



## Annex 3

### Budget Risks

Risk number	Budget area	Description of risk	Strategic Risk Register reference	Impacts and considerations	Budget allocation 26/27 £'000
1	<b>Funding</b>  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 (SG).	An application for NRF funding of £1,045,000 has been made and is assumed to be available to the Authority.	1,045



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2	Staff costs	Staff costs have been modelled at £6.45 million for the year, based on the negotiated and recently amended three-year pay deal together with a full complement of staff.	14 - Flexibility of workforce to respond to changes in operational scale.	The three-year staff pay settlement and agreed addition to that settlement reflecting inflation and other national pay conditions in 2025/26 provides significant mitigation against any risks for 2026/27 on staffing budgets.	197
3	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.	Vacancy savings and recruitment delays have been estimated at 3% of staff costs – in line with that provided in the prior year. Levels of vacancies are by their nature uncertain and at risk of variation. Current trends of declining vacancies in employment market may impact level of vacancy savings secured.	
4	Running costs	Inflationary pressures, technological improvements and an increased staff cohort combine to present a challenge for cost management.	1 – Authority's ability to fund delivery dependent on funding settlement from SG.	Inflationary increase of 3% has been applied to ongoing running costs. Likely additional cost is circa £10,000 per 1% increase in the inflation rate.	30



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				Upward inflationary pressures from current world events are likely to put pressure on running costs budgets, particularly for the start of the coming financial year.	