



Annex 3

Budget Risks

Risk number	Budget area	Description of risk	Strategic Risk Register reference	Impacts and considerations	Budget allocation 25/26 £'000	Budget allocation 24/25 £'000
1	Funding Nature Restoration Fund	Nature restoration delivery is a key aim for the Park Authority. The availability of funding through the Nature Restoration Fund (NFR) is uncertain.	1 – Authority's ability to fund delivery dependent on funding settlement from Scottish Government	NRF funding of £220,000 is assumed to be available to the Authority. Receipt of this funding would leave the capital (CDEL) budget in surplus. This surplus will not be allocated to delivery until confirmation of NRF funding is received.	220	300
2	Funding Community Led Local Development (CLLD)	The amount of funding available for CLLD is uncertain. The expectation is that awards should support mainly capital projects.		Potential interactions between CLLD projects and climate adaptation projects and other grant funding initiatives will be explored to maximise the community benefits achieved through the two funds.	350	300



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3	Staff costs	Staff costs have been modelled at £6 million for the year, based on the negotiated three-year pay deal and a full complement of staff. Some posts within the staff cohort are currently vacant but are likely to be filled early in the 2025/26 financial year.	14 - Flexibility of workforce to respond to changes in operational scale	Vacancy savings and recruitment delays have been significant during 2024/25 and are expected to result in underspend against the full year payroll budget of around £300,000. Much of this saving resulted from internal recruitment to C2030 posts, with the consequent requirement for external recruitment to backfill core posts.	(150)	(71)
4	Vacancy savings	Vacancy savings become available if recruitment to vacant posts is delayed, either by the Park Authority deliberately, or because of lack of availability of suitable candidates. It is difficult to predict the value of such savings.	7 - explores the impact of staff costs on the budget; the risk is noted as managed, such that its risk score is now equal to the target score based on risk appetite	Now that the C2030 programme is at full complement, staff movement is expected to be considerably less than in 2024/25. A prudent estimate of the potential value of vacancy savings has been included in the budget; if savings exceed this amount, budget will be reallocated to enable additional delivery against the Operational Plan.		



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5	Climate adaptation fund	The success of this fund in 2024/25 has raised the expectation that it will be available again in 2025/26. Competing priorities for budget allocation have restricted the amount of grant-in-aid available to provide this fund. Consequently, applications may exceed available funds.	1 – Authority's ability to fund delivery dependent on funding settlement from Scottish Government	Potential interactions between CLLD projects and climate adaptation projects will be explored to maximise the community benefits achieved through the two funds. Potential increase in fund levels subject to confirmation of funding allocations to Nature Restoration and resolution of other budget assumptions.	200	370
6	Running costs	Inflationary pressures, technological improvements and an increased staff cohort combine to present a challenge for cost management.		Inflationary increase of 2.6% has been applied to ongoing running costs. Significant additional ongoing cost is anticipated when our Idox planning database is upgraded to the most recent cloud version.	25 104	- 30