



Executive Committee

**10.30 a.m. 19th September 2013
The Lodge, Chinnor**

Agenda

1. Apologies
2. Declaration of Interest
3. Minutes
4. Matters Arising
5. Public Question Time
6. Finance Report (April – July 2013)
7. Medium Term Financial Forecast (2014-16)
8. Treasury Management Report
9. Report on Changes to Banking Arrangements
10. Review of Risk Register
11. Review of the AONB Management Plan
12. Report on HS2
13. Proposal for a Chilterns Skills and Learning Programme
14. A.O.B.
15. Dates of meetings

MINUTES OF THE MEETING OF THE EXECUTIVE COMMITTEE HELD ON Thursday 23rd May at THE LODGE, 90 STATION ROAD, CHINNOR OXON. OX39 4HA COMMENCING AT 10.30AM AND CONCLUDING AT 12.30PM

Present:

Mike Fox	Board Member, Chairman of the meeting
Cllr Marion Mustoe	Board member
Ray Payne	Board Member
Cllr. Ian Reay	Board Member
Cllr Jeremy Ryman	Board Member
Cllr Alan Walters	Board Member

Steve Rodrick	CCB Chief Officer
Chris Smith	CCB Finance Officer

In attendance	
Deirdre Hansen	Clerk to the Board

12/13-68 Item 1- Apologies for absence.

Apologies were received from: Dr. Heather Barrett-Mold, Cllrs John Griffin and Shirley Judges. Although the meeting was quorate no parish council member was presents and, therefore, any decisions will have to be ratified at the next meeting.

12/13-69. Item 2- Declarations of interest

No declarations of interest were made.

12/13-70. Item 3- Minutes of the previous meeting

The minutes were approved and signed by the Chairman after the following amendments were made; Ray Payne is not a councillor, but a Secretary of State appointee, minute 12/13-63-7; notable was changed to notably.

12/13-71. Item 4- Matters arising from the minutes of the meeting 5th March 2013

Item 12/13-55 item 8 Draft budget: the budget will be adjusted upwards due to deferred changes in the pension scheme.

12/13-72. Item 5- Public Question time

No members of the public were present.

12/13-73. Item 6- Finance Report (2012-13)

The Finance Officer advised members of the Board's likely financial position to the end of the financial year 2012-13.

Subject to any financial adjustments core expenditure totalled £546,389, 2% or £11,876 below the original estimate. Core income was £25,164 or 4.4% above the original estimate at £596,274. Some changes will be made to restricted and earmarked reserves. The members were provided with detailed financial information.

Income was higher than forecast partly due to local authority contributions not being cut as expected and higher than forecast earned income achieved.

1. Formal accounts will be presented to the Board in June and are subject to audit by the Audit Commission.
2. The Government will present a new spending review in June. In the light of this the Medium Term Financial Plan will be updated and presented to a future meeting.
3. At the same time a review will be presented of reserve holdings. It is recommended that the number of earmarked reserves be rationalised. Those relating to Getting close to Nature, Countryside Festival, Woodland, HS2, Commons, Chilterns Cycleway and Access Issues will be transferred to the Development Reserve.
4. A rationalisation will result in the following reserves:

General Reserve	£135,000
Budget Equalisation Reserve	£137,320
Development Reserve	£245,027
Chalk Stream Reserve	£ 19,697
Red Kites Reserve	£ 6,629
Total	£543,673

1. **The Committee NOTED the likely financial outcome and that the formal accounts will be presented to the Board in June.**
2. **The Committee APPROVED in principle the merging of reserves.**
3. **The Committee NOTED that an updated Medium Term Financial Plan will be presented to a future meeting.**

12/13-74. Item 7- Report of Internal Auditors

The Finance Officer reported to the Committee that the auditor, Hertfordshire Shared Internal Audit Service had completed their annual review and had submitted their report.

1. The audit had focussed on high risk areas as shown in the Boards Risk Register.
2. The audit had shown that effective controls are in operation for those elements of risk management processes covered by the review.
3. A definition of assurance level was provided.
4. 2 recommendations were made following the audit, 1 with medium priority; a business continuity plan has not yet been subject to full testing and 1 with merits attention; two old outstanding cheques should be written back.

5. The management action plan provided will provide the required action to be taken.

The report provides good levels of assurance to support the Annual Governance Statement.

- 1. The Committee NOTED and AGREED the report of the internal auditors.**

12/13-75. Item 8- Review of the AONB Management Plan

The Chief Officer reported that the process of consulting on the review of the Management Plan has begun. The scoping report for the Strategic Environment Assessment (SEA) has been published and an on-line issues consultation has gone live. Long term objectives, big issues and possible adjustments of the membership of the Board were touched upon.

1. The scoping report for the SEA was circulated for consultation on 8th May. The consultation period closes 19th June. Comments received will be fed back to the Board and will influence the content of the draft plan and SEA.
2. Between September and December a public consultation exercise on the draft plan and draft SEA will take place.
3. Committee members have received electronic copies of the draft SEA scoping report. They can be accessed via- www.chilternsaonb.org/management-plan.
4. Future public consultation exercises will also be promoted via the above link.
5. The Board's working group had reviewed the draft scoping report 24th April. The group is scheduled to meet again in July.
6. The consultation with a wide range of partners on technical issues is ongoing.
7. The informal consultations are now supplemented by a public questionnaire on general issues. The questionnaire is undertaken electronically and can be completed by the link above.

- 1. The Committee NOTED that the review of the Management Plan is progressing and the first consultation phase is underway.**

12/13-76. Item 9- Report on HS2

The Chief Officer informed the Committee of recent and expected HS2 related activity. The Queen's speech included provision for a HS2 Bill (a preparation or so called paving bill) to enable the Government to commit the necessary funds to plan the railway including elements of property compensation.

1. Community Forum Meetings. These had been suspended by HS2 Ltd in February due to the upcoming County Council elections and the period that the draft Environmental Statement is being consulted on. The community had decided to continue to hold forum meetings and HS2 Ltd was invited to attend.
2. Draft Environmental Statement. This has been issued electronically, but is a lengthy document and the Board has requested a hard copy. The document is wholly

inadequate and all the board's staff are working on it. A staff meeting is to be held 04/06/13 to put the first thoughts together. It is intended to have the first draft response ready two weeks before the closing date. It is believed that a number of one day road shows will be organised by HS2 Ltd. Due to the size and the nature of the document the Board may need to increase the extent of its collaboration with others. A budget (up to £5,000) has already been approved for this purpose.

3. Judicial Reviews.

- a. The review challenging the legality of the compensation arrangements was successful and government has stated that it will not appeal.
- b. The judge gave leave to appeal the ruling on the need for a Strategic Environmental Assessment. HS2AA is preparing an appeal which will be heard on 10th June.

4. External benefits of a longer tunnel.

- a. In January 2012 the Secretary of State announced the current route proclaiming that the Chiltern would be protected by having a longer tunnel leaving only 1.4 miles of route visible in the Chilterns. The longer tunnel now emerges at Mantles Wood at an elevation of 500feet in the centre of the AONB, in the middle of an ancient woodland. According to the Board's own calculations the length of the visible route remains nearly 4 miles. A Freedom of Information request and an appeal for confirmation of the length of the visible route were refused. It is proposed to make a complaint.
- b. It is the Board's and others view that the environmental and social impacts of the length of railway not in a tunnel is considerable, including the effects of constructing a so called green tunnel. Therefore, a full length tunnel is the best solution.
- c. Campaign groups had paid for consultants to prepare a technical feasibility report and cost estimate of a longer tunnel. This showed that the cost of a longer tunnel would not be significantly more than the current proposal. HS2 Ltd rejected the report and claimed that the cost would be £400 million more. This is strongly disputed and HS2 Ltd refuses to disclose their calculations.
- d. Another sub group led by Ray Payne is now preparing the case for a full length bored tunnel based on calculating the cost to society and not just the construction costs to the Department of Transport.
- e. An initial and very rough estimate suggest that the benefits to society of a full length bored tunnel are substantial, in the order of £400m, sufficient to make the full length bored tunnel the best option for minimising the cost to society.
- f. To develop this approach independent consultants will need to be engaged, estimated cost of £40,000. The task of securing support for this brief has begun. A report will need to be ready before the Hybrid Bill is laid. It was discussed that the Board could be prepared to contribute up to £5,000 from the Development Reserve. The budget allocated for the assistance to assess the Environment Statement may not be required and it was suggested that the bulk of £5,000 allocated for that could be transferred to this work.

- g. The Queen's speech to Parliament included provision for a High Speed Rail (preparation or paving) Bill. This would enable the Treasury to release funds that the Department of Transport needs to develop the railway. It is believed this was done for two reasons: firstly the expenditure is already over budget. Secondly, it will require parliament to vote for this Bill, thus securing a form of endorsement for HS2 earlier than the Hybrid Bill, which may well not, now secure Royal Assent during this Parliament. The Board has to bear in mind that HS2 still has cross party support even if that is expressed more softly now than it once was.
- h. The Board has been asked to provide observations on the Draft 'Paving Bill' on matters of Governance, timing and amount. Ray Payne will provide governance on this.

Ray Payne thanked the Board's staff for their extra work and support on the HS2 work beyond the call of duty.

- 1. The Committee APPROVED making a formal complaint to the Information Commissioner over HS2 Ltd.'s refusal to provide confirmation of the length of visible route in the Chilterns AONB.**
- 2. The Committee AGREED to allocate £5,000 to the cost of commissioning consultants to prepare a report on the external benefits of a tunnel.**
- 3. The Committee AGREED that the Board provides observations on the draft 'Paving Bill' on matters of governance, timing and amount.**

12/13-77. Item 10- Proposed cycle to work scheme.

The Chief Officer advised the Committee that the Government has introduced a tax efficient scheme to help buy bikes and safety equipment to promote cycling to work.

The Committee discussed registering and introducing a cycle to work scheme and to develop an appropriate personnel policy. The scheme encourages green travel, promotes a healthier life style and reduces environmental pollution. The benefit is tax free to employees and the administrative costs to the Board are minimal.

- 1. The Committee APPROVED the Board's Registration for a Cycle to Work Scheme.**
- 2. The Committee AGREED that an appropriate policy is prepared and included in the employee handbook.**

12/13-78. Item 11- Report on IUNC Qualification.

The Chief Officer informed the Committee that The International Union for Conservation of Nature provides international recognition for the AONB designation, which it places in its Category V - Protected Landscapes and Seascapes. The IUCN is seeking renewed to Commitment to nature conservation in these areas and is requesting evidence of that commitment. The National Association for AONS has prepared and had accepted, a Statement of Compliance for all AONBs but this needs to be supported by an individual statement from

each AONB. The Committee discussed retaining the status of an IUCN Category V designated area for the Chilterns AONB and the statement of commitment to be submitted.

- 1. The Committee AGREED that the Board seeks continued recognition of the Chilterns AONB an IUCN Category V protected area.**
- 2. The Committee AGREED that the Board endorses the Statement of Compliance for AONBs approved by the IUCN.**
- 3. The Committee APPROVED the draft statement for the Chiltern AONB and that it is submitted on behalf of the Board.**

12/13-79 Any other business:

1. At last year's AGM a recommendation to change the balance of the membership of the Executive Committee was submitted. The AGM referred the matter to the Executive Committee. The Committee discussed the proposal to reduce the Local Authority membership of the Executive Committee from 5 members to 4 and the membership of Secretary of State Members from 2 to 3.
- 1. The Committee AGREED to put the resolution for the change in balance of the Executive Committee membership as suggested above to the next AGM.**

12/13-80. Future meeting dates: Thursday 19th September 2013 and Thursday 12th December 2013 at 10.30am at the offices in Chinnor.

The meeting closed at 12.30m

The Chairman..... Dates.....

Item 6 Finance Report

Author: Chris Smith Finance Officer

Summary To the end of July 2013 the expenditure against the core budget was 1.3% below profile and income almost exactly in line with the profile. Ongoing activity, funded by earned income and the Development Reserve, is progressing satisfactorily, as is externally funded project activity. The Small Grants Scheme continues to be promoted. By the end of the financial year it is currently forecast that reserves will have reduced by £20,764 and income received in advance of £25,551 applied to projects.

Purpose of Report: To advise members of the Board's financial position to the end of July and likely position at the end of the financial year.

Background

1. The current financial position is satisfactory with no significant problems to report.
2. This is the first report prepared in the revised format agreed by the Committee. It separates core activity, ongoing activity (funded primarily from earned income and reserves), project activity (funded by external bodies such as the Heritage Lottery Fund) and small grants funded by the Development Reserve.
3. The attached document records activity against each of these four categories.
4. Core expenditure is just £2,300 below profile after four months of the financial year, and ongoing activity £1,500 below.
5. Project expenditure is £4,800 below profile at this stage and small grant payments still to be allocated.
6. Income from Defra, local authorities, and external funders is generally in line with expectation.
7. A detailed sheet of "other income" earned by the Board is also attached. This shows that actual income is below profile by £2,000 (20%) at this stage, although with Countryside Festival bookings running ahead of last year this is likely to be reversed.

Recommendations:

1. To note the current financial position.

BUDGET CONTROL 2013-14							
MONTH 4: JULY 2013							
Description	Annual Budget	Profiled Budget to date	Actual to date	Variance	Projected Outturn	Year End Variance	Notes
	£	£	£	£	£		
CORE ACTIVITY							
<i>Expenditure</i>							
Department 100:							
Promotion and Awareness							
<i>Core expenditure:</i>							
Information Officer & E&A Officer	(93,255)	(31,085)	(31,084)	1	(93,255)	-	
Travel and subsistence	(1,700)	(567)	(343)	224	(1,700)	-	
Subscriptions magazines / newspapers	(525)	(175)	(37)	138	(525)	-	
Web site	(800)	(267)	-	267	(800)	-	
Printing & distribution costs	(1,400)	(467)	(477)	(11)	(1,400)	-	
Events and exhibitions	(1,500)	(500)	(64)	436	(1,500)	-	
Miscellaneous	(200)	(67)	(22)	44	(200)	-	
105 Annual Report	(1,050)	(43)	-	43	(1,050)	-	
106 Annual Forum	(1,000)	-	-	-	(1,000)	-	
107 Chalk and Trees 1st edition	(5,925)	-	(380)	(380)	(5,925)	-	
111 Environmental Tourism	(500)	(167)	-	167	(500)	-	
113 Historic Environment	(1,100)	(367)	-	367	(1,100)	-	
Sub total	(108,955)	(33,703)	(32,407)	1,296	(108,955)	-	

BUDGET CONTROL 2013-14							
MONTH 4: JULY 2013							
Description	Annual Budget	Profiled Budget to date	Actual to date	Variance	Projected Outturn	Year End Variance	Notes
	£	£	£	£	£		
Department 200:							
Countryside Management							
Core expenditure:							
Countryside & FLU Officer	(76,950)	(25,650)	(25,650)	(0)	(76,950)	-	
Travel and subsistence	(900)	(300)	(474)	(174)	(900)	-	
Publications	(75)	(25)	-	25	(75)	-	
Events / exhibitions	(250)	(83)	-	83	(250)	-	
Subscriptions: organisations	(90)	(30)	(50)	(20)	(90)	-	
Miscellaneous	(85)	(28)	-	28	(85)	-	
203 Commons	(5,000)	(4,000)	(4,000)	-	(5,000)	-	Including £4,000 applied to Commons Project
204 Chalk grassland group	(1,000)	(333)	(381)	(48)	(1,000)	-	
206 State of Environment Report	(1,600)	(533)	(298)	236	(1,600)	-	
207 Support for Trees & Woods Mgt	(3,500)	-	-	-	(3,500)	-	
Sub total	(89,450)	(30,983)	(30,853)	131	(89,450)	-	

BUDGET CONTROL 2013-14							
MONTH 4: JULY 2013							
Description	Annual Budget	Profiled Budget to date	Actual to date	Variance	Projected Outturn	Year End Variance	Notes
	£	£	£	£	£		
Department 300:							
Planning and development							
300 Core expenditure:							
Planning Officer	(63,075)	(21,025)	(21,026)	(1)	(63,075)	-	
Travel & subsistence	(1,180)	(393)	(316)	77	(1,180)	-	
Miscellaneous	(150)	(50)	-	50	(150)	-	
301 Planning Committee	(520)	(130)	(138)	(8)	(520)	-	
302 Planning conference	(900)	-	-	-	(900)	-	
303 Design Guidance	(25)	-	(1)	(1)	(25)	-	
304 Building design awards	(1,500)	(1,500)	(1,197)	303	(1,200)	300	
305 Technical assistance / training	(1,500)	(500)	-	500	(1,500)	-	
308 Management Plan	(10,000)	(3,333)	(116)	3,218	(10,000)	-	
Sub total	(78,850)	(26,932)	(22,793)	4,139	(78,550)	300	

BUDGET CONTROL 2013-14							
MONTH 4: JULY 2013							
Description	Annual Budget	Profiled Budget to date	Actual to date	Variance	Projected Outturn	Year End Variance	Notes
	£	£	£	£	£		
Department 400:							
Recreation and Access							
Core expenditure:							
Access Officer	(27,385)	(9,128)	(9,127)	2	(27,385)	-	
Travel and subsistence	(500)	(167)	(57)	110	(500)	-	
Miscellaneous	(150)	(50)	(44)	6	(150)	-	
401 Access public'ns incl. Country Walks	(2,000)	-	(73)	(73)	(2,000)	-	
402 Access conference	-	-	(5)	(5)	-	-	Deferred to early 2014-15
404 Access for all Improvements	(1,100)	-	-	-	(1,100)	-	
Sub total	(31,135)	(9,345)	(9,306)	39	(31,135)	-	
Department 500:							
Corporate Services							
Core expenditure:							
Chief Officer / Admin Officer	(107,000)	(34,540)	(34,535)	5	(107,000)	-	
Travel and subsistence	(1,750)	(583)	(715)	(132)	(1,750)	-	
Staff training	(3,000)	(1,000)	(1,573)	(573)	(3,000)	-	
Premises	(27,095)	(11,502)	(12,685)	(1,184)	(27,095)	-	
Office costs	(13,270)	(4,250)	(5,615)	(1,365)	(13,270)	-	
Office furniture & equipment	(935)	(312)	(181)	130	(935)	-	
IT (incl OS licences)	(5,275)	(1,758)	(1,372)	387	(5,275)	-	
Photography	-	-	-	-	-	-	
Meetings & events	(435)	(145)	(169)	(24)	(435)	-	
Finance	(19,265)	(5,088)	(4,776)	313	(19,265)	-	
Personnel	(3,835)	(752)	(760)	(8)	(3,835)	-	
Legal services	(1,560)	(520)	(217)	303	(1,560)	-	
Insurance	(3,600)	-	-	-	(3,600)	-	
Miscellaneous	(565)	(188)	-	188	(565)	-	
Sub total	(187,585)	(60,638)	(62,596)	(1,958)	(187,585)	-	

BUDGET CONTROL 2013-14							
MONTH 4: JULY 2013							
Description	Annual Budget	Profiled Budget to date	Actual to date	Variance	Projected Outturn	Year End Variance	Notes
	£	£	£	£	£		
Department 600							
Member Services							
Core expenditure:							
Members' allowances	(33,795)	(11,265)	(10,202)	1,063	(33,795)	-	Excludes SDF Panel allowances
Board member training	(1,500)	(500)	(2,695)	(2,195)	(2,200)	(700)	
Board meetings	(1,000)	(333)	(595)	(262)	(1,000)	-	
Miscellaneous	(50)	(17)	-	17	(50)	-	
601 Executive Committee	(150)	(50)	-	50	(150)	-	
Sub total	(36,495)	(12,165)	(13,493)	(1,328)	(37,195)	(700)	
TOTAL CORE EXPENDITURE	(532,470)	(173,767)	(171,447)	2,319	(532,870)	(400)	
National AONB	(2,500)	(2,500)	(2,500)	-	(2,500)		

BUDGET CONTROL 2013-14							
MONTH 4: JULY 2013							
Description	Annual Budget	Profiled Budget to date	Actual to date	Variance	Projected Outturn	Year End Variance	Notes
	£	£	£	£	£		
ONGOING ACTIVITY							
<i>Expenditure</i>							
Department 100:							
Promotion and Awareness							
103 Countryside Festival	(5,185)	(1,728)	(252)	1,476	(5,185)	-	
108 Chalk and Trees 2nd edition	(5,925)	-	-	-	(5,925)	-	
109 Educational Events	(2,250)	(750)	(49)	701	(2,250)	-	
110 Enjoying Woodlands	(3,500)	-	-	-	(3,500)	-	
Sub total	(16,860)	(2,478)	(301)	2,177	(16,860)	-	
Department 200:							
Countryside Management							
210 Small Works	(4,000)	-	-	-	(4,000)	-	
211 Local Nature Partnerships	(3,000)	-	(35)	(35)	(3,000)	-	From Development Reserve
212 Chilterns Farm Advice Project	(2,000)	-	-	-	(2,000)	-	From Development Reserve
213 Chilterns Rural Skills	-	-	-	-	-	-	Self financing
Sub total	(9,000)	-	(35)	(35)	(9,000)	-	
Department 300:							
Planning and development							
310 Planning Policies	(1,500)	-	-	-	(1,500)	-	
311 High Speed Two	(2,000)	(667)	(1,115)	(448)	(2,000)	-	From Earmarked Reserve
Sub total	(3,500)	(667)	(1,115)	(448)	(3,500)	-	
Department 400:							
Recreation and Access							
405 Cycling in the Chilterns	(1,500)	-	(120)	(120)	(1,500)	-	
Sub total	(1,500)	-	(120)	(120)	(1,500)	-	
Department 500:							
Corporate Services							
503 Research Grants Fund	(5,000)	-	-	-	(5,000)	-	From Development Reserve
504 IT Replacements & Upgrades	(3,000)	-	-	-	(3,000)	-	
Sub total	(8,000)	-	-	-	(8,000)	-	
Department 600							
Member Services							
Sub total	-	-	-	-	-	-	
TOTAL EXPENDITURE	(38,860)	(3,145)	(1,571)	1,574	(38,860)	-	

BUDGET CONTROL 2013-14							
MONTH 4: JULY 2013							
Description	Annual Budget	Profiled Budget to date	Actual to date	Variance	Projected Outturn	Year End Variance	Notes
	£	£	£	£	£		
Income							
Balance of earned income	32,796	9,720	7,764	(1,956)	34,312	1,516	
TOTAL INCOME	32,796	9,720	7,764	(1,956)	34,312	1,516	
NET INCOME / (EXPENDITURE)	(6,064)	6,575	6,193	(382)	(4,548)	1,516	
FUNDED BY:-							
Development Reserve:							
Surplus	3,936				5,452	1,516	
Local Nature Partnerships	(3,000)				(3,000)	-	
Farm Advice Project	(2,000)				(2,000)	-	
Research Grants Fund	(5,000)				(5,000)	-	
	-				-	-	
Budget Equalisation Reserve:							
Deficit	-				-		
TOTAL TRANSFERS TO / (FROM) RESERVES	(6,064)	-	-	-	(4,548)	1,516	

BUDGET CONTROL 2013-14							
MONTH 4: JULY 2013							
Description	Annual Budget	Profiled Budget to date	Actual to date	Variance	Projected Outturn	Year End Variance	Notes
	£	£	£	£	£		
PROJECTS							
<i>Expenditure</i>							
Department 200:							
Countryside Management							
250 Chilterns Chalk Streams (Core)	(33,400)	(11,133)	(10,246)	887	(33,400)	-	
251 Chilterns Chalk Streams (Projects)	(33,210)	(11,070)	-	11,070	(40,050)	(6,840)	
255 Chilterns Commons Project	(127,177)	(25,305)	(28,199)	(2,894)	(130,201)	(3,024)	
258 Box Woods Project	(35,260)	(6,750)	(6,848)	(98)	(35,260)	-	
259 Historic Farmsteads Survey	(2,000)	(667)	-	667	(2,000)	-	From Development Reserve
Sub total	(231,047)	(54,925)	(45,293)	9,632	(240,911)	(9,864)	
Department 400:							
Recreation and Access							
406 Tourism Network	-	-	(4,800)	(4,800)	(5,800)	(5,800)	
Sub total	-	-	(4,800)	(4,800)	(5,800)	(5,800)	

BUDGET CONTROL 2013-14							
MONTH 4: JULY 2013							
Description	Annual Budget	Profiled Budget to date	Actual to date	Variance	Projected Outturn	Year End Variance	Notes
	£	£	£	£	£		
TOTAL EXPENDITURE	(231,047)	(54,925)	(50,093)	4,832	(246,711)	(15,664)	
Income							
Defra: Chalk Streams	20,559	100,280	100,280	-	20,239	(320)	Balance of Defra grant of 446,535 after core.
Chalk Streams external income (core)	17,795	12,595	10,172	(2,423)	17,795	-	
Chalk Streams external income (projects)	33,210	33,200	36,930	3,730	42,050	8,840	
Chilterns Commons Project: HLF	99,309	-	-	-	97,650	(1,659)	
Chilterns Commons Project: other	10,458	4,000	7,725	3,725	7,000	(3,458)	
Box Woods Project: HLF	31,760	-	-	-	31,760	-	
Box Woods Project: Other	3,500	-	-	-	3,500	-	
Tourism Network	-	-	325	325	4,950	4,950	
TOTAL INCOME	216,591	150,075	155,432	5,357	224,944	8,353	

BUDGET CONTROL 2013-14							
MONTH 4: JULY 2013							
Description	Annual Budget	Profiled Budget to date	Actual to date	Variance	Projected Outturn	Year End Variance	Notes
	£	£	£	£	£		
NET INCOME / (EXPENDITURE)	(14,456)	95,150	105,339	10,189	(21,767)	(7,311)	
FUNDED BY:-							
Development Reserve:							
- Historic Farmsteads Survey	(2,000)				(2,000)	-	
- Net surplus Chalk Streams projects	-				2,000	2,000	
Budget Equalisation Reserve:							
	-				(850)	(850)	
Chalk Streams Reserve:							
- Net surplus	4,954				4,634	(320)	
- Projects					-	-	
Income received in advance:	(17,410)				(25,551)	(8,141)	
TOTAL TRANSFERS TO / (FROM) RESERVES	(14,456)	-	-	-	(21,767)	(7,311)	

		Other Income	Budget for year	Budget to date	Actual to date	Variance	Projected Outturn
			£	£	£	£	£
4							
	Core Activity						
100.4900	Promotion & Awareness	Earned income	600	200	222	22	600
500.4900	Unidentified income	incl. Red Kite donations	500	167	121	(45)	500
106.4900	Annual Forum	Income	550	183	-	(183)	550
107.4004	Chalk & Trees edition 1	Advertising income	2,200	733	-	(733)	2,200
107.4901	Chalk & Trees edition 1	Electronic subscriptions	140	47	197	150	200
203.4900	Commons		800	267	204	(62)	800
204.4001	Chalk Grassland		810	270	336	66	810
206.4900	State of the Environment Report		270	90	10	(80)	270
300.4900	Planning	Earned income	670	223	-	(223)	670
305.4900	Technical Assistance		950	317	-	(317)	950
302.4900	Planning Conference		900	-	-	-	900
304.4003	Building Design Awards		740	247	-	(247)	740
400.4400	Recreation & Access	Advertising income	490	-	-	-	490
401.4900	Access Publications		300	100	97	(3)	300
402.4900	Access Conference		-	-	-	-	-
	Sub Total		9,920	2,843	1,188	- 1,656	9,980
	Other Earned Income						
103	Countryside Festival	Income	7,185	3,750	3,870	120	7,185
108.4004	Chalk & Trees edition 2	Advertising income	2,200	733	-	(733)	2,200
108.4901	Chalk & Trees edition 2	Electronic subscriptions	140	47	-	(47)	140
109.4900	Educational Events		2,800	933	739	(194)	2,800
113.4900	Historic Environment		25	8	-	(8)	25
405.4400	Chilterns Cycleway	Advertising income	200	67	-	(67)	200
500.4008	Corporate	Interest received	8,065	150	143	(7)	8,065
	Sub Total		20,615	5,688	4,752	(936)	20,615

	Merchandise sales						
	Promotion & Awareness	incl. People & Places book		850	1,172		
	Planning			-	-		
	Cycleway guidebooks			850	1,061		
			4,000	1,700	2,233	533	4,000
	Total		34,535	10,232	8,173	-	2,059
	Core 5%			512	409	-	103
	Ongoing 95%			9,720	7,764	-	1,956

Item 7 Medium Term Financial Forecast

Author: Chris Smith Finance Officer
 Steve Rodrick Chief Officer

Summary The grants available to the Board from Defra and local authorities are unlikely to be sufficient to meet current levels of core expenditure after the end of the current financial year. Further action will be needed reduce the operating deficit. Decisions also need to be made on how to deploy reserves during this period. It is proposed to set up a sub committee to prepare options for consideration by the full Committee in December.

Purpose of Report: To advise the Committee of the latest forecast of income and expenditure over the medium term to 2016.

Background

1. The Government's Comprehensive Spending Review (CSR) in 2010 resulted in progressive reductions in grant to Government departments over a four year period.
2. The reductions were applied to Defra and, as a result, reductions to the Chilterns Conservation Board grant followed. The rate of reduction was 5.4% in cash terms each year against a base grant year of 2010-11. The first two years were fixed at this rate and the second two subject to review. In the event 5.4% was also applied to year 3. In addition to the absolute cut there has been no provision for inflation thus increasing the real value of the cut to 8%+ per annum.
3. Details of the reductions in grant aid from DEFRA are attached in Annex A. Grant aid was £532,606 in 2010-11 but will have fallen to £389,225 by 2015-16. Had it been increased annually by 3% for inflation it would have been £617,436. In real terms the DEFRA grant is being cut by 34.1% by 2014-15 and 42.8% by 2015-16.
4. The rate of reduction in local authority grants to the Board have not been as severe as first anticipated, although this could well change in the future.
5. An announcement by the Chancellor in June of this year confirmed that grant reductions would continue beyond the end of the CSR period; i.e. from 2015-16 onwards.

6. The reduced grant aid from DEFRA and the local authorities has, until 2012-13, been sufficient to cover core activity, including a contribution to the Chalk Streams Project. In 2013-14 this is no longer the case but the deficit is small. In earlier years there had also been sufficient Defra grant to fund 100% of the Sustainable Development Fund and a contribution to the activity programme. This is no longer the case and the Small Grants Scheme is being funded entirely from the Board's reserves.
7. At its meeting in March of this year the Committee noted that 2013-14 was likely to be the last year when there would be sufficient Defra grant to fund 80% of core activity.
8. A new budget control template was devised to separate core activity from ongoing, project and small grants activities, all of which would be dependent on earned income, external funding or reserves.

Medium Term forecast 2014-16

9. An exercise has now been carried out to forecast core finances for 2014-15 and 2015-16, the results of which are shown in Annex B. The operating deficit in 2014-15 will be £50,000 and in 2015-16 £100,000.

Assumptions

10. The following assumptions have been made in arriving at these figures:
 - (a) Defra grant will fall by a further 5.4% in cash terms (against the base year grant of 2010-11) in each of the years 2014-15 and 2015-16.
 - (b) Local authority grants will fall by 15% in 2014-15 and by a further 15% to the figure originally forecast for 2015-16.
 - (c) Employment costs will rise by 2% (cost of living award) per annum in 2014-15 and 2015-16. (n.b. some, but not all, staff are still entitled to performance increments).
 - (d) All other core costs will remain frozen at current levels.

Reserves

11. As at 1st April 2014 reserve holdings are forecast to be as follows:

General	£135,000
Budget Equalisation	£137,495
Development	£216,497
Sub total	£488,992
Chalk Streams	£ 24,331
Red Kites	£ 6,629
Total	£519,952

Implications

12. For the period 2014-16 the Board would need to continue reducing expenditure and to raise additional income from other sources to cover operating and ongoing activity costs. It will also need to decide to what extent it is willing to use reserves to cover operating costs - by how much and for how long.
13. The impact of such severe cuts for such a long period of time will be unsustainable for most AONBs and is likely to trigger some form of discussion with DEFRA over future funding arrangements. For the time-being, therefore, it is suggested the Board's timeframe for considering the future budget is 2014-16.
14. The Board's reserves, in all forms, are at a reasonable level and have not been used thus far, other than income received in advance for specific projects and a restricted sum for ongoing activity and the Small Grants Fund. The Committee has previously concluded that in such difficult times the reserves should be used to cover a reduction of core grant and to support ongoing activity. There has only been a limited draw on those reserves to date.
15. An option the Committee should consider is whether it should recalculate the amount that needs to be held in the General Reserve which, if reduced and transferred to the Development Reserve and Budget Equalisation Reserve, would make additional funds available for operating and ongoing activity costs.
16. The General Reserve is intended to cover costs incurred in the event of the Board being wound up or cessation of Government and local authority grant. It is currently equivalent to 4 months operating costs - but this could be reviewed. As it is more than likely that a year's (or more) notice would be given of such an eventuality, it is likely that the revenue grant for that year would be used for those purposes, thus further reducing the need for the reserve to be held at current levels.

17. Plainly the long term goal has to be a balanced operating budget which does not require use of reserves but in the medium term the managed use of reserves will provide stability and enable the work programme to be delivered as planned.

Conclusions

18. Before the start of financial year 2014-15 the Board will need to consider:
 - (a) To what extent, and by what means, it can raise further earned income;
 - (b) To what extent, and by what means, it can reduce core costs and ongoing activity costs by up to £100,000 per annum over the next few years;
 - (c) How best to apply reserves to future shortfalls, and to what degree;
19. One possible way forward would be to continue to set incremental targets each year with a capped use of reserves to bridge the gaps.
20. It is proposed that a sub group be established of the Executive Committee to prepare options to be presented to the meeting in December 2013.
21. It's terms of reference would be:
 1. To identify the scope and options for reducing core operating and ongoing activity costs.
 2. The scope and opportunities to generate additional income to meet operating costs.
 3. The scope to increase income earned from Treasury Management.
 4. The possible use of reserves to increase capacity to generate additional income for activity.
 5. To propose a strategy for use of reserves in the medium term (2014-2016)

Recommendations:

- 1. To consider the implications of the paper and in particular to decide upon the best means of tackling the issues raised.**
- 2. To set up a sub committee to prepare options for consideration by the Executive Committee in December 2013.**
- 3. To agree the terms of reference for that sub committee.**

	DEFRA Cash grant	Cash reduction	%age reduction	Cash reduction	%age reduction	
	£	year on year	year on year	cumulative	cumulative	
2010-11	532,606					
2011-12	503,845	28,761	5.40%	28,761	5.40%	
2012-13	475,190	28,655	5.69%	57,416	10.78%	
2013-14	446,535	28,655	6.03%	86,071	16.16%	
2014-15	417,880	28,655	6.42%	114,726	21.54%	assumed
2015-16	389,225	28,655	6.86%	143,381	26.92%	assumed

n.b these figure do not take into account inflation

	2013-14	2014-15	2015-16
	£	£	£
Core income:			
- Defra	425,976	397,216	368,456
- Local authorities	104,255	88,617	75,335
- Town and Parish Councils	3,000	3,000	3,000
Total core income	533,231	488,833	446,791
Core expenditure:	(532,470)	(539,720)	(547,256)
Total core expenditure	(532,470)	(539,720)	(547,256)
Net income / (expenditure)	761	(50,887)	(100,465)

Treasury Management Activity 2012-13

8. Funds that are temporarily surplus are invested. The average rate achieved during the year was 1.29%.
9. Funds were invested through HSBC on the money market, with Bank of Scotland, Nationwide International, and in a HSBC Deposit Account into which current account balances over £1,000 were invested automatically each day.
10. The original budgeted income for 2012-13 was £7,225. The actual income generated was £9,616.
11. In line with the Treasury Management policy no sums have been invested for more than 364 days.

Recommendations

1. **To note the Treasury Management performance for 2012-13.**

Recommendations

1. **To close the HSBC Deposit Account and open a new HSBC Business Reward Account.**

Item 10 Review of Risk Register

Author: Chris Smith Finance Officer
 Steve Rodrick Chief Officer

Summary The Risk Register first adopted by the Committee on 27th February 2008 has been reviewed.

Purpose of Report: To approve the half-yearly review of the Risk Register in accordance with the Committee's policy.

Background

1. The Board's objectives, and the environment in which we operate, are constantly evolving and, as a result, the risks we face are continually changing.
2. Effective risk management requires a reporting and review structure to ensure that risks are identified and assessed and that appropriate controls and responses are in place.
3. Risk management comprises two separate activities:
 - Risk identification and evaluation
 - Management of the risk
4. The first step is to identify the risks facing the Board. Each risk is then evaluated by assessing both its likelihood and its impact on a scale of 1 to 4. The two scores are then multiplied to give an overall risk score. (For example a likelihood score of 3, with a severity of impact if it occurred of 4 would give an overall score of 12).
5. The next step is to manage each risk by identifying a suitable response. There are four possible responses;
 - (a) transfer it (e.g. insurance)
 - (b) tolerate it (accept the risk)
 - (c) remove it (discontinue the activity that gives rise to the risk)
 - (d) treat it (take action to control it)
6. The Risk Register is a live document that will be reviewed and amended on a regular basis. The Executive Committee will review the latest version every six months.
7. The latest appears on the following pages. Highest scores are classified as red risks, with lower scores classified as amber or green

as appropriate. This version reflects the decision of the Committee in March 2012 to lower the impact of the IT risk (Risk number 2f).

Review of Risks

8. The Chief Officer and Finance Officer have reviewed the register and conclude that in the majority of cases the control measures in place are adequate to control the risks facing the Board. It is now clear that a shortfall of grant funding against existing spending levels is a reality. The score for risk 3a is now recorded as 12 and a report on the implications of continuing cuts presented to this meeting.

Recommendations:

1. **To confirm this version of the Risk Register as controlling risks currently faced by the Board.**
2. **To note that the Register will be reviewed again in six months.**

Item 11 Review of the AONB Management Plan

Author: Steve Rodrick Chief officer

Summary The draft plan will be issued for public consultation from 27th Sept- 20th December. The consultation on the draft SEA scoping report has been completed with 30 responses. No significant changes are needed as a result.

Purpose of Report To bring members up to date with progress.

Public Consultation

1. The review has been drafted and sent to the designer. It will be available for public consultation on 27th September for 12 weeks with a closing date of 20th December. All the changes requested by the working group of Board members on the 23rd July have been incorporated.
2. The consultation will place considerable reliance on the web site. A small number of copies will be printed for deposit in libraries and to those who request a printed copy. For the most part the consultees will be directed to the web site where there will be a low and high resolution version. The draft plan will make limited use of colour for maps and a small number of photographs.
3. Promotion of the consultation phase will also be mainly via the internet though email alert with links to the draft plan. The consultation is also being featured in the autumn edition of Chalk and Trees and the next E newsletter. For those not on-line posters will be circulated for posting on notice boards etc. and notices will be sent to local press and media.

Initial Consultation

A simple survey was set up online (using SurveyMonkey), to elicit feedback on the issues people consider to be important in the AONB. It was promoted from the end of May until 31st August 2013. One hundred and twenty five responses were received. Due to the restrictions of this free service, only the data from the first 100 responses are available.

- 91% of respondents live in or near the AONB.
- Nearly a quarter of respondents represent a wildlife, landscape or heritage interest group. 8% are farmers or landowners.

- Respondents were asked to rate the importance of 15 different areas of work corresponding to the main themes of the Management Plan, from 1 (very important) to 5 (unimportant).
- 'Protect and enhance wildlife' received the strongest support with 77% giving it a no. 1 rating. The next most supported areas were 'maintain the tranquillity of the countryside' (74%) and 'make sure new building is in the right place and well-designed' (70%).
- Few respondents (generally less than 10) were prepared to rate any area as unimportant. However, providing and improving access, providing visitor facilities and supporting tourism were clearly less popular than conservation and heritage work, receiving a no.1 rating (very important) from 10-31% of respondents.

Cost

4. The total cost of publishing and consulting on the draft plan is estimated to be £3,000. The cost has significantly reduced by limiting the number of printed copies. So far all the technical work and drafting has been undertaken in-house and no use has been made of consultants.

Strategic Environment Assessment (SEA)

5. The Scoping Report for the accompanying Strategic Environment Assessment has already been published. Thirty responses were received with approx. 100 comments, none of which required a significant amendment.

Recommendation

1. **To note that the review of the AONB Management Plan is proceeding according to the programme.**