	34,567	67,379	110,000	42,621	**65,511**	1,868
B07	Community-led planning and development	8,000	45,000	53,000	115,000	62,000	**22,000**	31,000
B08	Gaelic language and culture	0	0	0	3,500	3,500	**0**	0
B09	Mental and physical health	1,805	54	1,859	5,000	3,141	**1,152**	707
B10	A Park for All	36,159	17,763	53,922	75,001	21,079	**46,766**	7,156
B11	Volunteering and outdoor learning	33,310	671	33,981	70,000	36,019	**21,846**	12,135
Total People		**112,086**	**98,055**	**210,141**	**408,501**	**198,360**	**157,275**	**52,867**
	Percentage of full year budget	27.4%	24.0%	51.4%		48.6%	39.5%	

Aim		Spent	Committed	Total spend to 30.09.26	Budget	Budget Remaining	Total spend to 31.07.26	Movement
		£	£	£	£	£	£	£
C01	**Access to housing**	12,193	6,120	18,313	68,000	49,687	**18,000**	313
C05	**Visitors to the National Park**	0	10,250	10,250	20,000	9,750	**10,250**	0
C08	**Accessible path and cycle network**	65,872	49,302	115,173	125,000	9,827	**107,897**	7,276
C09	**High quality visitor experience**	246,019	240,301	486,321	783,736	297,415	**479,296**	7,025
C10	**Cultural heritage**	328	3,273	3,601	25,000	21,399	**1,400**	2,201
Total Place		**324,411**	**309,246**	**633,657**	**1,021,736**	**388,079**	**616,842**	**16,815**
	Percentage of full year budget	**31.8%**	**30.3%**	**62.0%**		**38.0%**	**58.9%**	
Total Operational aims		**1,158,111**	**4,007,883**	**5,165,994**	**7,051,737**	**1,885,743**	**2,483,522**	**2,682,473**
	Percentage of full year budget	**16.4%**	**56.8%**	**73.3%**		**26.7%**	**35.1%**	
Corporate	HR initiatives	130	365	495	6,000	5,505	**495**	0
Corporate	Planning service	11,365	1,080	12,445	60,000	47,555	**10,168**	2,278
Corporate	Data management	0	0	0	5,000	5,000	**0**	0
Corporate	Shared services	3,659	720	4,379	67,400	63,021	**0**	4,379
Corporate	Contributions to programmes	0	0	0	450,000	450,000	**0**	0
Total Corporate		**15,154**	**2,165**	**17,319**	**588,400**	**571,081**	**10,663**	**6,657**
	Percentage of full year budget	**2.6%**	**0.4%**	**2.9%**		**97.1%**	**1.8%**	
Total operational plan 30.09.26		**1,173,266**	**4,010,048**	**5,183,314**	**7,640,137**	**2,456,823**	**2,494,184**	**2,689,130**
	Percentage of full year budget	**15.4%**	**52%**	**67.8%**		**32.2%**	**32.6%**	
Total operational plan 30.09.25		1,111,208	3,495,185	4,606,393	8,203,569	3,597,176		
	Percentage of full year budget			56.2%		43.8%		

Annex 3 – Cairngorms 2030 expenditure at 30 September 2026

	Project	Total Cost (incl VAT)	Actual 2023-24	Actual 2024-25	Actual 2025-26	Actual 2026-27 to 30.09.26	Actual Total to date	Projected 2026-27	Projected 2027-28	Projected 2028-29	Legacy	Total budget remaining
			£	£	£	£	£	£	£	£	£	£
1	Woodland expansion	258,000	0	0	49,677	0	49,677	123,000	85,323	0	0	208,323
2	Peatland Restoration - capital	12,000,000	0	3,053,309	3,638,542	418,648	7,110,499	2,219,027	2,670,474	0	0	4,889,501
3	Nature Recovery	1,458,120	0	167,000	80,000	0	247,000	540,000	433,000	238,120	0	1,211,120
4	Cairngorms Future Farming	640,060	0	54,755	104,578	20,044	179,377	165,006	200,000	95,677	0	460,683
5	Climate Resilient Catchments	1,506,960	0	37,915	96,944	159,215	294,075	958,418	208,164	22,303	24,000	1,212,885
6	Green finance and community wealth building	34,176	0	71	1,745	1,044	2,860	28,132	3,184	0	0	31,316
7	Wellbeing Economy	27,000	0	3,000	2,404	0	5,404	2,400	9,598	9,598	0	21,596
8	Public Health and the Outdoors	12,000	93	2,160	1,481	673	4,407	1,927	3,238	2,428	0	7,593
9	Dementia Activity Centre	515,461	41,857	84,207	65,098	20,663	211,824	77,714	129,099	96,824	0	303,637
10	Landscape and Communities	165,048	0	3,680	2,351	6,040	12,071	62,360	80,817	9,800	0	152,977
11	Effective Community Engagement	660,000	1,070	20,730	56,543	44,076	122,419	83,724	259,347	194,510	0	537,581
12	Climate Learning and Education	48,000	384	4,413	3,186	3,913	11,896	8,387	15,838	11,878	0	36,104
13	Climate Conscious Communities	48,000	0	279	1,012	1,336	2,627	9,064	20,748	15,561	0	45,373
14	Community Arts & Culture Programme	99,000	0	4,046	10,834	6,778	21,658	26,322	29,154	21,866	0	77,342
15	Community Managed Grant Scheme	1,012,000	0	0	0	5,800	5,800	297,700	404,857	303,643	0	1,006,200
15	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
16	Research and Knowledge Exchange	364,800	1,229	47,774	27,306	11,886	88,195	77,450	113,803	85,353	0	276,605
17	Cycle Friendly Cairngorms	850,200	0	77,366	96,378	106,020	279,764	382,772	107,800	19,864	60,000	570,436
18	Active Travel Communities	2,535,401	0	10,889	0	73,760	84,649	176,240	1,250,000	964,512	60,000	2,450,752
18	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
19	Sustainable Transport	439,800	0	5,000	8,579	1,920	15,499	173,080	143,555	107,666	0	424,301
20	Travel behaviour change	96,000	0	3,716	32,046	24,128	59,890	29,903	3,207	3,000	0	36,110
	Staffing	5,413,908	111,653	987,854	1,137,479	572,797	2,809,783	599,598	1,145,444	859,083	0	2,604,125
	Other staff costs	96,000	96	4,332	1,938	1,181	7,547	16,019	41,391	31,043	0	88,453
	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**	**6,085,948**	**1,479,922**	**12,817,071**	**7,008,243**	**8,458,098**	**6,090,772**	**605,698**	**22,162,811**
	Percentage of total cost plan		*0.4%*	*14.6%*	*17.4%*	*4.2%*	*36.6%*					*63.4%*