



For decision

Title: 2026/27 budget and operational plan

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Purpose

This paper sets out the Park Authority's proposed budget for the 2026/27 financial year.

It provides the Board with the opportunity to consider the overall budget position, together with the impact of any key assumptions made in establishing budget estimates.

The paper also presents the proposed operational plan for 2026/27 (Annex 4) to allow members to scrutinise, and take assurance on, the allocation of available resources, both financial and staff resources. The budget allocations seek to provide a balanced approach to delivery of the Park Authority's agreed strategic objectives, as set out in the approved National Park Partnership Plan (NPPP) and Corporate Plan.

Annex 3 to the paper sets out the risks identified during budget development and references these to the Strategic Risk Register, which is also provided for reference (Annex 5).

Recommendations

The Board is asked to:

- a) Approve the Cairngorms National Park Authority's budget and operational plan for 2026/27 as set out in this paper.
- b) Consider the impact of the budget and operational plan on the strategic risk register and any amendments arising.

Strategic context

1. This paper builds on the information provided to the Board at its business session in January 2026, and subsequent discussions with the Resources Committee at its meeting the following month.



2. While we await formal confirmation of funding for the year, the Authority's predicted settlement from Scottish Government (SG) for 2026/27 is:

		£m
Grant in Aid	Resource funding - RDEL Resource Departmental Expenditure Limits	8.560
Grant in Aid	Capital funding - CDEL Capital Departmental Expenditure Limits	2.085
Peatland restoration	RDEL	0.705
Peatland restoration	CDEL	3.500
Nature Restoration Fund	Application for funds	1.045
Community Led Local Development	Pending confirmation of allocation	0.350

3. Available resources have been allocated according to priorities established to meet the requirements of the NPPP and the Corporate Plan. The budget has been constructed on a line-by-line basis against each aim of the Corporate Plan.
4. When generated income budgeted at £0.25 million together with deployment of £4.763 million funding from the Cairngorms 2030 (C2030) programme is taken into account, total resources under management for the coming year, 2026/27, is budgeted at £21.258 million.
5. The process of budget development requires the consideration of risk. Detail on the risks considered by management and presented to the Board are provided in Annex 3 to this paper.

Overview of draft 2026/27 budget position

6. The overview of the proposed budget for 2026/27 is presented in Annex 1, while Annex 2 provides a comparison of the proposed 2026/27 budget with the final budget position for 2025/26.
7. The budget sets out the Park Authority's proposal for the application of core resources provided by SG through the National Parks budget, and through other SG budgets: for peatland restoration, Community Led Local Development (CLLD) and nature recovery. In addition, the budget includes the application of the



significant finances provided for the third full year of delivery of the C2030 programme.

8. The Authority has yet to receive a final grant award letter for 2026/27 from SG. However, current information on allocations provides the best available basis for budget planning, despite uncertainty pending the finalisation and receipt of grant award letters.
9. The Authority was invited to apply for financial support through the Nature Restoration Fund (NRF). We have confidence that an allocation of NRF funding will be received for 2026/27. Projects that would be eligible for support from the fund have been included in the budget allocation, in support the Park Authority's priority to deliver nature restoration outcomes (£1.045 million) and the equivalent NRF funding is assumed to be available to the Park Authority. (Annex 3-Risk 1).
10. Funding for CLLD is still to be finalised, and the figure of £0.350 million included in the budget represents our best estimate; we await decisions from SG on both the total funding available for CLLD, and how it will be allocated across partner bodies. This presents very limited risk to the overall budget position presented. Any variation in assumed income will be equally offset by varying the funding awarded, while resource cover for staff costs has been confirmed.
11. This position as regards a degree of funding uncertainty is relatively common at this point in setting the Park Authority's budget for the year ahead. As part of our ongoing budget monitoring activity through the year, we will consider the sufficiency of income alongside the management of expenditure.
12. Delivery against the C2030 programme in 2026/27 is expected to cost £7.763 million in total. Of this, £3 million is included in our current budget estimates for Peatland Restoration. Similarly, staff costs associated with C2030 delivery that will be met from core resources are provided for in our estimates. The Park Authority's committed funding contribution is also recognised. The balance of C2030 programme funding of £4.763 million to be met directly from programme finances managed by the Park Authority outside of our core SG funding is shown in Annex 1 as income alongside matched expenditure.



13. Information on the proposed budget for staff salaries is provided in paragraphs 22 to 26 below. Staffing costs for 2026/27 (excluding any potential vacancy savings and staff costs recoverable through the C2030 programme) account for 39.9% of the total operational plan income shown of £16.495 million. In the budget for 2025/26 the like-for-like costs were 39.6% of total operational plan income (£15.677 million), giving a very similar profile for the cost of staff resource required to deliver the operational plan for the year.
14. Investment in the 'People' actions of the Corporate and Operational Plans stems from funding through both the core National Parks grant and earmarked CLLD grants, on which the Park Authority partners with the Cairngorms Trust as the Trust's Accountable Body. For budget control purposes, these two strands of activity have been developed separately in the budget figures. Total investment in the People elements of the Park Authority's plans total £0.745 million for 2026/27, compared with £0.699 million in the prior year.

	2026/27 £'000	2025/26 £'000
Delivery from Grant in aid	428	378
Delivery from CLLD funding	280	284
Unrecovered staff costs	37	37
Total investment	745	699

15. The following sections present some specific points of estimate and judgement in the development of these budget estimates for consideration by the Board.

Income

16. Grant-in-aid for 2026/27 is set to increase by £0.804 million, from £9.841 million to £10.645 million, an 8% increase in cash funding from SG for the coming financial year. This is split between resource and capital funding:
- Resource Departmental Expenditure Limits (RDEL) - increase of £0.469 million
 - Capital Departmental Expenditure Limits (CDEL) - increase of £0.335 million

In addition, funding for peatland restoration is assumed at:

- Peatland restoration RDEL - increase of £55,000 to £705,000 (staff and non-staff costs)



d) Peatland restoration CDEL – reduction of £170,000 to £3,500,000

17. CLLD activity, also funded through SG, is expected to remain at the same level as in the prior year, around £350,000. Total resource available nationally has increased slightly to £9.3 million with this figure projected to remain fixed for the following two years, 2027/28 and 2028/29. Final allocations across Scotland's 20 Local Action Groups are still to be announced at the time of writing this paper.
18. Other sources of income (£250,000) included in the draft budget position are:
- a) Other grant funding
 - b) Planning fees, and
 - c) Bank interest.

Expenditure

19. Staff costs have been a major uncertainty in setting the budgets over the past two years, because of the delay in agreeing annual pay awards. However, the three-year pay award (2024/25 to 2026/27) agreed both with SG and with staff, provides certainty over the rate of annual pay increase for 2026/27.
(Annex 3 - Risk 2)
20. The Board's Resources Committee has overseen management of the three-year pay award since its implementation in 2024. Two key matters out with the Park Authority's control impacted the pay position in the course of 2025/26: inflation levels remained significantly above the target level and in excess of 3% throughout the year; and a national award to SG's main bargaining unit significantly above our pay position was agreed for 2025/26 and 2026/27. Consequently, the Park Authority secured approval from the SG's Remuneration Group for an addition to our staff pay agreement. An additional 1% was awarded with effect from 01 January 2026, bringing total pay awards to 3.3% for the 2025/26 financial year. An additional 0.7% was also approved for addition to the 2026/27 settlement, bringing total increases for the coming year to 3.0%. The full year effect of both these additional elements of staff pay are provided for in full in these staff budget figures. No additional movement in staff pay is expected for the 2026/27 financial year.



21. The budget includes a pay award impact of £290,000.

Breakdown of payroll budget 2026/27	£m
Full year cost of staff cohort before the 2026/27 award	7,532
Award 2026/27	290
Total budget estimate 2026/27	7.822

22. Estimates have been made of the levels of staff payroll recoveries from external funding sources. Current estimates are for recoveries through C2030 of £1.172 million and through CLLD of £70,000 in 2026/27.
23. Consideration has been given to the management of vacancies, both in respect of whether existing vacancies should be filled, the impact of these vacancies on workload and the value of any savings that might be realised from delays in recruitment. The availability of vacancy savings depends on the circumstances of staff turnover and recruitment in any particular year and is therefore inherently difficult to estimate. Last year, a metric of 3% of the total budget was applied. This metric would indicate likely savings of around £197,000 (3% of budget estimate net of recoverable costs). The Executive considers this to be a prudent approach to the estimation of vacancy savings. The payroll budget will be monitored closely throughout the year, with any available additional savings being applied to operational delivery. (Annex 3 - Risks 2 and 3).
24. Using this modelling, the net cost for staff salaries in 2026/27 is therefore £6.382 million.

Payroll budget net of recharges and savings	£m
Total budget estimate 2026/27	7.822
Total recoverable	(1.242)
	6.580
Vacancy savings / recruitment delays	(0.197)
Total net cost	6.382



Operational plan investment

25. The full operational plan, flowing from the core objectives of the Corporate Plan, is set out at Annex 4 to this paper. Total budget of £8.482 million has been allocated across our operational plan delivery.

	£000
Climate adaptation fund	345
Peatland restoration programme	3,530
Nature and climate	1,761
People	429
Community led local development	280
Place	893
Programme contribution Cairngorms 2030	450
Communications	210
Fire byelaws	204
Corporate support	380
Total Operational Plan investment	8,482

26. In line with recent years, the operational plan has been budgeted without “over-programming”. The total value of the budget allocated to the operational plan is based on expectation of the total income likely to be available at the beginning of the financial year. No additional provision has been made for slippage over the course of the year, for example, by budgeting for a greater value of operational plan investments than are capable of being covered by funding levels. This is a prudent approach, given the various uncertainties in income levels and expenditure pressures in the coming year. If slippage or underspend arises in any projects or budget areas, management action can be taken to reallocate available resources to priority areas of investment or to cover other emerging budget pressures.

Running costs and inflationary impacts

(Annex 3 - Risk 4)

27. The budget for running costs has been built on the outturn forecast for 2025/26. Inflationary increases of 3% have been applied. This adds £30,000 to running costs.
28. Software licences continue to be an essential part of the organisation’s infrastructure, with our core programmes available only as Software As A Service (SAAS) and provided on the Cloud:



- a) Microsoft applications
- b) Finance software – Access Financials
- c) Payroll and HR software - Access
- d) E-planning system- Idox
- e) Geographic Information System (GIS)

29. The e-planning and GIS systems are provided through a shared service agreement with Loch Lomond and the Trossachs National Park Authority.

Efficiency savings

30. In previous years grant award letters have included a requirement to achieve efficiency savings. There appears to be some acceptance that efficiency savings may not be possible in the current economic climate, but we await clarification on this requirement. Management will in any case continue to seek efficiencies in our operations, with for example significant investment in digital solutions to office processes, vacancy and other savings in staffing where possible and through procurement and management of contracts.

31. The Park Authority also continues to address the Public Sector Reform (PSR) agenda, including management of workforce numbers and corporate costs. Opportunities to manage corporate costs and develop shared services will be pursued as they arise, while more designed actions will be considered as part of our engagement with PSR groups and in developing our forthcoming Organisational Development Strategy.

Strategic risk management

32. The current strategic risk register is presented at Annex 5. The strategic risk register has been reviewed by the Executive Management Team in February alongside the development of the budget position now presented. The strategic risk register was also considered by the Board's Audit and Risk Committee at its meeting on 13 March 2026. The risk register is considered to be an accurate reflection of the significant strategic risks impacting the Park Authority's delivery of its objectives and sets out agreed actions to mitigate those risks.



33. The board is requested to consider the coverage of the strategic risk register in the context of the budget and operational plan position now presented, and in light of discussions by board members on these proposals, and to consider whether any amendments to the Park Authority's risk register is required.

Next steps

34. Following board consideration and approval of a budget for 2026/27, allocations will be confirmed to budget holders to allow plans for delivery over the coming financial year to commence.
35. We will continue to provide budget monitoring reports to the Board's Resources Committee over the course of the year ahead, identifying any significant budget variations and action in managing those variations.
36. The established process of review and development of the Strategic Risk Register will continue through the year.

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