Yorkshire Dales National Park Authority **Item 5**

Finance & Resources Committee

24 February 2026

Draft Budget 2026/27 and Medium Term Financial Strategy

Purpose of report

1. To seek approval for the draft 2026/27 Budget and the associated Reserves Strategy; and the indicative draft budgets for 2027-28 and 2028-29 and related actions.

Recommendation

2. That Members approve for submission to the Full Authority:

   - The draft budget for 2026/27 and indicative budgets for 2027/28 and 2028/29 (**Appendix 1**);
   - The Reserves Strategy (**Appendix 5**), and;
   - The amendments to the Authority's objectives (**Appendix 7**).

Strategic Planning Framework

3. The information and recommendations contained in this report are consistent with the Authority's strategic planning framework, and in particular:

   - **Corporate Plan objective 28**:
     Plan and manage the Authority's work so as to make the most effective use of our resources, including generating sufficient income to maintain expenditure at the same level as 2014/15 in real terms

Background

4. The Authority is required to produce a balanced budget for the financial year ahead. This budget, together with projections for the following two years, constitute the Authority's three-year Medium Term Financial Strategy (MTFS).

Financial Outlook

5. At this time last year, Officers reported that the Authority's financial position looked more precarious than it had for some considerable time, due to uncertainty about the new Government's intentions for our revenue grant.

6. There was an irony in this situation, as the potential cuts were being discussed at a time when the Authority was delivering its largest programme of works since its inception in 1997.

7. The uncertainty facing all National Park Authority funding continued through 2025 as the Government undertook a Comprehensive Spending Review (CSR). Following the announcement of the results of the CSR Defra undertook its own Business Planning process. At the time of writing, the detail of this process has still to be announced. However, early indications suggest that, although the revenue position remains tight, Government has followed through on their commitment to long-term capital grant allocations to National Park Authorities.

8. Members may also be aware of the recent, very positive announcements around the future of the Farming in Protected Landscape Programme (FiPL). If these indications all come to fruition, then along with the Authority's strong performance in developing its own external funding streams, the financial position looks more positive than it has for some time.

9. Defra has indicated that, as expected, National Park Authorities will receive a three-year settlement which includes Revenue, Capital, FIPL and Access for All Grant. Year 1 is fixed and years 2 and 3 are indicative. This stability should enable a more strategic approach to work programme planning and the development of longer-term projects that benefit nature, people and place.

10. It is worth Members noting that the availability of Capital funding has allowed us to invest in the Authority's infrastructure (visitor centres, car parks, toilets etc), meaning they will be in excellent condition. Good news for the public and the delivery of our objectives.

11. Continuing the trend of recent years, Defra funding is increasingly targeted to specific work streams, so the Authority has reduced flexibility to determine its own programme spending.

12. A flat Revenue Grant makes budgeting considerably more difficult due to inflationary strain, but the Authority can utilise the additional capital funding to counteract this to some extent.

13. As highlighted above, all of these figures have still to be confirmed in detail but the main **assumptions** in the proposed MTFS are:

    - The Defra core **Revenue** Grant is a flat settlement of **£4.8m** for all 3 years, with no inflationary increases.
    - The Defra core **Capital** Grant to be as 2025/26 - **£1.1m**.
    - The FIPL budget to be as last year - **£1.76m** - in 2026/27 and slightly lower in 2027/28 and 2028/29.
    - Defra 'Removing Barriers' Grant to be as 2025/26 - **£113k**.
    - Funding of **£200k** for Phase 2 of the development of the Authority's Active Travel Schemes has now been confirmed.

14. To achieve a balanced budget, the current revenue shortfall (£351.3k) will be addressed by either additional income or by reclassifying suitable revenue expenditure as capital expenditure. As a fallback, general reserves are available to meet this shortfall.

15. The total income currently projected for 2026/27 is **£12.0m.** This is well above the figure (£10.3m) needed to achieve our annual income objective (see para 3). At the moment this represents a slight drop in spending compared to 2025/26. This is primarily because the 'Grow Back Greener' project will have finished. As Members will be aware, new sources of project income are being sought. As usual, budgets will be increased when confirmation is received of new funding streams.

16. For 2026/27 **£103k** of Earmarked Reserves for IT, Estates & Plant; and **£119k** of Earmarked programme reserves will be used.

Key features of the budget

17. We have been able to retain a 'match funding' reserve of £500k for the coming year. This is critical and enables us to develop and secure external funding for significant projects and programmes.

18. The recent pay review report was considered by this Committee in December. Members were supportive of the proposals. However, at the time of consideration, the Authority's future funding position was unknown, and Members wanted to see the financial impact of the recommendations set against the 2026/27 budget and the MTFS. These costs are included in the budget. The additional costs are £57k in 2026/27 rising to £128k by 2028/29. The increase being funded by the reduction in the Authority's pension contributions of £270k p.a.

19. Staff pay awards have been assumed at 3% for 2026/27 and 2% thereafter. Each 1% variation equates to approximately £54k.

20. The 'vacancy factor' remains at 2.5%, which translates to a predicted saving of £127k through vacancies in 2026/27.

21. A number of 'discretionary' elements of work programmes have been reduced – most notably the Sustainable Development Fund, which has been reduced by £55k per annum. These reductions reflect a change in approach rather than real cuts. They will focus officers on spending any external funding and Capital funding first but, where there is capacity or demand for new projects during the year, additional funding will be available from the 'match funding' reserve (see para 17).

22. Of the expected £1.1m Capital funding available for 2026/27, £268k has already been allocated for planned Capital Projects. A further £872k is currently shown under Capital Expenditure, which has not yet been allocated. A paper, with detailed proposals, will be presented to Members at the May F&R Committee.

23. The proposed budget will enable the Authority to start to deliver the 36 Authority long term objectives that Members approved at the Authority meeting in December. **Appendix 7** shows the intended progress on each one of these objectives by the end of 2026-27. This will form the basis for the Authority's Corporate Plan 2026/27, which will be published in April.

24. Members will recall that there were 4 objectives relating to land management where the scale of Authority activity was almost impossible to predict back in December (particularly as, at that stage, the future of the Farming in Protected Landscapes programme was not yet known). As the paper in December suggested, we have taken the opportunity to review those further, and it is now proposed to amend the targets for three of them (No. 1, 5, & 15), and to tidy up one of the other objectives to more accurately reflect the Authority's role (No. 24). Those proposed amendments are also contained at **Appendix 7**.

Pension Valuation

25. The AON Pension Actuary performs a triennial valuation every three years on the pension fund and adjusts the pension rates for the forthcoming three years. The pension rate was 12.4% in 2025/26 and because of the excellent performance of the fund in the past three years, the rate for the next three years has been reduced to 6.3%. This reduces our annual costs by approximately £270k per annum.

Beyond 2026/27

26. The financial position beyond 2026/27 is likely to be a similar situation to the current year although as always, the two-year figures provided by Defra are indicative, and will be confirmed at the appropriate time.

27. Projected expenditure on our work programmes for 2027/28 and 2028/29 is already over £11.7m – well ahead of the Authority's overall income/spending objective. This is likely to increase further as the pipeline of external funding projects develops.

28. The overall staff costs look considerably more manageable in the medium term than they have in recent years. The projected staff cost: gross expenditure ratio for years 2 and 3 (55%; 57%) is the lowest in 5 years and compares to 70% and 71% 12 months ago.

29. Due to the availability of capital funding and the flat revenue budgets, we will review our work programmes in the next year to identify where capital funding can appropriately replace revenue expenditure. This detail will be included in the Action Plan.

The Draft Budget: Detail

30. Detailed information on the Authority's work programmes and corporate activities budget is contained within the following appendices:

- **Appendix 1**: **Draft Medium Term Financial Strategy 2026/27-2028/29.** The detailed budget for 2026/27 and projections for the following two years.
- **Appendix 2**: **Budget assumptions: Costs and income.** The key assumptions that underpin the projections. The estimates are considered to be robust, and additional explanations are provided where there is any significant level of uncertainty.
- **Appendix 3**: **Significant budget changes**. Those parts of the 2026/27 budget that have changed significantly from the indicative figures presented last year.
- **Appendix 4: Work Programme Budgets**. Detailed proposals for each work programme.
- **Appendix 5**: **Reserves.** Details of the planned use of a number of our earmarked and General Reserves.
- **Appendix 6**: **Risks**: significant issues that may affect the budget in 2026/27.
- **Appendix 7**: **Progress on Authority Objectives.** Identifies the Authority's 36 Programmes of work, what we intend to deliver during 2026/27, and proposed amendments.

Equality Impact Assessment

31. An Equality Impact Assessment has been completed for the budget and the proposals it describes, with specific reference to the protected characteristics prescribed by the Equalities Act 2010. This assessment concluded that the proposals have no adverse equality impacts.

Conclusion

32. The current budget proposals and MTFS are the most positive they have been for some time. Although the revenue grant position remains difficult, the confirmation of capital grant increase and, more importantly, the stability of a three-year settlement helps greatly with longer term financial planning in order to achieve our objectives.

33. The proposed 2026/27 budget has been balanced by an assumption of additional income or reclassifying Revenue for Capital Funding, minor cuts to a few discretionary elements of our programmes, and expectations of additional income generation. However, Reserves are available to cover any shortfall should this prove to be unworkable.

34. The draft Budget may be subject to further revisions before it is submitted to the Authority for final approval. Any such changes will be highlighted within the accompanying report to be submitted to the Authority meeting at the end of March.

Michelle Clyde
Head of Finance/Treasurer

Medium Term Financial Strategy 2025/26-2027/28

	2025/26 BUDGET NET £000's	2026/27 BUDGET NET £000's	2027/28 BUDGET NET £000's	2028/29 BUDGET NET £000's
PROGRAMME BIDS				
Staff Cost	807.4	861.2	886.6	910.8
Programme Cost	58.5	58.7	59.0	59.2
Income	(337.0)	(355.0)	(355.0)	(355.0)
Development Management Total	**528.9**	**565.0**	**590.6**	**615.0**
Staff Cost	717.2	811.0	705.4	698.1
Staff income	(342.0)	(472.2)	(304.8)	(311.7)
Programme Cost	1,568.1	1,652.1	1,553.3	1,547.3
Income	(1,565.1)	(1,624.1)	(1,553.3)	(1,550.3)
Farm Conservation Total	**378.2**	**411.8**	**403.5**	**389.4**
Staff Cost	227.1	207.4	179.7	185.1
Staff income	(81.1)	(34.6)	(17.4)	0.0
Programme Cost	133.2	127.4	129.8	132.3
Income	(81.2)	(83.6)	(86.0)	(88.5)
Biodiversity Total	**197.9**	**216.6**	**206.1**	**228.9**
Staff Cost	719.8	658.2	684.3	703.1
Staff Income	(255.0)	(148.6)	(150.8)	(153.1)
Programme Cost	747.9	663.9	665.8	657.9
Income	(507.6)	(478.1)	(478.1)	(478.1)
Rights of Way Total	**705.0**	**695.4**	**721.1**	**729.8**
Staff Cost	169.1	154.9	159.5	164.1
Programme Cost	66.0	26.0	26.0	26.0
Income	0.0	0.0	0.0	0.0
Development Planning Total	**235.1**	**180.9**	**185.5**	**190.1**
Staff Cost	162.0	198.2	205.9	214.0
Staff Income	(47.8)	(84.9)	(88.8)	(93.1)
Programme Cost	26.6	259.5	47.2	16.7
Income	(6.6)	(245.5)	(17.5)	0.0
Recreation & Health Total	**134.2**	**127.3**	**146.7**	**137.5**
Staff Cost	319.9	285.5	246.9	206.8
Staff Income	(112.7)	(68.0)	(34.2)	(21.8)
Programme Cost	101.6	65.5	48.5	38.0

	2025/26 BUDGET NET £000's	2026/27 BUDGET NET £000's	2027/28 BUDGET NET £000's	2028/29 BUDGET NET £000's
PROGRAMME BIDS				
Income	(54.6)	(28.5)	(11.5)	(1.0)
Education & Outreach Total	**254.2**	**254.5**	**249.7**	**221.9**
Staff Cost	207.2	206.8	168.8	174.7
Staff income	(55.7)	(44.7)	0.0	0.0
Programme Cost	694.4	36.3	36.3	36.3
Income	(667.6)	(5.5)	(5.5)	(5.5)
Trees & Woodlands Total	**178.3**	**192.9**	**199.6**	**205.5**
Staff Cost	109.6	116.0	120.4	124.4
Programme Cost	216.8	168.2	141.7	141.4
Income	(89.7)	(130.4)	(121.1)	(118.1)
Dales Countryside Museum Total	**236.8**	**153.8**	**141.0**	**147.6**
Staff Cost	155.3	184.0	176.5	161.6
Staff income	(20.0)	(5.0)	0.0	0.0
Programme Cost	16.5	14.0	42.5	42.5
Income	(20.0)	(35.0)	(20.0)	(20.0)
Historic Environment Total	**131.8**	**158.0**	**199.0**	**184.1**
Staff Cost	0.0	0.0	0.0	0.0
Programme Cost	3.7	16.2	3.7	3.7
Income	0.0	0.0	0.0	0.0
Landscape Features Total	**3.7**	**16.2**	**3.7**	**3.7**
Staff Cost	228.2	218.8	226.8	232.1
Staff Income	0.0	0.0	0.0	0.0
Programme Cost	219.5	138.6	165.7	107.6
Income	(13.3)	(11.5)	0.0	0.0
Volunteers and Apprentices Total	**434.3**	**345.9**	**392.5**	**339.7**
Staff Cost	131.4	122.7	126.8	130.7
Staff Income	0.0	0.0	0.0	0.0
Programme Cost	15.0	15.0	15.0	15.0
Income	0.0	0.0	0.0	0.0
Tourism Total	**146.4**	**137.7**	**141.8**	**145.7**
Staff Cost	396.1	405.7	418.7	432.1

	2025/26 BUDGET NET £000's	2026/27 BUDGET NET £000's	2027/28 BUDGET NET £000's	2028/29 BUDGET NET £000's
PROGRAMME BIDS				
Programme Cost	512.5	399.9	402.3	404.6
Income	(409.6)	(459.6)	(459.6)	(459.6)
National Park Centres Total	**499.0**	**346.0**	**361.4**	**377.1**
Staff Cost	45.9	44.3	45.2	46.1
Programme Cost	100.0	100.0	100.0	100.0
Income	0.0	0.0	0.0	0.0
Sustainable Development Total	**145.9**	**144.3**	**145.2**	**146.1**
Staff Cost	93.2	90.5	93.6	95.5
Programme Cost	555.5	310.3	320.0	328.6
Income	(1,029.0)	(1,029.2)	(1,029.2)	(1,029.2)
Car Parks & Toilets Total	**(380.2)**	**(628.4)**	**(615.6)**	**(605.1)**
Staff Cost	75.3	67.2	68.8	70.2
Programme Cost	11.0	11.0	11.0	11.0
Income	0.0	0.0	0.0	0.0
Recreation Management Total	**86.3**	**78.2**	**79.8**	**81.2**
PROGRAMME SUMMARY				
TOTAL GROSS PROGRAMME COSTS	**9,611.3**	**8,695.1**	**8,281.6**	**8,217.6**
TOTAL PROGRAMME INCOME	**(5,695.5)**	**(5,299.0)**	**(4,729.8)**	**(4,679.1)**
TOTAL PROGRAMME SPEND	**3,915.8**	**3,396.2**	**3,551.7**	**3,538.5**
CORPORATE EMPLOYMENT & CENTRAL COSTS				
Conservation of the Natural Environment	140.1	139.3	144.5	149.9
Promoting Understanding and Enjoyment	112.1	119.0	123.8	128.7
Communications and Interpretation	214.6	226.8	220.4	226.1
Ranger Service	89.7	87.0	89.3	90.9
Development Planning	0.0	0.0	0.0	0.0
Corporate Services	1,119.3	1,097.3	1,126.4	1,158.1
Vacancy Factor	(127.6)	(128.2)	(128.4)	(130.4)
Other Employee Costs - Corporate Management	40.5	30.8	31.1	31.4
Other Employee Income - Corporate Management	0.0	0.0	0.0	0.0

	2025/26 BUDGET NET £000's	2026/27 BUDGET NET £000's	2027/28 BUDGET NET £000's	2028/29 BUDGET NET £000's
TOTAL CENTRAL GROSS COSTS	**1,588.6**	**1,572.1**	**1,607.0**	**1,654.7**
TOTAL CENTRAL INCOME	**0.0**	**0.0**	**0.0**	**0.0**
Total Corporate Employment Costs	**1,588.6**	**1,572.1**	**1,607.0**	**1,654.7**
Support Services	281.6	279.8	297.3	287.5
Support Services Income	(248.0)	(273.5)	(223.5)	(223.5)
CEO Support	4.6	4.7	4.7	4.8
CEO Support Income	0.0	0.0	0.0	0.0
Legal Services	32.4	35.9	36.7	37.4
Legal Services Income	(28.0)	(20.0)	(20.0)	(20.0)
Office Accommodation	132.0	132.6	136.7	141.0
Office Accommodation Income	(20.2)	(22.5)	(22.5)	(22.5)
Office Buildings Maintenance	142.6	26.8	26.1	29.4
Health & Safety	6.7	6.9	7.0	7.1
Member Costs	137.3	157.4	155.4	161.9
IT Licences, Consumables and Support	349.7	228.0	291.1	199.7
Communications	140.4	60.9	81.9	63.0
Communications Income	(3.0)	(3.0)	(3.0)	(3.0)
Training	49.9	69.1	66.1	66.1
TOTAL CENTRAL GROSS COSTS	**1,277.3**	**1,002.1**	**1,103.1**	**998.0**
TOTAL CENTRAL INCOME	**(299.2)**	**(319.0)**	**(269.0)**	**(269.0)**
Total Central Costs	**978.1**	**683.1**	**834.1**	**729.0**
BUDGET SUMMARY				
DEFRA Revenue National Park Grant	(4,800.8)	(4,800.8)	(4,800.8)	(4,800.8)
DEFRA Capital National Park Grant	(1,569.0)	(1,140.0)	(1,140.0)	(1,140.0)
Total Core Grant Income	**(6,369.8)**	**(5,940.8)**	**(5,940.8)**	**(5,940.8)**
Other Income	(5,994.7)	(5,618.0)	(4,998.8)	(4,948.1)
Total Income	**(12,364.5)**	**(11,558.8)**	**(10,939.6)**	**(10,888.9)**
Gross Expenditure	12,477.1	11,259.3	10,981.7	10,860.3
Capital Expenditure (still to allocate)	**0.0**	**871.8**	**823.2**	**929.1**
Gross Expenditure	**12,477.1**	**12,128.1**	**11,801.9**	**11,786.5**
In-Year Deficit/(Surplus)	**112.6**	**572.4**	**865.3**	**900.5**
FUNDED BY:	0.0	0.0	0.0	0.0
Matched Funding from Specific Reserves	**(112.6)**	**(118.5)**	**(64.1)**	**(44.1)**
Property/IT/Plant Funded from Reserves	**0.0**	**(102.6)**	**(144.7)**	**(45.0)**

	2025/26 BUDGET NET £000's	2026/27 BUDGET NET £000's	2027/28 BUDGET NET £000's	2028/29 BUDGET NET £000's
New income generation opportunities or replacement of Revenue to Capital Expenditure	0.0	(351.3)	(656.5)	(811.5)
(Surplus)/Deficit in year	0.0	(0.0)	(0.0)	(0.0)
% Ratio - Salary Costs to Gross Income	54.5%	53.2%	55.5%	56.6%
Non-DEFRA income % of Total Income	48.5%	48.6%	45.7%	45.4%

Appendix 2

Budget assumptions: Costs and income

1. Defra Grant

Defra's grant settlement letter for 2026/27 has not been received, but a letter of comfort is expected shortly to confirm the same settlement as last year, with the additional of £20k to fund the National Parks England subscription being added as part of core grant, this is a reclassification rather than additional funds. The budget has been set on the basis of a flat cash settlement for both revenue and capital funding.

2. Income from Fees & Charges

Projections for income from fees and charges are considered to be realistic based on prior years.

3. Other Income

Income has been profiled where it has been confirmed, or it is very likely that the projects will proceed. Speculative income has not been included for projects which are currently in the pipeline.

4. Staff Costs

Staff costs have been modelled in detail across the next 5 years to identify potential affordability issues. The projections include the pay review, estimated national pay increase, pay-band progression, employer Pension and National Insurance contributions, and a saving due to temporary vacancies (vacancy factor). Projections for the ratio of staff costs to gross income are shown below.

% Salary Costs to Gross Income	2026/27	2027/28	2028/29	2029/30	2030/31
Projections as at January 2026	53.2%	55.6%	56.6%	77.2%	78.9%

Members adopted an indicative measure for this ratio of 50%-55%. So, the above figures show a relatively strong picture for the next 3 years. All recent experience is that the actual ratio will be markedly lower than projected in future years as new grants and income streams are secured.

5. Staff pay and Member allowances

The recommendations from the pay review are included in the budget model but are subject to Member approval.

Estimated pay increases are set at:
3% - 2026/27.
2% - thereafter.

6. Overheads

Inflation on corporate overheads has been applied at variable rates depending on the item. Inflation is lower than the previous year, in particular for utilities.

7. Capital Expenditure

Earmarked Reserves are held to match project expenditure in Property, IT and Plant over a five-year period. Use of Reserves to match spend in the MTFS are £103k in 2026/27, £145k in 2027/28, £45k in 2028/29 **(see Appendix 5)**.

Not all of this expenditure can be classed as Capital.

A flat rate DEFRA Capital Grant has been assumed of £1,140k across all three years, Capital Spending included:

Capital Projects Spending

	£'000	£'000	£'000
Capex Core Grant	**1,140**	**1,140**	**1,140**
Property, IT and Plant	63	112	6
Leased Assets	145	145	145
SDF Capital Projects	50	50	50
Field Trees Capital Project	10	10	10
Total	**268**	**317**	**211**
Balance to allocate	**872**	**823**	**929**

Appendix 3

Significant Budget Changes

The changes below highlight significant budgetary changes between the indicative budgets approved by the Authority in March 2025 (for the years 2026/27 – 2028/29), and the revised budget now proposed.

Staffing

1. **The National Pay Award for Local Government**:

   The national pay award for 2025/26 was budgeted at 3% across the board. The pay settlement agreed was 3.2%.

2. **Pay Review**:

   The financial impact of the pay review is £57k 2026/27, £86k 2027/28, £108k 2028/29.

3. **Pension Triennial Review**:

   The employer contribution rate was decreased from 12.4% to 6.3%, a saving of £269k 2026/27, £277k 2027/28, £278k 2028/29.

4. **Increased staffing costs**

   - Planning Ecologist increased by 0.5 FTE approx. £30k p.a.
   - Communications temporary website post £12.5k 26/27 only.
   - YDMT Apprentice £16k 26/27 only.
   - Nature Recovery Data Officer £22k p.a. (partly funded by not filling the 0.5 fte Climate Change Officer post approved last year).

5. **Funded Posts (no cost to the Authority)**

   - FIPL Officers – funding assumed to be extended £224k 26/27, £185k 27/28, £191k 28/29.
   - Land Management Project Officer – approx. £46k p.a.
   - Access Project Officer – approx. £48k p.a.
   - Access to Eden Officer - £25k p.a. 18-month post.
   - Jewels of the Dales Manager & Officer - £65k 26/27 only.

6. **Additional income to offset Salaries**

   - Catchment Sensitive Farming £11k 26/27 & 27/28, £42k 28/29.
   - Nature Recovery Data Officer assumes £10k income against post from project work.

7. **Total Staffing**

- The combined result of the above staffing changes equates to a net decrease of £56k in 2026/27, £41k in 2027/28, and £14k in 2028/29.

8. **Work Programmes**

Major changes to the programme budgets (=>£20k)

a. Development Management

- Biodiversity Net Gain income - £25k p.a.

b. **Farm Conservation**

- FIPL grant programme - £1,758k 26/27 and £1,731k 27/28 & 28/29 expenditure/income.
- Jewels of the Dales - £75k expenditure/£50k income 26/27 only.

c. Recreational & Health

- Access Removing Barriers DEFRA funding - £113k expenditure/income 26/27 only.
- Active Travel - £132.5k 26/27, £17.5k 27/28 expenditure/income.

d. Education & Outreach

- House Birds, Access to Eden, Jewels of the Dales - £28.5k 26/27, £11.5k 27/28 expenditure/income.

e. Dales Countryside Museum

- Going Places - £45k 26/27, £31k 27/28, £28k 28/29 expenditure/income.

f. National Park Centres

- Retail – increase £30k cost, £50k income, net income increase £20k p.a.

g. Sustainable Development

- Decreased fund expenditure by £55k p.a.

h. Central Costs

- Income from Bank interest increased £93k 26/27, £43k 27/28 & 28/29.
- NPE Defra – increase £20k p.a. income.
- IT – increase £63k 27/28 SD WAN and Licencing Server.

Appendix 4

Work Programme Budgets

Appendix 5

Reserves Strategy

1. The Authority holds Reserves for two purposes:

    - **To help to manage budget risk, by providing financial 'insurance' in case of:**
        - contingencies such as a major legal cost or the interim funding needed to cope with a reduction in National Park Grant from Defra;
        - inaccurate budget estimates or loss of external funding streams.

    - **To support delivery by:**
        - funding investment requirements;
        - enabling us to take advantage of appropriate project opportunities.

2. This Strategy covers the Authority's **Usable** Reserves. These are Reserves backed by cash and are therefore available to spend on the purposes for which they have been established. At the date of this report, the estimated value of the Authority's Usable Reserves is **£4856k.**

The Strategy

3. It is proposed that, for 2026-27, the Authority's Reserves be maintained in line with the table below. Full details of each Reserve, and the purpose for which it is maintained, have not been included here but are available at Members' request.

4. Reserves will be spent over the following five years to cover the projects and capital spending indicated; the costs of which are included in the main budget.

5. The position on 31 March 2026 will inevitably be different from that shown below, after considering the following events:

    - A temporary reserve will be created to contain any carry-forward budgets that are required to complete activity started but not finished in 2025/26, this is normally in the region of £400k to £600k and covers those projects which do not neatly fit into the financial year. This reserve will come from underspends in 2025/26.

    - The balance of the Three Peaks budget will be transferred into a reserve for future spending.

    - It is unlikely that the position at year-end will exactly match the set budget which this estimation is based on. The General Fund will be modified in line with the net 2025/26 year-end financial balance (after taking account of carry-forward budgets).

    - The contingency budget is set at 10% of the approved expenditure for 2026/27 so is subject to change given the number of variables which may be crystalised by year end.

- The general movement balance of £348k may not be needed if the Authority can bring in additional income or swap revenue for capital spend but is allocated as a contingency.

		ESTIMATED BALANCE @ 31/3/26	USE OF RESERVES 2026/27
No	**Reserve Description**	**£'000**	
1	Contingency Reserve - 10% gross budgeted expenditure 26/27	1,213	
2	Carry Forward Budgets	TBN	TBN
3	IT Equipment	356	(37)
4	Property	145	(40)
5	Plant & Equipment	80	(25)
6	Earmarked legacies	74	(74)
7	Trees and Woodlands Reserve	132	(44)
8	Garsdale to Hawes multi use route	860	
9	External Funding Match Bid Reserve	500.0	
10	Three Peaks Reserve	61	
	Estimated Earmarked Reserves Balance	3,421	
	Estimated General Fund Reserve	*1,504*	*(348)*
	Estimated Total Usable Reserve Balance (based on current budget)	4,856	(568)

Appendix 6

Risks associated with the Draft Budget

Risk	Impact	Likelihood	Control / Mitigation
1. DEFRA Core Grant is not as budgeted	High	Low	The Budget will need to be re-worked should the grant be lower than a flat settlement for either revenue or capital grant in 2026/27.
2. Longer term plans are unaffordable	High	Low	Projections indicate that our plans for 2027/28 and 2028/29 are not fully funded in their current form. The shortfall is expected to be covered by a review of the split of revenue and capital expenditure and/or additional income generation. Should neither of these cover the shortfall, we have the reserves to deal with these matters.
3. Staff costs in excess of budget	Moderate	Moderate	Staff turnover may not generate the saving from vacancies built into the budget. The Local Government pay award for 2026/27 is not yet agreed. For every additional 1% above budget, the Authority's staff costs rise by ~£54k pa.
4. Inflation greater than projected	Moderate	Moderate	Specific rates of inflation, appropriate to each overhead, have been used to prepare the budget. The current situation is changeable and will be monitored, so that more substantial increases in inflation can be taken onto account should the budgeted rates prove to be too low.
5. Unidentified costs missing from budget.	Low	Low	Any significant problems could be managed through a call on the Matched Funding or Contingency Reserve.
6. Failure to achieve earned income projections.	Moderate	Low	Achievement of targets is kept under continuous review. The most significant 'earned income' target is car parking, which has seen a stable income stream to date. The increasing contribution from external grant income to our budgets isn't necessarily accompanied by increased risk: the majority of such income is linked to related expenditure, with no overall net *financial* impact, although gross income would be impacted.
7. Failure to deliver objectives within Corporate Plan	High	Low	Closely managed process, with scheduled in-year reviews. Where additional spending is required to achieve delivery, budget can be made available from the General Reserve or – if necessary - from redirecting resources from lower priority programmes.
8. Insufficient Reserves to cover spending plans	High	Low	Managed through the Reserves Strategy (see Appendix 5).

Appendix 7

Progress on Authority Objectives

Home to the finest variety of wildlife in England

Objectives	Progress by March 2027
1. Support farmers and landowners to restore or create ~~500~~ 750 hectares of new wildlife-rich habitats outside protected sites by 2030 (from a 2022 baseline).	600 ha created (cumulative)
2. Support farmers and landowners to restore and manage landscape-scale mosaics of semi-natural habitats in one 'nature recovery area' ('Tees-Swale') and develop similar initiatives for at least 2 additional areas by 2030.	Complete Tees-Swale: Naturally Connected
3. Ensure that recovery plans are in place and being implemented for all 'priority wildlife species' by 2030.	2 recovery plans produced
4. Work with farmers, landowners to improve the condition of rivers – including significantly reducing diffuse pollution from farming through the Catchment Sensitive Farming programme.	160 farmers advised

Resilient and responsive to the impacts of climate change, storing more carbon each year than it produces

Objectives	Progress by March 2027
5. Work with farmers and landowners to encourage creation of ~~600ha~~ a further 200ha of native broadleaf and mixed woodland, including, scrub, wood pasture and natural regeneration by 2031, to create a network that increases resilience to climate change and reduce downstream flood peaks.	50 ha (cumulative)

Objectives	Progress by March 2027
6. Work with farmers and landowners to support food production through the use of regenerative farming practices, working with natural processes, across at least 40 farm holdings by 2028.	30 farm holdings (cumulative)

A friendly open and welcoming place with outstanding opportunities to enjoy its special qualities

Objectives	Progress by March 2027
7. Manage and maintain the standard of all public rights of way, so that, on average, 90% remain 'easy to use'	90%
8. Create 5 new 'miles without stiles' routes that are suitable for a diverse range of ages and abilities.	2 new routes (cumulative)
9. By 2030 work with 150 community groups to co-design activity days, support and training to help people from under-served communities to experience the special qualities of the Yorkshire Dales National Park more easily.	80 community groups (cumulative)
10. Provide curriculum-based outdoor learning and skills-based activities to enable 3,000 young people from in and around the National Park to explore and take action to enhance their environment each year, and embed youth participation in the work of the Authority and the National Park Management Plan Partnership.	3,000 young people
11. Help to tackle health inequalities and improve people's health and well-being by enabling at least 1,500 people with health conditions to connect with and experience the special qualities of the National Park through 'social prescribing' activities by 2030.	350 people (cumulative)
12. Give people from all backgrounds an opportunity to enjoy and contribute to looking after the National Park by providing at least 5,000 volunteer days per year, with at least 20% coming from under-served communities by 2029.	5,000 volunteer days

13. Enhance at least five ‘green lanes’ by 2030 and manage use by recreational motor vehicles and motorcycles - encouraging and supporting responsible use.	2 ‘green lanes’ enhanced (cumulative)
14. Manage and promote the Pennine Way, Pennine Bridleway and Coast-to-Coast National Trails and other established long-distance routes, and improve linkages from the Coast-to-Coast route to 5 nearby settlements by 2030.	1 linkage improved

A distinctive living, working cultural landscape that tells the story of generations of people interacting with their environment

Objectives	**Progress by March 2027**
15. Support farmers and landowners to enhance the Dales’ landscape, and support nature, climate and farming resilience, including planting field trees to mitigate the impact of ash dieback on tree cover outside woodlands, and creating or restoring ~~20~~ 35 km of hedgerows by 2028 (from a 2022 baseline).	28 km of hedgerows restored (cumulative)
16. Maintain the National Park as a place where a true sense of tranquillity and remoteness can still be found, including taking action to retain international ‘Dark Sky Reserve’ status.	Dark Sky Reserve status retained
17. Support farmers and landowners to conserve and enhance the distinctive landscape of field barns and drystone walls, so that at least one of the Barns and Walls Conservation Areas (Swaledale & Arkengarthdale and Littondale) is no longer at risk.	Complete character appraisal for Littondale
18. Help local people to record, restore, repair and – where possible - bring back into use historical sites, buildings and features.	3 listed buildings at risk conserved

Providing an outstanding range of benefits for the nation based on its natural resources, landscape and cultural heritage, which underpin a flourishing local economy

Objectives	Progress by March 2027
19. Provide an efficient development management service that supports appropriate opportunities for economic and community development whilst helping to conserve and enhance the special qualities of the National Park, including ensuring that 65% of minor and 80% of 'other' planning applications are being determined within eight weeks and at least 80% of applicants are satisfied with the service provided.	65%/80% of applications determined on time
20. Establish an integrated National Park farm advisory service to: support regenerative farming; increase take-up of national agri-environment schemes and green finance opportunities; and so, support the viability and retention of low input livestock farming across the National Park.	Introductory service established
21. Make the National Park more accessible to a diverse range of ages and abilities, including by providing 4 locations that all have 'Changing Places' accessible toilet facilities, all terrain mobility scooters, and 'miles without stiles' routes.	1 location with all services
22. Encourage and support farms and estates to provide more opportunities for visitors and schools groups to experience the special qualities of the National Park, including establishing a 'peer mentoring' network to help build capacity by 2029.	Audit of existing provision completed
23. Develop and promote events and attractions based on the National Park's special qualities that will be attractive to a new, more diverse and younger audience, so that 15% of visitors each year are coming for the first time.	15% first time visitors
24. Improve the quality, sustainability and accessibility of the tourism 'offer' and information to encourage visitors to stay overnight, come 'out of season', and experience parts of the National Park that are currently less visited~~, so the value of tourism grows by at least 5% in real terms by 2030~~.	Run the Dark Skies Festival
25. By 2030 provide at least 15 apprenticeships or traineeships, and wider programmes of training in land management, heritage and green skills, including the new skills needed by businesses to support more nature-friendly farming and tackle climate change.	7 apprentices/ trainees (cumulative)

Home to strong, self-reliant and balanced communities with good access to the services they need

Objectives	Progress by March 2027
26. Grant sufficient planning permissions (around 75) each year to support the completion of 250 new dwellings by 2030, of which at least half will be social housing, affordable or local occupancy homes to attract and retain younger working age households.	Planning permission granted for 75 dwellings
27. Increase the proportion of dwellings that are permanently occupied by requiring all new dwellings to be for principal occupancy.	Adopt new Local Plan
28. Support programmes of activity by other bodies to encourage sustainable development within the National Park, including initiatives that improve access to services, support green jobs and reduce greenhouse gas emissions.	SDF grants to at least 10 local projects
29. Develop and contribute to relevant local plans and projects to improve connections for walking, cycling, wheeling and horse-riding and create at least two new multi-use routes by 2030, including one linking Garsdale–Hawes.	Complete Phase 2 of ATE Capability Funding Programme

To be a highly effective organisation that delivers quality services and is widely recognised for its expertise in National Park policy, practice and partnership-working

	Progress by March 2027
30. Plan and manage the Authority's work to make the most effective use of its resources, including generating sufficient income to maintain expenditure at the same level as 2014/15 in real terms.	Expenditure of at least £10.3m
31. Provide high quality, efficient and effective services to the public and other stakeholders, achieving substantial assurance through an annual Customer Service audit.	Substantial assurance
32. Operate governance arrangements that are fit for purpose, as reported through the Annual Governance Statement and Report.	Unqualified audit opinion for 2025/26

33. Ensure that we have HR policies, procedures, terms and conditions to attract and support the right people with the right skills, core values and behaviours to deliver the Authority's work effectively, as evidenced by accreditation under the Investors in People standard.	Retention of IIP standard
34. Provide facilities and IT systems that are fit for purpose, and support the effective delivery of our services and high standards of health, safety and well-being.	Reasonable assurance – internal IT audit
35. By 2030, reduce greenhouse gas emissions from our operations by at least 95% compared to 2005/06	83% reduction
36. Provide high-quality, engaging communications to audiences in a variety of formats, including generating 2 million web views a year.	2,000,000 web views

Objectives highlighted in **bold** relate to the delivery of the Authority's priority programmes.

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