
CAIRNGORMS NATIONAL PARK AUTHORITY

FOR DECISION

Title: 2021/22 BUDGET

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Purpose

This paper sets out the Authority's financial position and budget for the 2021/22 financial year. The paper presents the proposed financial allocations for 2021/22 for core income and expenditure, together with intended operational plan investment.

The paper seeks Board endorsement of the budget and Operational Plan for 2021/22 as an appropriate deployment of resources to work towards delivery of the Authority's adopted Corporate Plan objectives.

Strategic Considerations

The paper covers the following aspects of development of Board strategy, scrutiny of planning and assurance:

1. Strategic risk management and risk appetite: do the budget plans, financial objectives set and any risks and judgements taken on estimates and provisions establish an appropriate platform for the Authority's budget setting and financial management processes for the coming financial year?
2. Delivering strategic objectives: do the financial plans, at this stage in their evolution, establish an appropriate resource allocation base from which to deliver approved strategic objectives?
3. Assurance: are there any aspects of budget allocation and deployment that merit specific attention by the Board or its Committee in conducting the assurance and scrutiny role during 2021/22?

Recommendations

The Board is requested to:

- a) **Endorse the planned resource allocations as appropriate budget plans for deployment of available finance to secure corporate objectives over 2021/22;**
- b) **Agree the establishment of a Cairngorms NPA permanent ranger service as set out in this paper, as part of a mixed model of employed and grant supported ranger services for the Cairngorms National Park;**
- c) **Consider whether the proposed deployment of resources poses any perceived risks to the achievement of the Corporate Plan objectives by 2022 and agree any risks posed for subsequent mitigation action by the Chief Executive and Management Team;**
- d) **Agree any specific aspects of budget allocation and deployment that merit attention by the Board or its Committee in conducting members' assurance and scrutiny role during 2021/22.**

Strategic Context

1. The Authority, as a Non-Departmental Public Body (NDPB), operates within the context of a Management Statement established by Scottish Government. The Management Statement sets out the respective responsibilities of Scottish Ministers, the Scottish Government Portfolio Accountable Officer, the Scottish Government Sponsor Team, the Convener and Depute Convener of the Board, the Board as a whole and the Chief Executive as Accountable Officer as they relate to the strategic direction, operation and financial accountability of the Authority.
2. The Board is responsible within the terms of the Management Statement for establishing the overall strategic direction of the NDPB within the policy, planning and resources framework determined by the Scottish Ministers. The Board achieves this aim through determining the direction and content of the National Park Partnership Plan (NPPP) and thereafter the Authority's own Corporate Plan which sets out the CNPA's direct contributions to delivery of NPPP objectives. The Authority's current Corporate Plan was approved by the Board and Scottish Ministers in March 2018: <https://cairngorms.co.uk/authority/corporate-plans/corporate-plan/>
3. Delivery against the Corporate Plan objectives is reported on each year, highlighting achievements and exceptions, performance against targets and key performance indicators and wider strategic risk management. The fourth such delivery report on the current 2018 to 2022 Corporate Plan was presented to the Board at its meeting in September 2020:

<https://cairngorms.co.uk/working-together/meetings/meeting/board-2020-09-11/>

4. In terms of annual budgeting, the Management Statement sets out the role for the Board as having corporate responsibility for promoting the efficient and effective use of staff and other resources by the NDPB, and ensuring that any statutory or administrative requirements for the funds falling within the stewardship of the NDPB are complied with.
5. The Chief Executive, as Accountable Officer, is personally responsible for establishing the Authority's Corporate and Operational Plans in the light of Scottish Minister's wider strategic aims. The Chief Executive is also responsible under the terms of the Management Statement for establishing a robust performance management framework which supports the achievement of the NDPB's aims and objectives as set out in the corporate and operational plans; and which enables full performance reporting to the Board, the sponsor Directorate and the wider public. This latter responsibility is given effect by the regular Corporate Performance report referred to above, complemented by reports on NPPP delivery and regular updates on delivery matters to the Board.
6. Overall, the budget developed must of course be capable of having proposed expenditure financed by available income in the year with a balanced year-end outturn targeted.
7. As such, the exercise of annual budget and operational plan establishment in the Authority as an NDPB is one of:
 - a) The Chief Executive, supported by the Management Team and wider staff group, establishing the most appropriate deployment of resources to support delivery over the course of the year toward achieving the strategic objectives set by the Board in the Corporate Plan; and
 - b) Review by the Board to ensure that the proposed deployment of resources appears appropriate as a means of achieving strategic objectives.

2021/22 Budget

8. The budget position for 2021/22 is considerably increased over the anticipated resource deployment set out in the Authority's Corporate Plan 2018 -2022 (page 12) for this final year of the Corporate Plan 2021/22. Planned resource availability of £4.96 million was estimated at the inception of that corporate plan for 2021/22. The level of resource availability on which the budget for 2021/22 is now based has increased to £7.1 million in grant in aid through the National Parks budget line, with a further £2.29 million made available for peatland restoration through another Scottish Government budget line. A total resource base of £9.585 million has been estimated

for the 2021/22 financial year, establishing the financial position at the start of the fourth and final year of the current Corporate Plan.

9. The movements in funding allocation and income available to support the Authority in establishing its budget in support of delivery of Corporate Plan outcomes between the coming financial year, 2021/22 and the current financial year, 2020/21 is set out in Table One.

Table One: Scottish Government Funding Allocations

	2020/21 £000	2021/22 £000	Variance £000
Resource main allocation	4,779	5,830	+1,051
Resource COVID Response	-	500	+500
Capital	240	600	+360
Total grant in aid allocations	5,019	6,930	+1,911
Specific Programmes			
Peatland Restoration	246	2,285	+2,039
SG Biodiversity Funding	-	196	+196
Other generated income	125	174	+49
Total Income	5,390	9,585	+4,195

10. In addition to the specified funding set out in Table One above, the Authority over the course of the year will remain lead applicant and accountable body for the Cairngorms Capercaillie Programme, the Cairngorms LEADER Programme (ends 31 December 2021), Badenoch Great Place Project, and the Tomintoul and Glenlivet Landscape Partnership (programme ends 31 May 2021 with residual responsibility for oversight of a small management and maintenance budget).
11. The Authority has worked with Scottish Government throughout 2020 to identify a number of evolutions of our operational bases which could deliver significant contributions to Government's National Outcomes as set out in the National Performance Framework, while delivering against the Authority's existing strategic goals. These discussions and bids have secured the step change increases in funding considered above. The key changes are summarised in Table Two together with

estimated financial values associated with each aspect of delivery and its linkage with existing strategic outcomes.

Table Two: Significant Changes in Operational Delivery for 2021/22

Activity	Value £000	Strategic Fit
Peatland Restoration	2,285	Corporate Plan conservation and land management priority 1: support landscape scale restoration
Support Heritage Horizons Programme Bid	150	Various Corporate Plan objectives / approved by Board 12 Feb 2021
Cairngorms NPA Ranger Service: Seasonal Rangers (including Kickstart rangers)	296	Corporate Plan visitor experience priority 2: Increase physical activity in both residents and visitors and support delivery of Scotland's Natural Health Service / Green Recovery Plan approved Board June 2020
Cairngorms NPA Ranger Service: permanent ranger service provision	286	
Green Recovery Grants	250	Green Recovery Plan approved Board June 2020, linking to Economic Action Plan approved in 2019, together with Rural Development objective 2: support communities, specifically focussing on the most fragile, to deliver their agendas for change
Visitor Management: capital financing to support enhancements to visitor facilities and improved visitor experience	324	Visitor Experience Priority 1 - Continue to ensure visitor infrastructure meets the expectations of visitors to the National Park and help deliver a sustainable tourism economy. Green Recovery Plan approved by Board June 2020 linking to Economic Action Plan approved in 2019.
Organisational and Cairngorms NP responses to COVID	220	As Visitor Experience Priority 1 in above line / Rural Development Objective 2 (see Green Recovery Grants above) plus Corporate Plan Priority 3 on Corporate Services – delivering ongoing service improvements which in this case will support organisational adaptation to work

Activity	Value £000	Strategic Fit
		after COVID19 response.
Biodiversity Challenge Funding	196	Support delivery of Cairngorms Nature Action Plan projects in line with Scottish Biodiversity Strategy
Total service increases	4,007	

12. The service changes outlined in Table Two therefore account for around 96% of the step changes in funding received for the 2021/22 financial year. Many of the above step changes in funding have been previously discussed by Board and, as can be seen, link to delivery of existing Corporate Plan objectives and corporate strategy agreed by the Board:
- a) Peatland Restoration: direct bid for funds to Scottish Government to support existing corporate plan priority.
 - b) Heritage Horizons: providing for the Authority’s contribution to the Development phase as agreed by the Board in February 2012.
 - c) Developing Ranger services: as approved by Board in January 2021 regarding seasonal and “Kickstart” rangers and considered further in this paper regarding the establishment of a permanent ranger service.
 - d) Green Recovery grants: proposal to support a second phase of green recovery grants, supported by the COVID recovery grant allocation made available by Scottish Government and again in partnership with the Cairngorms Local Action Group Trust.
 - e) Visitor management capital infrastructure investment: to support follow up actions to the review of the 2020 season with investment proposals to be developed and finalised through the early part of 2021.
 - f) Cairngorms NP responses to COVID19 and organisational adaptations to working environments after COVID19: programme of work to be developed in early part of 2021 supported by the COVID recovery grant allocation made available by Scottish Government. This may include some “revenue” support to the development and delivery of capital programme proposals.
 - g) Biodiversity Challenge Funds: allocated to creating new and enhancing existing native woodland, montane woodland and freshwater habitat alongside focussed action for Cairngorms Nature priority species including northern damselfly, freshwater pearl mussel, aspen and pine hoverfly. Projects are taking place throughout the National Park on a variety of landholdings. The work will employ local fencing contractors, ecologists, foresters and heavy plant operators and provide accredited training and mentoring for environmental volunteering and skills development.

13. Further significant adjustments to the Authority’s budget base between the current financial year, 2020/21, and the forthcoming financial and operational year, 2021/22, support provision across all elements of the agreed Corporate Strategy. Table Three sets out the more significant of the cross-organisational movements in the projected cost base for the Authority for 2020/21.

Table Three: Changes in Cost Base Supporting All Corporate Outcomes

Activity	Value £000	Strategic Fit
Revising organisational structure to fit future priorities and step change in operations	140	Delivering all existing corporate plan outcomes and agreed Board strategic objectives.
Movement in pay	164	Delivering Scottish Government Public Sector Pay Policy; observing CNPA pay policies.
Enhancing shared services to establish a fully supported GIS service.	48	Corporate Plan, Corporate Services Priority 2 - Ensure that the office extension, existing accommodation and ICT facilities are ‘fit for purpose’ and help to deliver the Organisational Development Strategy – implement GIS strategy
Total service increases	352	

14. The significant cross-organisational service changes represent a further 8% of the funding increases secured for 2021/22. These changes, plus those in table two directed toward more specific corporate plan outcomes, thus account for 104% of the total increase in funding allocated to the Authority for the year ahead. This is offset by some reductions in operational plan expenditure requirements where investments have come to a conclusion, together with other budget management assessments. Some of the more significant budget assumptions are covered in a following section of this paper.

Strategic Policy Considerations

Scottish Government Budget Policies

15. The 2021/22 budget is set within wider public sector financial policy in Scotland, which seeks to establish a financial environment in which public finances are deployed to

begin the process of rebuilding from a year seriously impacted by the COVID19 pandemic. There are many competing priorities as the Scottish Government seeks to rebuild a fairer, stronger and greener economy. As such, there are clear directions to the Authority to maintain expenditure within available resource levels and deliver a balanced out-turn position. The additional funding allocations set out in this paper also help identify the areas whereby the Cairngorms NPA may make specific, significant contributions to building that fairer, stronger and greener economy.

16. The Authority also continues to adopt the Scottish Government's "No Compulsory Redundancy Policy" which is an element of the wider Public Sector Pay Policy for NDPBs. While the Authority would not wish to use redundancies as a budget management tool, and has positively taken forward the No Compulsory Redundancy (NCR) Policy, this does mean that a long term view must be taken around staff employment levels. The potential impact of recruitment must be considered not only in the year of recruitment, but also over subsequent years' financial commitment levels and in the context of budget and staff deployment flexibilities. As in prior years, this paper looks at the levels of staffing as a proportion of income under management in establishing budget proposals. The Board's Staffing and Recruitment Committee and Audit and Risk Committees have also considered the Authority's Workforce Management Strategy, and through that have taken assurance over the controls in place by senior managers over management of staffing levels in the short and long term.

Workforce Management

17. The Authority has undertaken a Voluntary Exit exercise with staff between October 20 and January 21. This has resulted in four members of staff who will take voluntary exit from the organisation at the end of April 21. The costs of the VE compensation payments are fully covered by the provision for the equivalent salary over the 21/22 financial year. This action by management will release around £160,000 from the authority's staff payroll costs at the end of the 21/22 financial year.
18. Staff of course remain a key element in our resource mix. Almost all staff and projects operate across all three areas of our Corporate Plan: Conservation, Visitor Experience and Rural Development. Staff in turn work across each of the Park aims. This is also the case for all corporate and communications staff, who support delivery and achievement of corporate priorities across the breadth of our Corporate Plan objectives. Therefore, while we categorise our project activities against on one of the top level priority areas of our Corporate Plan for planning, accounting and project management purposes, almost all such project activities have multiple impacts across our strategic objectives.

19. There are no increases to employers' pension contributions advised at the time of drawing up this budget.

Leverage: Securing Inward Investment to the Cairngorms

20. The Authority has sought over recent years to maximise the impact of our available resources through investing funds to secure leverage of external funding into the Cairngorms National Park. Particularly successes have been secured with EU LEADER finance and National Lottery Heritage Funds (NLHF) for The Mountains and The People Project, the Tomintoul and Glenlivet Landscape Partnership, Badenoch Great Place Scheme and more recently the Cairngorms Capercaillie Project. The separate paper to this Board meeting on major projects highlights that total funding of these projects is £15million (not including additional LEADER match funding secured by applicants which equates to a further £1.5m). This is a significant amount of funding that the CNPA and partners has leveraged through these projects. The direct financial CNPA contribution is £855,000: a very high leverage rate of roughly £17.50 for every £1 invested. The priority to ensure ongoing flexibility in resource deployment to allow financial investment to leverage significant additional inward investment remains a key element of the Management Team's budget and resource planning strategy. As the Board are aware, a significant bid to NLHF has now been made for the "Heritage Horizons" proposals and the initial financial consequences of a successful bid have been incorporated into the budget proposals now presented.

Delivering Best Value Ranger Services

21. Table Two above highlights proposals that the Authority commence the development of a permanent Cairngorms NP Ranger Service in line with the bid made to Scottish Government to secure increased funding. This will further augment the current mixed delivery model for ranger services in the Cairngorms comprising private, charitable and public ranger services combined with the Authority's own seasonal rangers. These budget proposals for 2021/22 propose the continuation of support for 11.2 full time equivalent rangers employed by estates and charities with provisions making allowance for a 10% increase, equivalent to £15,000, in the level of ranger funding in recognition that rates of finance have not been increased by the Authority for several years. A provision has also been made in the budget for a potential seasonal ranger post with Estates in the Angus Glens and help with traffic management staff resource for Balmoral and Mar Lodge.
22. To further address the needs of managing an increase in visitor numbers by 40% since designation of the Cairngorms NP, the budget proposals include for the establishment of a permanent Cairngorms NPA ranger service. These proposals are supported by an increase in grant in aid allocated by Scottish Government, included in the resource

figures set out in Table One, in response to bids made by the Authority over the course of 2020/21. The seasonal service will be augmented with 4 full-time ranger posts for the CNPA. Two will be focused on the Eastern Cairngorms, and two will be focused on the Western Cairngorms. The Ranger Service Manager will have operational control of the CNPA Ranger Service and will also be the liaison point with the estate-based ranger services. These permanent rangers will also provide the basis for enabling the CNPA to deliver the 5 Kickstart ranger posts.

23. The CNPA Ranger Service provides 3 key ingredients as part of a mixed model of ranger services in the Cairngorms blending private, public and charitable services:
 - a) Flexibility - provides support across all land in the National Park to deal with visitor management and other issues as they arise;
 - b) Visibility - provides strong visibility for CNPA across the Park for visitors and communities. Provides a good local point of contact.
 - c) Practicality and Best Value - provides the structure to ensure close working with estate-based ranger services and provides resource for education, volunteering and maintenance work that the CNPA is responsible for.
24. Additionally, at its meeting in January 2021, the Board welcomed the proposal for the employment of youth rangers and young entrants to ranger work, supported by the UK Government's "Kickstart" youth employment scheme. A core, employed ranger service is an essential requirement to enable the employment of these roles.
25. More detail of the mixed model for ranger services and the Cairngorms NPA's Ranger Service is presented at Annex 3 and associated appendices to that Annex.

Strategic Risk Management

26. The Board most recently considered the strategic risk register at its meeting in September 2020.
[https://cairngorms.co.uk/resource/docs/boardpapers/11092020/200911CNPABdPaper2Annex3Strategic%20Risk%20Register%20v5.3.pdf3Strategic Risk Register v5.3.pdf \(cairngorms.co.uk\)](https://cairngorms.co.uk/resource/docs/boardpapers/11092020/200911CNPABdPaper2Annex3Strategic%20Risk%20Register%20v5.3.pdf3Strategic%20Risk%20Register%20v5.3.pdf)
The strategic risk register has also been subsequently reviewed by the Audit and Risk Committee at its meeting in November 2020:
[201127AuCtteePaper1Annex1Strategic Risk Register v6.1 Cttee Version.pdf \(cairngorms.co.uk\)](201127AuCtteePaper1Annex1Strategic%20Risk%20Register%20v6.1%20Cttee%20Version.pdf)
There are a number of strategic risks linked to the development of the budget for the forthcoming year. The primary risks of relevance are considered briefly here.
27. Risk A1 - Resources: public sector finances constrain capacity to allocate sufficient resources to deliver corporate plan. This risk is again seen to be significantly mitigated by successful funding bids made by management over 2020/21 on the basis of

the proposals set out in this paper, and through the Authority's demonstration of the effectiveness of corporate performance and effective financial management.

28. Risk A11.2 highlights the potential resource requirement established by the legacy of large scale funded projects after they complete their delivery phases. For example, there is a specific legacy phase within the terms of the Tomintoul and Glenlivet Landscape Partnership project which will need resourced by the Authority as lead applicant; the close of the LEADER Programme in December 2021 will require ongoing administration to close the programme and remain exposed to external audit for several years; and the end of the capital build phase of the Mountains and the People project will move these paths, like other infrastructure investment, into consideration of cover for ongoing maintenance. This risk therefore begins to potentially impact the Authority's resource deployment. However, there are no specific budget impacts arising from this risk for the 2021/22 financial year itself.
29. Risk A19 that "*failure to effectively manage staffing numbers in the long term will reduce the capacity for the Authority to deploy adequate financial investment toward priority projects in the National Park*" continues to be managed in line with the approved Workforce Management Strategy and management's controls in place over recruitment and use of an appropriate mix of permanent and fixed term contracts. The Staffing and Recruitment Committee considered an update on the position at its meeting in March 2020 highlighting a low risk of impacts arising from management of fixed term contracts. Figures set out in this budget paper also highlight that staff budgets are decreasing significantly both as a percentage of total expenditure and also as a proportion of total available resources.
30. With the scale of increase in funding reflected in this budget paper, the Board may wish to reflect on the potential risks around the needs of the Authority to adapt its scale of operations to the capacities required to effectively and efficiently deliver this increased scale of programmes of activity. The Board will be aware that work is well advanced in reviewing management structures to accommodate these changes. Furthermore, early decisions have been taken on the development of a seasonal ranger service, while staff teams have also initiated development of the procedures supporting the peatland restoration programme.

Strategic Implications and Key Assumptions

Potential Implications for Corporate Performance

31. The core budget and Operational Plan proposals set out in this paper present a broadly balanced budget delivering across all three areas of the Corporate Plan, and

addressing all strategic priorities. The budget presents a broadly balanced position of planned expenditure covered in full by available resources from Scottish Government grant in aid and other income, in line with our financial target of achieving a financial break-even position at the end of each financial year.

32. There are no exceptions to highlight – there are no risks anticipated by Management Team that the resource deployment proposed will give rise to shortcomings in achievement of Corporate Plan targets.
33. Conversely, the previous corporate performance report highlighted that the achievement of the corporate plan objective on peatland restoration was escalated to a significant risk of not being achieved. The budget now presented has secured an additional enhancement for peatland restoration work which will be under the control of the Authority for a designated peatland restoration programme following extensive negotiations with Scottish Government over the course of 2020/21. Therefore, there is a substantial resource investment into Cairngorms peatland restoration for 2021/22 which will begin to redress the risk escalation reported to the Board in September 2020.

Key Budgeting Assumptions: Vacancy Savings

34. In setting the 2020/21 budget, the Board approved a position including an estimated £78,000 in vacancy savings generated from slippage in recruitment and / or from holding vacant posts for a period of time before recruitment where this was appropriate to delivery considerations. This represented 2.6% of the total staff budget for the year of £2,964,000. Staffing in the current year represented 55.0% of available income at the time of establishing the budget for the year.
35. Our budget development process for 21/22 recognises the increase in staff levels to deliver these new programmes of activity summarised in this paper. We anticipate that there will be some delays in recruitment and increased levels of turnover impacting on budgets. As such, we have increased the vacancy savings assumption to £171,600, or 4.0% of the revised staff budget of £4,329,000. Staffing for 2021/22 represents 42.8% of available resources for the year, the significant reduction as a percentage of income reflecting the increase in peatland programme together with other resource and capital allocations to the Authority for 2021/22.
36. Outturn projections reported to the Finance and Delivery Committee in February 2021 and covered in Annex I indicate that total savings of £175,000 have been achieved in the current financial year supporting this estimate for 2021/22.

37. The Finance and Delivery Committee reviewed this budget planning assumption at its meeting of 26 February 2021 and agreed this represents an appropriate planning basis for the 2021/22 budget.

Key Budgeting Assumptions: Over-programming

38. Over the last two to three years, the Authority has gradually eliminated the practice of “over-programming” as an element of its budget setting. Over-programming allowed for some expectation of slippage in expenditure plans over the course of the year by budgeting for a greater level of expenditure than could be supported by the funds available in the year. Management of slippage through over-programming helped ensure that the Authority could maximise use of resources available each year and come as close to a target break-even outturn position at the end of the year as possible. The rationale for the removal of an over-programming assumption linked to the increasing certainty of project managers on their spending plans as our partnerships and operational agreements matured, and consequently reduced expectation of significant slippage in plans.
39. As is set out in this paper, there is a significant step change in resource availability for 2021/22. It is appropriate to revisit the assumptions on over-programming budget with the potential for some increase in over-programming to ensure the Authority is able to maximise deployment of resources available in the year. Over-programming may also be a worthwhile approach to managing potential uncertainties in project delivery arising from COVID19 restrictions which are likely to remain at least over the first quarter of 2021/22.
40. The Finance and Delivery Committee reviewed this budget planning assumption at its meeting of 26 February 2021 and agreed that the budget should continue to be developed on the basis of a break-even target with no over-programming allowance. Any requirement to adapt budget estimates to accommodate slippage can be taken by Board, its Committees and executive management as appropriate.

Budget Assumptions: Capital Programme

41. Work remains to complete the capital programme of planned capital investments for 2021/22. We have information on the approved Green Recovery Plan to work from at the outset. Further work is required on this aspect of our plans over the course of the next months.
42. To date, an allocation of £170,000 of available capital resources has been used to support capital elements of the Operational Plan and a further £100,000 to support

investment in corporate systems and equipment. Further details of the operational plan provisions are set out in Annexes 1 and 2 to this paper.

43. The Management Team is developing a programme of capital works with partners to help support visitor management across the National Park, looking at key sites for improvement. This one-year provision has been included in Table Two of this paper.
44. In further developing capital proposals for forward years we will seek to build a multi-year capital investment programme, enabled by the information provided by Scottish Government on our multi-year capital allocations, and supporting the priorities of the new National Park Partnership Plan (NPPP) for 2022 to 2027 and our Corporate Plan setting out the Authority's direct contribution to the NPPP. The multi-year approach will help facilitate management of capital expenditure allowing movement of projects between financial years to allow for slippage in development of plans and maximising resource utilisation. The Authority's draft management structure plans include a programme board to ensure cross-organisational collaboration in developing the capital programme.

Delivery of Outcomes

45. The Authority divides its work into Conservation, Visitor Experience and Rural Development for corporate planning and operational planning reasons. This allows us to have an internal control system to manage both staff and resources and give people a clear indication of what the organisation does.
46. However, it is also clear that people sometimes misinterpret this, for example in the belief that expenditure on conservation has no impact on visitor experience, rural development or indeed the wider economy of the Cairngorms. This is not the case. Almost all staff and projects operate across all these three areas and in turn deliver against all of the Park aims. This also applies to all corporate and communications staff who support delivery across all three priorities.
47. To illustrate this there are examples below linked to lines in the operational plan that show the complexity and delivery across all the outcomes by the work of the CNPA.
 - a) **LEADER and Green Recovery Grants:** our support for grant mechanisms are typically contained within our Rural Development categorisation of resource deployment. These grants deliver community and rural development while also supporting business development, farm diversification, access and visitor infrastructure projects and conservation work.
 - b) **Forest Management** – Woodland expansion is a priority for the CNPA and we have a target of 5000ha over 5 years. This is obviously a significant

conservation area of work for CNPA staff being flagged up in Cairngorms Nature. However, a 200ha native woodland in our target area would mean the landowner would receive £720,000 in grant payments and other grants are available for deer fencing etc. Woodland, as well as delivering our conservation outcomes, is also delivering visitor experience (amenity and recreation) and rural development (wood products, timber etc.).

- c) **Local Development Plan** - The LDP is our main tool for rural development in the National Park. This guides where development goes and sets our housing land supply targets etc. It is also a tool to protect and enhance natural and cultural heritage with policies covering all these areas. The presumption against hilltracks in open moorland is a way to protect landscapes and wild land which are both conservation priorities. Again, therefore, a project activity allocated sizeable financial and staff resource and “identified” within Rural Development is supporting across all aspects of conservation and visitor experience, and requires staff input from across all areas of the organisation in order to effectively achieve the intended results.
- d) **Volunteer Rangers** – The Volunteer Rangers programme is part of the visitor experience team. Volunteer rangers deliver conservation projects, access projects, provide great opportunities for people to upskill and help deliver across communities in the Park.

48. The above examples could be provided for all the lines in the operational plan. Some projects we lead, some we support and some are partnerships: looking simply at the figures and comparing spend and staff allocation between Conservation, Visitor Experience & Rural Development does not give the full picture of what is being delivered for conservation, visitor experience and rural development by Park staff and funding. The breadth and depth of what we do can be found in our corporate plan reporting, the CEO Report and the annual NPPP review.

2021/22 Summary

49. Following consideration of all above factors and assumptions, the summary budget position is presented in Table Four.

Table Four: Summary Budget Position 2021/22

	2021/22 Budget		2020/21 Budget	
	Proposals £000		Proposals £000	
Board Fees	182	1.9%	173	3.4%
Staff Salaries	4,102	42.8%	2,964	58.5%
Other Board and Staff Costs	177	1.8%	175	3.5%
Facilities Costs	377	3.9%	361	7.1%
IT and Professional Support	156	1.6%	156	3.1%
Sub-total staff and running costs	4,994	52.1%	3,829	75.6%
Operational Plan Provisions	1,739	18.1%	1,235	24.4%
New Programmes	2,862	29.8%	0	0.0%
Total “cash” based expenditure	9,595	100.0%	5,064	100.0%

Success Measures

50. The success of 2021/22 budget and Operational Plan proposals in delivering against strategic Corporate Plan objectives will continue to be reported through regular Corporate Performance reports to the Board, which include analyses of achievement against Key Performance Indicators.
51. The next scheduled corporate performance report will come to the Board in June 2021, updating on delivery against targets at the end of the 2020/21 operational year.

52. Monitoring against the delivery of the 2021/22 budget itself will be undertaken on a regular basis by the Board's Finance and Delivery Committee and also on an ongoing basis by the Management Team.

53. As recognised in the risk management section of this paper, the scale of increase in the Authority's resources and operations in 2021/22, combined with ongoing risk of disruption to plans from COVID19 restrictions, presents a greater than normal likelihood of budget adjustments being required. Our budget monitoring, combined with corporate performance reporting, will give a first opportunity to consider whether any reprioritisation of resource allocation is necessary to address shortfalls in delivery of key objectives and / or issues arising with resource commitments.

David Cameron, 1 March 2021

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Annex 1: Supporting Information

Background

1. This Annex presents key elements of financial analysis which may be helpful to members in considering the budget

2021/22 Budget and Operational Plan - Staffing

Workforce Management Strategy

2. The Authority's staffing levels represents one of the key financial management tasks in balancing financial investment between core areas of expenditure, and project investment through the Operational Plan. Our recruitment of staff also establishes a relatively fixed cost base for the Authority through staff contracts. We have Workforce Management Strategy in place to guide our recruitment and staff management activities. The management team continues to manage an appropriate blend of permanent and fixed term contracts to provide staffing levels appropriate to delivery requirements while managing levels of financial commitment.
3. Management Team has continued to maintain scrutiny of staffing levels over the course of the last year, and particularly over vacancy management and any proposed recruitment. Our current financial monitoring position presented to Finance and Delivery Committee in February 2021 indicates that the final outturn position for 2020/21 will be around £97,000 lower on staffing than budgeted as a result of vacancy and recruitment management in the year. Consequently, over the course of the 2020/21 financial year we expect to have exceeded the initial vacancy savings target of £78,000 by the outturn projection of £97,000 under budget – a total saving against full establishment of £175,000.

Scottish Government's Public Sector Pay Policy 2021/22

4. The budget estimates provide for the impact of potential pay awards under the parameters of the Scottish Government's Public Sector Pay Policy 2021/22. The Board's Staffing and Recruitment Committee considered the Management Team's proposed pay proposals for the coming year at its meeting in February 2021. Pay proposals seek to implement Scottish Government's public sector pay policy in full, of a 1% increase for all staff within the main staff group employed by the Authority. Additionally, a 3.5% progression award for the approximately half of staff still progressing through their pay bands is provided for. The progression value for staff moving through pay bands also seeks to continue the Authority's commitment to and successful achievement of target journey times to the top of pay bands for staff: of 4

years for staff in lower bands and 6 years in other bands. Slightly higher progression rates over the year ahead and prior 2 years have helped redress restricted pay awards in years prior to that which had put achievement of journey times at some risk.

5. The Authority also plans to extend its No Compulsory Redundancy (NCR) policy for a further year through 2021/22, again in line with Scottish Government guidance. Our management of the staff resource, in the context of the NCR Policy, does create a complex structure of permanent and fixed term contracts, with some permanent staff seconded into other roles and temporary staff back-filling their permanent roles. The positive aspects of this policy are of course around enhancements to staff morale through job security over a period of difficult economic circumstances.
6. The Human Resources and Organisational Development team continues to consider policy development supporting effective organisational operations while affording enhanced work / life balance opportunities for our staff group. A key organisational focus on staff wellbeing has been adopted over the course of the last year during this extended period of remote working and response to the COVID19 pandemic.
7. Our staff group continues to provide a significant resource investment into delivery of both Corporate and National Park Partnership Plan (NPPP) priorities. The constricted budget period, continued ongoing business continuity responses to the COVID19 pandemic and focus on responses to the wider Green Recovery Plan for the Cairngorms National Park has prevented our finalisation of a staff time allocation against future projects at this juncture of our planning for operations in 2021/22. The Management Team will undertake this exercise early in the new financial year to support resource allocations covering both finance and staffing to projects.
8. The Authority also continues to deliver a key support and facilitation role in major projects, through its willingness to take on the role of lead employer for staff delivering major projects. Hence we act as the employer and Accountable Body for LEADER staff undertaking support to the Cairngorms LAG; we have employed externally funded Peatlands Project Officer posts; and act as the employer for a number of posts engaged in the delivery of the Cairngorms Capercaillie Project.
9. Our recent trend in staffing levels and the proportion of financial resources under management allocated to staffing is presented below.

	2021/22 Budget Proposals £000		2020/21 Budget Proposals £000		2019/20 Budget Proposals £000	
Staffing Budget	4,102	42.8%	2,964	55.0%	2,965	59.5%

10. Increases in staffing and associated staff costs proposed for 2021/22 are more than offset by the scale of resources under management in the coming year, with the staffing budget falling from 55.0% of resources under management at the commencement of 2020/21 to 42.8% at the commencement of the 2021/22 financial year.

Other Core Costs

11. Other core running costs have been held at close to 2020/21 levels in the coming year's budget. Inflationary cost increases are currently running at just under 1%. However, no specific inflationary increases have been applied to these budget areas, while some increases to reflect changes in underlying scale of the Authority's operational base have been applied. Uncertainties around operational basis as COVID19 restrictions potentially lift over the first half of 2021/22 may impact these budget provisions. As in 2020/21, and early assessment of potential over-provision in these budgets will be taken with resources reallocated elsewhere.

	2020/21 Base (£)	2021/22 Estimates (£)	Change (£)	Change (%)
Other Board and staff costs	175,000	177,000	2,000	1.1
Facilities costs	361,080	377,318	16,238	4.5
IT & Professional	156,060	156,060	0	0.0

2021/22 Expenditure Budget: Operational Plan

12. The Operational Plan for 2021/22 is significantly expanded through securing the additional resources for the year ahead. These additional resources primarily support new programmes of activity. This step change in activity level is covered in the covering paper.
13. Stripping out these additional programmes supported by additional grant allocations from Scottish Government, including the second phase of Green Recovery Grants, our total 'underlying' operational plan provision in continuation of strategic objectives established in the Board's approved Corporate Plan for 2018 to 2022 totals £1.739 million. This is an increase of £0.504 million over the equivalent start point for the

2020/21 operational plan and a £0.687 million increase over the levels of investment projected in the Corporate Plan for the year ahead.

14. Updates on delivery intentions and on the results of activities will continue to be presented to the Board in various policy papers and corporate performance updates.
15. A summary of the trend in Operational Plan total investment proposals across service areas is set out here.

Operational Plan Allocations 2017/18 to 2021/22 against Corporate Plan

Operational Plan	21/22 £000	20/21 £000	19/20 £000	18/19 £000	17/18 £000
Conservation and Land Management	406	325	203	210	160
Visitor Experience	512	457	549	548	400
Rural Development	560 ¹	290	298	314	301
Corporate Services	160	102	102	105	70
Communications	101	61	61	66	63
Total Operational Plan Provisions	1,739	1,235	1,213	1,243	994
(Over) under Programme Level	(9)	(10)	(32)	(15)	(4)

¹ Includes phase 2 of Green Recovery Grants, £250,000

Annex 2: Budget and Operational Plan Summary

	2020/21 Base (£)	2021/22 Estimates (£)	Change (£)
Staff salaries	3,415,800	4,563,627	1,147,827
Board fees	172,844	182,279	9,435
Staff costs recovered	-320,000	-234,513	85,487
Total Salaries against budget	3,268,644	4,511,393	1,242,749
LEADER Salary recoveries	-53,648	-55,794	-2,146
Vacancy Savings	-78,000	-171,626	-93,626
Net salaries against budget	3,136,996	4,283,973	1,146,977
Other Board and staff costs	175,000	177,000	2,000
Facilities costs	361,080	377,318	16,238
IT & Professional	156,060	156,060	0
Heritage Horizons	0	150,000	150,000
Conservation & Land Management	325,000	405,500	80,500
Conservation – Biodiversity Challenge Fund	0	196,000	196,000
Land Management – Peatland Programme	0	1,972,000	1,972,000
Visitor Services	456,500	511,500	55,000
Visitor Services: infrastructure programme	0	324,000	324,000
Rural Development & Planning	290,000	310,000	20,000
Rural Development: Green Recovery Grants Programme	0	250,000	250,000
COVID Responses: community and organisational response programme	0	220,000	220,000
Corporate services	102,000	159,520	57,520
Communications	61,000	101,000	40,000
Total expenditure	5,063,636	9,593,871	4,530,235
Financed By:			
Resource Grant	4,779,000	6,330,000	1,551,000
Capital Grant	150,000	600,000	450,000
Other Income	125,000	2,655,000	2,530,000
Total Financing	5,054,000	9,585,000	4,531,000
Surplus of finance (+ve) / net expenditure (-ve)	-9,636	-8,871	

2021/22 Operational Plan Estimates

Operational Area	£000	Strategic Fit
Conservation and Land Management		
Cairngorms Nature Action Plan Delivery	40	Support landscape-scale conservation
Nature Friendly Farming	25	Support landscape-scale conservation
Priority Species & habitats	100	Support landscape-scale conservation
Involving people	38	Increase awareness, engagement and involvement with the Park
Cairngorms Nature Index	53	Support landscape-scale conservation
Developing strategy and future bids	30	Support landscape-scale conservation
Surveys and data gathering	50	All corporate plan priorities
Woodland creation and enhancement	30	Support landscape-scale conservation
Moorland and deer management	40	Public interest priorities in deer management
Sub-total Conservation and Land Management	406	
Visitor Services		
Information and promotion	36	Increase physical activity in both residents and visitors
Cairngorm and Glenmore Strategy	20	Ensure visitor infrastructure meets the expectations of visitors to the National Park
Long distance routes and core paths	111	Ensure visitor infrastructure meets the expectations of visitors to the National Park
Statutory access responsibilities	8	Create a 'Park for All'
Supporting public access and volunteering	55	Create a 'Park for All'
Supporting Ranger Services	190	Ensure visitor infrastructure meets the expectations of visitors to the National Park
Learning and educations	43	Create a 'Park for All'
Supporting tourism	49	Help deliver a sustainable tourism economy
Sub-total visitor services	512	
Rural Development		
National Park Partnership Plan	65	All corporate plan priorities

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Operational Area	£000	Strategic Fit
Development / Local Development Plan delivery		
Supporting communities	88	Support communities
Supporting the Cairngorms Economy	95	Support a sustainable Park economy
Delivering planning services	62	An efficient and effective planning service
Green Recovery Grant Programme Phase 2	250	Support communities / Economic Action Plan /Green Recovery Plan / Support a sustainable Park economy
Sub-total rural development	560	
Corporate Services		
Engaging with UK National Parks	20	Deliver ongoing service improvement, including appropriate shared service development
Delivering and receiving shared services	102	Deliver ongoing service improvement, including appropriate shared service development
Delivering equalities actions	15	Embedding CNPA values
Supporting IT infrastructure	23	Ensure IT facilities are fit for purpose
Sub-total Corporate Services	160	
Communications		
Events	12	Increase awareness, engagement and involvement with the Park
Publications and media relations	13	Increase awareness, engagement and involvement with the Park
Website and social media	46	Increase awareness, engagement and involvement with the Park
Supporting campaigns	30	Increase awareness, engagement and involvement with the Park / Ensure high quality internal communications
Sub-total Communications	101	

Annex 3: Delivering Best Value in Ranger Service Provision – A Mixed Model of Ranger Services

Cairngorms National Park – Ranger Services

1. Currently there are 13 Ranger Services that operate across the Park, 6 of which are part funded by the CNPA, as set out in Appendix I.
2. In total the CNPA contribute funding to 11.2 FTE Rangers. Figures from 20/21 budget.
 - a) RSPB Community Ranger in Nethy Bridge and Boat of Garten - £13k pa
 - b) Rothiemurchus Estate - £24k pa
 - c) Atholl Estate - £24k pa
 - d) Balmoral Estate - £31.2k pa
 - e) Glentana Estate - £19.2k pa
 - f) Glen Doll, Angus Live - £24k pa
3. The Ranger Services that receive grant-in-aid from the CNPA have to deliver Park objectives for the **part of their time** paid for by the CNPA. The grant level is equivalent to about 1/3 of their time.
4. The Estate or Charitable organisation are the direct employers. The Estate based Rangers Services do not and cannot work outside their estates. The work programme is established through an annual grant in aid agreement with the Estate or Charitable organisation. It is proposed through the budget process that estate-based ranger grants are increased by 10% this year to reflect that no change has been made to the Ranger grants since 2012 while employment costs have increased. This will cost around an extra £15k.
5. The CNPA is also in discussions with Estates in the Angus Glens about a seasonal ranger for that area.

Mixed model approach for Ranger coverage in the Park

6. The National Park has seen significant change over the past 15 years and significant pressures associated with the managing of visitors numbers across the Park.
7. The National Park has seen visitor numbers grow by over 40% since designation (1.5 to 2.1 million). That trend is continuing and Covid has seen an increase in first time visitors and an increase in camping, campervans and fires.
8. The CNPA in 2020 ran a seasonal ranger service to augment the services already provided by existing ranger services. The seasonal ranger service received excellent feedback and this was reported in board papers on 11 September 2020 and 27 November 2021. The Board on 22nd January also approved funding for the seasonal ranger service for 2021. Subsequently on 28 January the Scottish Government budget awarded the CNPA funding to ensure the long-term establishment of a CNPA

Ranger Service based on the case made by CNPA to Scottish Government. This funding allows the CNPA to put in place the structure needed for the CNPA Ranger Service.

9. The seasonal service will be augmented with 4 full-time ranger posts for the CNPA. Two will be focused on the Eastern Cairngorms, and two will be focused on the Western Cairngorms. The Ranger Service Manager will have operational control of the CNPA Ranger Service and will also be the liaison point with the estate-based ranger services.
10. The permanent rangers and the structure will also allow the CNPA to take forward the Kickstart rangers, provide the correct level of support for seasonal rangers and estate-based ranger services and provide the support needed for the work outlined in Appendix 3 throughout the year.
11. The CNPA Ranger Service provides 3 key ingredients
 - a) Flexibility – provides support across all land in the National Park to deal with visitor management and other issues as they arise.
 - b) Visibility – provides strong visibility for CNPA across the Park for visitors and communities. Provides a good local point of contact.
 - c) Practicality – Provides the structure to ensure close working with estate-based ranger services and provides resource for education, volunteering & maintenance work that the CNPA is responsible for.
12. The CNPA with partners will carry out a review during winter 21/22 to look at any further changes that we need to make to the overall mixed model and review the CNPA operation & the estate-based ranger services delivery for grant funding to ensure a consistently improving service.

Appendix I

Ranger Service	FTE	Funders
Highlife Highland	1	Highlife Highland
Crown Estate Scotland	1.4	Crown Estate Scotland
Aberdeenshire Council	1	Aberdeenshire Council
Glen Tanar Charitable Trust	1.6	CNPA and GTCT
Balmoral Estate	2.6	CNPA and Balmoral Estate
Angus Alive	2	CNPA, FLS and Angus Alive
Atholl Estate	2	CNPA and Atholl Estate
Cairngorms Connect	1	Cairngorms Connect
NTS	2	NTS
RSPB Scotland	1	CNPA and RSPB Scotland
Cairngorm Mountain	2	HIE
Rothiemurchus Estate	2	CNPA and Rothiemurchus Estate
Forestry and Land Scotland	2	Forestry and Land Scotland
Total	21.6	

Appendix 2 – CNPA Ranger Service - Structure

Ranger, Volunteering and Outdoor Learning Manager		
Volunteering Manager	Health & Learning Coordinator	Ranger Service Manager
		4 x Rangers
38 Volunteer Rangers		8 x Seasonal Rangers

Appendix 3 – Key Work Areas for CNPA Ranger Services

Area of Work	Role of NPA Ranger service	NPPP Priority
Visitor Management	Providing flexible resource across the National Park to help estate-based ranger services where appropriate and ensuring visitors have a positive experience in the NP whilst being responsible.	Visitor Infrastructure and Information Active Cairngorms
Health & Well-being	Encouraging and supporting people to get outside and to be more active in their everyday lives specifically by working closely with volunteer rangers and volunteers and working with increasing no of health walks	Active Cairngorms Learning & Inclusion
Education and Inclusion	Raising awareness and understanding of the special qualities of the Cairngorms through delivery of education programmes to schools and youth groups. Establishing a Park for All by working closely with partners on inclusion programmes.	Learning & Inclusion
Biodiversity Loss	Helping to implement Cairngorms Nature Action Plan especially around people engagement	Supporting landscape-scale collaboration
Engagement	A well-known face in the community to act as a conduit between communities and CNPA on key local issues.	Community Capacity & Empowerment
Maintenance	Support the maintenance of CNPA owned and managed assets where appropriate	Visitor Infrastructure and Information