



Executive Committee
10.30 a.m. 3rd June 2015

Chilterns Conservation Board
The Lodge, Station Road, Chinnor OX39 4HA

Agenda

1. Apologies
2. Declaration of Interest
3. Minutes
4. Matters Arising
5. Public Question Time
6. Finance Report - provisional outturn 2014 - 2015
7. Amendment to Financial Regulations
8. Report of internal auditors
9. Management Review – report and recommendations
10. Countryside Stewardship Facilitation Fund – potential Board involvement
11. A.O.B.
12. Dates of meetings 2015



MINUTES OF THE MEETING OF THE EXECUTIVE COMMITTEE HELD ON Thursday 26th February at the offices of the Board , The Lodge, 90 Station Road, Chinnor OX39 4HA commencing at 10.30AM AND CONCLUDING AT 12.30PM

Present:

| | |
|--------------------|---------------------------------------|
| Cllr. John Griffin | Board member |
| Cllr Marion Mustoe | Board Member |
| Ray Payne | Board Member |
| Cllr. Ian Reay | Board Member, Chairman of the meeting |
| Cllr Jeremy Ryman | Board Member |
| Helen Tuffs | Board Member |
| Cllr Alan Walters | Board Member |
| Cllr Julia Wells | Board Member |

| | |
|-------------|--------------------------|
| Kath Daly | CCB Acting Chief Officer |
| Chris Smith | CCB Finance Officer |

| | |
|----------------|--------------------|
| In attendance | |
| Deirdre Hansen | Clerk to the Board |

14/15-31 Item 1- Apologies for absence.

Apologies for absence were received from Cllr. David Nimmo-Smith and Dr Heather Barrett-Mold.

14/15-32. Item 2- Declarations of interest

No declarations of interest were made.

14/15-33. Item 3- Minutes of the previous meeting

The minutes of the meeting of 10th December 2014 were approved as a true record and signed by the Chairman after the following amendment was made:

- P91 14/15-26 item10: point 11, harm was amended to farm.

14/15-34. Item 4- Matters Arising from the minutes 10th December 2014

1. The Acting Chief Officer informed the meeting that the Information Officer had not presented a more detailed proposal for the celebration of the 50th Anniversary of the AONB to the January Board meeting due to the length of the meeting. She will be presenting a more detailed proposal of events at the next Board meeting in March.

14/15-35. Item 5- Public Question time

No members of the public were present.

14/15-36. Item 6- Finance Report (April 2014 to January 2015)

The Finance Officer advised the Committee of the Board's financial position to the end of the January 2015 and the likely position by the end of the year. Members discussed the detailed presented position and the current position of the reserves. Merchandising was also discussed. It was noted that financing is part of the review currently being undertaken.

The current financial position is generally satisfactory with the exception of the underspend on special projects, with the result that reserves will not be drawn down as planned.

1. The figures presented had been reworked to reflect the changes agreed at the December meeting of the Committee. Activities are now recorded against three categories: Operating Activity, the Work Programme and Major Projects.
2. Operating costs are £2,219 below profile.
3. Savings resulting from staffing changes have also reduced the call on reserves.
4. The Work programme is £13,372 below profile reflecting the underspend on special projects.
5. All income is generally in line with expectation and the Defra re-instatement of the original grant allocation is included.
6. Income and expenditure on events show a net income of £13,782 to date compared to a budget of £11,520
7. Details on the special projects funded to date was provided and it is anticipated that by the end of the year £7,500 will have been committed; an underspend against the original budget of £12,500.
8. It was noted that merchandising sales are falling below target.

1. The Committee NOTED the current financial position.**14/15-37. Item 7- Budget 2015-2016**

The Finance Officer presented a detailed budget for 2015-16 in the new format for the Committee to consider, reflecting the decisions the Executive Committee had made regarding structure and the Board had made regarding strategy.

1. The financial year 2015-16 is the last year of a Defra four year funding plan and brings to an end the Board's current medium term financial plan.

2. Following the General Election, once the Government's spending plans are known and following the Board's internal review a new medium term plan will be developed.
3. The departure of the Planning Officer is likely to create a saving and an provisional figure of £12,000 has been included.
4. As the year progresses and events and projects are identified, detailed sheets of performance will be presented to the Committee.
5. The following draft changes to the budget compared to last year have been included:

| | |
|---|---------|
| • Provision for IT and telephone upgrades | £6,500 |
| • Increased IT support | £2,500 |
| • Increased HR support | £1,800 |
| • Marketing and Communications Review | £1,500 |
| • Increased contribution to Hillforts project | £5,000 |
| • Provision for staff increments | £4,430 |
| • Management review consultancy/support | £4,000 |
| • Box project additional contributions | £5,000 |
| • 50 th Anniversary celebrations | £3,000 |
| • Board members Fellowship | £1,000 |
| • Provision for Commons Network | £4,000 |
| • National Trails marketing | £1,000 |
| • Additional HS2 budget | £10,000 |
| • Reductions in merchandise sales | £2,000 |

6. Savings compared to the 2014-15 budget include staff changes and a reduced special projects budget
7. The net effect of this budget will be to draw down £16,867 from reserves.
8. Still to be included is a cost of living award for staff, which is based on the Consumer Prices index in March.

The budget and the implications of the forthcoming General Election were discussed and the budget was considered for recommendation to the Board.

- 1. The Committee considered the budget for 2015-16 and AGREED to recommend its adoption to the Board, whilst noting that the figures would inevitably change during the year as the implications of the election result and the Board's review were known.**

14/15-38. Item 8. Business Plan and work programme 2015-16

The Acting Chief Officer presented the main elements of the proposed work programme that will be presented to the Board at the meeting on 26th March. She sought the Committees views on the main areas of work proposed for the coming year.

1. The annual business plan has been a constantly evolving document updated as opportunities arose. It has been viewed as an internal working document and a source of information for those wishing to know more about the Board.
2. The current review includes considerations for setting and achieving the Board's priorities. As a result of the review there will be changes proposed to the way the business plan and work programme are developed. It is expected that that post the review refinements will be made to the 2015/16 business plan.
3. The 25 proposed key elements of the 2015-16 work plan were discussed.
 1. Management review
 2. 50th Anniversary AONB
 3. Develop an accord with the Chiltern Society
 4. Events programme
 5. HS2
 6. Strengthen links with education and research establishments
 7. Review communications, marketing and merchandising strategies
 8. Hillforts project
 9. Rural skills programme
 10. Farm advice project
 11. Chalk streams project
 12. Box woodland project
 13. Commons HLF project
 14. Promoting sustainable tourism
 15. Landscape scale conservation
 16. Woodland management
 17. Promote good land management practice
 18. Respond to planning applications and strategies; publish relevant position statements
 19. Building design award
 20. Development and management of National Trails
 21. Development and management of Walks and Rides section of the web site and other on-line information.
 22. Chiltern cycleway
 23. Cycle Chilterns project
 24. Enjoying the historic environment
 25. State of the Environment monitoring.
4. It was acknowledged that the timing of the discussion on the business plan/ work programme in the middle of the review was unfortunate.
5. It was suggested that the Acting Chief Officer splits the programme into various headings, names the lead officers and the expected time it will take an officer to complete the task. Suggested heading could be; 1. Committed to; 2. Items emerging from the review; 3. Additional items.

The business plan and the work programme were discussed and members contributed their views.

- 1. The Committee NOTED the content of the report and provided feedback on the main areas of work proposed.**

14/15-39 item 9. Treasury Management

The Finance Officer presented a draft Treasury Management Strategy for the Conservation Board for the approval of members. Whilst there is no legal requirement for the Board to adopt such a Strategy, it is considered to be good practice for the Board to adopt a Treasury Management Strategy. The Board adopted a Treasury Management Strategy for the first time in February 2008. The first report for 2014-15 covering policy and Strategy was presented.

- 1. The Committee ADOPTED the Treasury Management Strategy outlined in the report and the Treasury Management Policy Statement detailed in Appendix 'A' of the agenda, and emphasised that the current low risk strategy would continue**

14/15-40. Item 10- Review of the Risk Register.

The Acting Chief Officer and Finance Officer had reviewed the risk register and sought guidance on what changes should be made to ensure that the risk process remained fit for purpose. The highest risks remain those associated with funding and staff changes.

The Committee reviewed in detail the latest version of the Risk Register. The Committee was reminded that the Board's strategic risks are incorporated in the governance part of the Management Review process and will be examined later.

- 1. The Committee CONFIRMED this version of the Risk Register as controlling risks currently faced by the Board.**
- 2. The Committee AGREED the risk process currently in use is fit for purpose and that any changes should be made as part of the Board review procedure.**
- 3. The Committee NOTED that the Register will be thoroughly reviewed again at the next meeting of the Committee.**

14/15-41. Item 11 Management Review

The Acting Chief Officer provided an update of progress and a report of the key themes emerging from the work carried out to date.

1. The Review working group has met on three occasions to date.
2. Two workshops have been held; a Board member one on 29th January and a staff team one on 12th February.
3. Both workshops were led by Nicola Thomas, a consultant. She will provide a brief report to the working group on each of the workshops.

4. Common key issues were identified at both workshops:
 - a. The need for the Board to be more strategic and prioritise work more
 - b. Concerns over future financial resources
 - c. The need to work more closely with under-represented sectors of the community.
 - d. The need to increase visibility of the Board and its work
 - e. The need to strengthen links with key stakeholders.
5. Many other issues were raised including: making better use of the skills and networks of Board members, paying more regard to long term outcomes and measures of success, strengthen links with various sectors, the skills, capabilities, flexibility and stability of the staff team was recognised by all as a strength of the Board.
6. A 'fact finding' visit has been undertaken to the Cotswolds Conservation Board on 10th February.
7. The visit had been insightful and the discussions useful. There would be potential benefits in closer joint working on a number of issues.
8. Further work is planned and a review group meeting in March will consider emerging issues from the work to date. Interim recommendations will be prepared for the Board and the approach of the next phase will start to take shape.

The Committee provided comment and views on the progress and the emerging issues. The Acting Chief Officer was commended on the progress and the work done to date.

1. **The Committee NOTED the progress of the Review to date and provided feedback on the emerging themes.**

14/15-42. Item 12 HS2 – update on Chilterns Long Tunnel proposal.

The Acting Chief Officer introduced the final draft report on the Chilterns Long tunnel (CLT) proposal. The report concludes that the CLT would have far less impact on the Government's proposed scheme for the Chilterns or the previous 'Green route' proposal.

Ray Payne gave a presentation of the key points of the proposed approach including background information on the proposal and he provided recent drawings. The work packages which the statutory partners have commissioned are:

- a. Chilterns Long Tunnel
- b. Analysis of Risk
- c. Environmental Assessment
- d. Proofs of evidence
- e. Economic Evaluation for CDC
- f. Second edition of the Non-Market Effect Report.

The meeting was asked to consider:

1. The principle of a continuous Chilterns Tunnel between the A4009 north of Wendover and the M25.
2. If there was agreement in principle to a continuous tunnel between the A4009 and the M25, then agreement was sought for the alignment of the route. Ray Payne provided the details of the route and the various distances.

3. That the CLT would be a continuous tunnel to conserve the AONB 'edge to edge'. A tunnel of that length will require 6 surface ventilation shafts with associated head houses that will have to be accommodated in the AONB.
4. The required hosting of an underground firefighting point in the AONB, (this became legislation 01/01/15).
5. The north portal of the tunnel will be in the AONB south of the A4009.

The Committee discussed in depth the north portal, the surface ventilation shafts and the associated head houses acknowledging that they would be subject to planning matters. Location and design of the various elements of the proposal were discussed. An international design competition was mentioned as a consideration. The meeting considered recommending the CLT, the north portal, the 6 surface ventilation shafts and the firefighting point located in the AONB subject to location, design and using the geology to its most appropriate effect.

Ray Payne was thanked by the Committee for his informative presentation and for the enormous effort he has contributed to this project on behalf of the Board.

- 1. The Committee NOTED the proposals for the Chilterns Long Tunnel and associated issues and provided feedback to the proposal.**
- 2. The Committee APPROVED the proposed approach.**
- 3. The Committee unanimously RESOLVED to APPROVE the Chilterns Long Tunnel proposal in principle including the hosting of the north portal, the 6 ventilation shafts and the underground firefighting point subject to location, design and the most appropriate use of AONB geological features.**
- 4. The Committee AGREED to recommend the Chilterns Long Tunnel proposal to the Board as outlined in the presentation.**

14/15-43. Next meeting:

Wednesday 20th May 2015 at 10.30 am at the offices in Chinnor

Future meeting dates: Thursday 10th September 2015 and Wednesday 9th December 2015

The meeting closed at 12.30

The Chairman.....

Date.....

Item 6 Finance Report – Provisional outturn 2014-15

Author: Chris Smith Finance Officer

Summary: Subject to any final adjustments the provisional results for 2014-15 indicate an overall deficit of £16,515.

This compares to an original budgeted deficit of £29,756 and a projected deficit in January 2015 of £4,568.

Purpose of Report: To advise members of the Board's likely financial position at the end of the financial year 2014-15. Detailed figures are attached.

Operating activity

1. The likely financial position shows an increase in expenditure, compared to the budget, of £7,492, 1.4% higher than forecast. Expenditure was more than covered by income from DEFRA, local authorities and other sources, resulting in a surplus of £10,392.

Work Programme

2. The Work Programme cost £52,158, a reduction of £6,862 from the original budget. The main reason for this reduction is the underspend on special projects, although in the end some £2,400 more was committed compared to the January forecast.
3. The net deficit on the Work Programme, after applying receipts from events, merchandise sales and other income, was £26,907.

Major projects

4. Major projects general received more income during the year than was necessary to cover expenditure. This additional has been carried forward to meet 2015-16 expenditure.

Events

5. Events realised a net income of £13,397, £1,877 more than targeted. The Countryside Festival once again made a significant contribution.

Special Projects

6. A total of £9,889 was spent on Special Projects, compared to an original target of £20,000 and a revised budget of £7,500.

Other Income

7. Other income contributed £8,407 and merchandise sales £3,446, both below target.

Reserves

8. The net result of the surplus on operating activity and the work programme spend will be to draw £16,515 from the Development Reserve, leaving £545,553 to carry forward to 2015-16.

Next steps

9. Formal accounts will be prepared and presented to the Board in June, and will be subject to audit by the Audit Commission.
10. The Medium-term financial forecast will need to be adjusted in light of the end of year position as at 31 March 2015 and the work of the Review Working Group on funding Board activity.

Recommendations:

1. **To note the likely financial outcome and that the formal accounts will be presented to the Board in June.**
2. **To note that an updated Medium Term Financial Plan will be presented to a future meeting.**

| BUDGET CONTROL 2014-15 | | | | |
|-----------------------------------|------------------|-----------------|-----------------|-------|
| MONTH 12: MARCH 2015 FINAL | | | | |
| Description | Annual Budget | Revised Budget | Actual | Notes |
| | £ | £ | £ | |
| OPERATING COSTS | | | | |
| <i>Expenditure</i> | | | | |
| Department 100: | | | | |
| Promotion and Awareness | | | | |
| <i>Operating expenditure:</i> | | | | |
| Information Officer & E&A Officer | (94,689) | (94,689) | (94,689) | |
| Travel and subsistence | (1,700) | (1,500) | (1,396) | |
| Web site | (300) | (330) | (328) | |
| Printing & distribution costs | (900) | (1,145) | (1,037) | |
| Events and exhibitions | (700) | (100) | (115) | |
| Miscellaneous | (200) | (50) | (90) | |
| 105 Annual Report | (750) | (785) | (780) | |
| 106 Annual Forum | (800) | (779) | (779) | |
| Sub total | (100,039) | (99,378) | (99,215) | |

| BUDGET CONTROL 2014-15 | | | | |
|---|------------------|------------------|------------------|------------------|
| MONTH 12: MARCH 2015 FINAL | | | | |
| Description | Annual Budget | Revised Budget | Actual | Notes |
| | £ | £ | £ | |
| Department 200: | | | | |
| Countryside Management | | | | |
| Operating expenditure: | | | | |
| Countryside & FLU Officer | (109,984) | (102,668) | (102,664) | Staffing changes |
| Consultancy fees | - | (3,571) | (3,154) | Staffing changes |
| Travel and subsistence | (900) | (1,200) | (1,300) | |
| Subscriptions: organisations | (90) | (90) | (77) | |
| Miscellaneous | (85) | (85) | (63) | |
| 206 State of Environment Report | (500) | - | (500) | |
| 207 Con'bn to Chiltern Woodlands Projects | (6,500) | (6,500) | (6,500) | |
| Sub total | (118,059) | (114,114) | (114,258) | |

| BUDGET CONTROL 2014-15 | | | | |
|---------------------------------|-----------------|-----------------|-----------------|-------------------|
| MONTH 12: MARCH 2015 FINAL | | | | |
| Description | Annual Budget | Revised Budget | Actual | Notes |
| | £ | £ | £ | |
| Department 300: | | | | |
| Planning and development | | | | |
| <i>Operating expenditure:</i> | | | | |
| Planning Officer | (63,747) | (65,547) | (65,927) | Recruitment costs |
| Travel & subsistence | (1,180) | (1,180) | (1,163) | |
| Miscellaneous | (150) | (150) | - | |
| 301 Planning Committee | (520) | (520) | (458) | |
| Sub total | (65,597) | (67,397) | (67,548) | |

| BUDGET CONTROL 2014-15 | | | | |
|---|------------------|------------------|------------------|---|
| MONTH 12: MARCH 2015 FINAL | | | | |
| Description | Annual Budget | Revised Budget | Actual | Notes |
| | £ | £ | £ | |
| Department 400: | | | | |
| Recreation and Access | | | | |
| <i>Operating expenditure:</i> | | | | |
| Access Officer | (27,786) | (27,786) | (27,786) | |
| Travel and subsistence | (500) | (500) | - | |
| Miscellaneous | (150) | (150) | (122) | |
| Sub total | (28,436) | (28,436) | (27,908) | |
| Department 500: | | | | |
| Corporate Services | | | | |
| <i>Operating expenditure:</i> | | | | |
| Chief Officer / Admin Officer | (105,503) | (100,591) | (101,482) | Staffing changes |
| Travel and subsistence | (1,750) | (1,750) | (2,113) | |
| Staff training | (2,000) | (2,465) | (2,826) | |
| Premises | (28,535) | (28,702) | (28,070) | |
| Office costs | (7,625) | (9,174) | (12,040) | |
| IT (incl telephone & voicemail support) | (5,785) | (7,285) | (9,262) | moved from "Work Programme" + addll budget |
| Subscriptions to organisations | (100) | (100) | (90) | |
| Meetings & events | (435) | (435) | (1,665) | |
| Finance | (19,605) | (20,605) | (20,574) | to support new staffing structure |
| Personnel | (2,730) | (3,290) | (3,722) | to support review process |
| Legal and Clerk services | (1,500) | (1,750) | (1,584) | includes health care plan and child care administration |
| Consultancy | - | - | (2,332) | to support recruitment activity |
| Insurance | (4,800) | (4,800) | (4,748) | |
| Miscellaneous | (250) | (250) | - | |
| Sub total | (180,618) | (181,197) | (190,508) | |

| BUDGET CONTROL 2014-15 | | | | |
|-----------------------------------|------------------|------------------|------------------|-------|
| MONTH 12: MARCH 2015 FINAL | | | | |
| Description | Annual Budget | Revised Budget | Actual | Notes |
| | £ | £ | £ | |
| Member Services | | | | |
| <i>Operating expenditure:</i> | | | | |
| Members' allowances | (30,325) | (30,325) | (30,608) | |
| Board member training | (750) | (1,000) | (975) | |
| Board meetings | (1,000) | (1,275) | (1,397) | |
| Miscellaneous | (50) | (50) | - | |
| 601 Executive Committee | (150) | (150) | (100) | |
| | | | | |
| Sub total | (32,275) | (32,800) | (33,079) | |
| Global increment provision | - | - | | |
| | | | | |
| TOTAL OPERATING COSTS | (525,024) | (523,322) | (532,516) | |
| | | | | |
| National AONB | (2,500) | (2,630) | (2,702) | |

| BUDGET CONTROL 2014-15 | | | | |
|---|----------------|----------------|----------------|-------------------------|
| MONTH 12: MARCH 2015 FINAL | | | | |
| Description | Annual Budget | Revised Budget | Actual | Notes |
| | £ | £ | £ | |
| Operating Income | | | | |
| Defra: Core | 405,023 | 412,868 | 412,868 | 78% of core expenditure |
| Local Authorities | 105,000 | 106,291 | 106,291 | |
| Bucks CC (Chalk Streams) | - | 2,000 | 2,000 | |
| Local Authorities (Chalk Streams) | 1,500 | - | 3,500 | |
| Chiltern Society | 2,500 | - | 3,000 | |
| Environment Agency | 5,000 | 5,000 | 5,000 | |
| Water Companies | 6,600 | 6,600 | 6,600 | |
| Town and Parish Councils | 3,000 | 2,000 | 925 | |
| Investment income | 5,000 | 5,000 | 5,425 | |
| TOTAL OPERATING INCOME | 533,623 | 539,759 | 545,609 | |
| NET OPERATING INCOME / (EXP.) | 6,099 | 13,807 | 10,392 | |
| FUNDED BY:- | | | | |
| Development Reserve: | | | | |
| - Core surplus | 8,099 | 16,807 | 10,392 | |
| Budget Equalisation Reserve: | | | | |
| - Core deficit | - | - | | |
| Chalk Streams Reserve: | | | | |
| - Contribution | (6,000) | (3,000) | | |
| TOTAL TRANSFERS TO / (FROM) RESERVES | 2,099 | 13,807 | 10,392 | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

| BUDGET CONTROL 2014-15 | | | | |
|--|-----------------|-----------------|-----------------|--|
| MONTH 12: MARCH 2015 FINAL | | | | |
| Description | Annual Budget | Revised Budget | Actual | Notes |
| | £ | £ | £ | |
| WORK PROGRAMME | | | | |
| <i>Expenditure</i> | | | | |
| Work Programme Department 100: | | | | |
| Promotion and Awareness | | | | |
| 107 Chalk and Trees 1st edition | (5,975) | (5,265) | (5,270) | |
| 108 Chalk and Trees 2nd edition | (5,975) | (5,975) | (4,763) | |
| 113 Chilternsaetna (newsletter) | (1,100) | (1,140) | (2,332) | |
| Sub total | (13,050) | (12,380) | (12,366) | |
| Work Programme Department 200: | | | | |
| Countryside Management | | | | |
| 210 Site Management (small works) | (2,000) | (2,000) | (1,544) | Incl. commons & chalk grassland |
| 211 Local Nature Partnerships | (2,000) | (2,000) | (2,695) | |
| 212 Chilterns Farm Advice Project | (2,000) | (2,000) | (2,000) | |
| 214 Commons Project Contribution | (4,000) | (4,000) | (4,000) | |
| 215 Historic Environment (Hillforts) | (2,000) | (2,000) | (2,271) | To prepare bid + up to 5k stage 2 bid over 2 years |
| 218 Box Project Contribution | (1,250) | (1,250) | (2,500) | Continuation of project + 6k addll partner funding |
| 220 Traditional Farmsteads Project | (3,000) | - | - | |
| Sub total | (16,250) | (13,250) | (15,010) | |
| Work Programme Department 300: | | | | |
| Planning and development | | | | |
| 308 Management Plan | - | - | 320 | |
| 311 High Speed Two | (5,000) | (11,000) | (9,990) | Addl. Agreed Board meeting 29 Jan 15 |
| Sub total | (5,000) | (11,000) | (9,670) | |
| Work Programme Department 400: | | | | |
| Recreation and Access | | | | |
| 401 Access public'ns incl. Country Walks | (1,000) | (1,000) | (704) | |
| 404 National Trail Projects | (1,500) | (1,810) | (2,289) | Agreed Board meeting 16 Oct 14 |
| 405 Access improvements | (1,000) | (1,000) | (194) | incl. Access for All |
| Sub total | (3,500) | (3,810) | (3,188) | |
| Work Programme Department 500: | | | | |
| Corporate Services | | | | |
| 503 Bursaries | (1,000) | (1,000) | - | |
| 504 IT Upgrades | (2,000) | (2,000) | (2,035) | |
| Sub total | (3,000) | (3,000) | (2,035) | |
| Work Programme Department 600: | | | | |
| Member Services | | | | |

| BUDGET CONTROL 2014-15 | | | | |
|-------------------------------------|-----------------|-----------------|-----------------|------------------------------------|
| MONTH 12: MARCH 2015 FINAL | | | | |
| Description | Annual Budget | Revised Budget | Actual | Notes |
| | £ | £ | £ | |
| Sub total | - | - | - | |
| Special Projects expenditure | (20,000) | (7,500) | (9,889) | To be allocated as year progresses |
| TOTAL WORK PROGRAMME EXP. | (60,800) | (50,940) | (52,158) | |

| BUDGET CONTROL 2014-15 | | | | |
|---|-----------------|-----------------|-----------------|------------------------------------|
| MONTH 12: MARCH 2015 FINAL | | | | |
| Description | Annual Budget | Revised Budget | Actual | Notes |
| | £ | £ | £ | |
| Work Programme Income | | | | |
| Defra balance | - | - | | |
| Events net income | 11,520 | 13,835 | 13,397 | To be allocated as year progresses |
| Merchandise sales | 6,000 | 4,000 | 3,446 | |
| Other income | 10,875 | 11,765 | 8,407 | |
| TOTAL WORK PROGRAMME INCOME | 28,395 | 29,600 | 25,250 | |
| NET INCOME / (EXPENDITURE) | (32,405) | (21,340) | (26,907) | |
| FUNDED BY:- | | | | |
| Development Reserve: | | | | |
| Contributions | (32,405) | (21,340) | (26,907) | |
| TOTAL TRANSFERS TO / (FROM) RESERVES | (32,405) | (21,340) | (26,907) | |

| BUDGET CONTROL 2014-15 | | | | |
|--|------------------|------------------|------------------|--|
| MONTH 12: MARCH 2015 FINAL | | | | |
| Description | Annual Budget | Revised Budget | Actual | Notes |
| | £ | £ | £ | |
| MAJOR PROJECTS | | | | |
| <i>Expenditure</i> | | | | |
| Major Projects Department 200: | | | | |
| Countryside Management | | | | |
| 251 Chilterns Chalk Streams (Projects) | (4,850) | (14,123) | (9,595) | |
| 255 Chilterns Commons Project | (142,102) | (142,102) | (140,861) | |
| 258 Box Woods Project | (30,070) | (30,070) | (25,351) | |
| 260 Farm Advice Project | (27,000) | (27,000) | (13,138) | Year 2 subject to confirmation |
| 261 Traditional Farmsteads Project | - | - | - | Subject to successful bid, then £3k p.a. |
| 262 Hillforts | - | - | - | Subject to successful bid 58k |
| Sub total | (204,022) | (213,295) | (188,945) | |

| BUDGET CONTROL 2014-15 | | | | |
|--|------------------|------------------|------------------|--------------------------------|
| MONTH 12: MARCH 2015 FINAL | | | | |
| Description | Annual Budget | Revised Budget | Actual | Notes |
| | £ | £ | £ | |
| TOTAL MAJOR PROJECT EXPENDITURE | (204,022) | (213,295) | (188,945) | |
| Major Project Income | | | | |
| 251 Chalk Streams external income (projects) | 6,000 | 18,048 | 9,595 | |
| 255 Chilterns Commons Project: HLF | 133,602 | 133,602 | 132,361 | |
| 255 Chilterns Commons Project: other | 8,500 | 8,500 | 8,500 | |
| 258 Box Woods Project: HLF | 26,320 | 26,320 | 22,840 | |
| 258 Box Woods Project: Other | 3,750 | 3,750 | 2,511 | |
| 260 Farm Advice Project | 27,000 | 27,000 | 13,138 | Year 2 subject to confirmation |
| 261 Historic Farmsteads Survey | - | - | - | |
| 262 Hillforts | - | - | - | |
| TOTAL MAJOR PROJECT INCOME | 205,172 | 217,220 | 188,945 | |

| BUDGET CONTROL 2014-15 | | | | |
|---|------------------|------------------|------------------|-------|
| MONTH 12: MARCH 2015 FINAL | | | | |
| Description | Annual Budget | Revised Budget | Actual | Notes |
| | £ | £ | £ | |
| NET INCOME / (EXPENDITURE) | 1,150 | 3,925 | 0 | |
| FUNDED BY:- | | | | |
| Development Reserve: | | | | |
| | - | - | | |
| | - | - | | |
| Budget Equalisation Reserve: | | | | |
| Chalk Streams Reserve | 1,150 | 3,925 | | |
| | - | - | | |
| Income received in advance: | - | - | | |
| | | | | |
| TOTAL TRANSFERS TO / (FROM) RESERVES | 1,150 | 3,925 | - | |
| | | | | |
| | | | | |
| RESERVES MOVEMENTS | | | | |
| General | - | - | | |
| Budget Equalisation | - | - | | |
| Development | (24,906) | (5,493) | (16,515) | |
| Chalk Stream earmarked reserve | (4,850) | 925 | | |
| | | | | |
| TOTAL RESERVES MOVEMENTS | (29,756) | (4,568) | (16,515) | |
| | | | | |
| RESERVES AT YEAR START / END | 01-Apr-15 | 31-Mar-15 | 31-Mar-15 | |
| General | 100,000 | 100,000 | 100,000 | |
| Budget Equalisation | 137,772 | 137,772 | 137,772 | |
| Development | 293,744 | 288,251 | 277,229 | |
| Chalk Streams | 24,693 | 25,618 | 24,693 | |
| Red Kites | 5,859 | 5,859 | 5,859 | |
| | | | | |
| TOTAL RESERVES | 562,068 | 557,500 | 545,553 | |
| | | | | |

| BUDGET CONTROL 2014-15 | | | | | | | |
|---------------------------------|---------------|-----------------|--------------------|--------------------|---------------|-------------------|-------|
| MONTH 12: MARCH 2015 FINAL | | | | | | | |
| Description | Annual Budget | Profiled Budget | Actual Exp to date | Actual Inc to date | Net to date | Projected Outturn | Notes |
| | Net | to date | | | | | |
| | £ | £ | £ | £ | £ | | |
| EVENTS | | | | | | | |
| <i>Expenditure</i> | | | | | | | |
| Events Department 100: | | | | | | | |
| Promotion and Awareness | | | | | | | |
| 103 Countryside Festival | - | - | (11,935) | 20,025 | 8,090 | - | |
| 109 Educational Events | - | - | (1,724) | 5,147 | 3,423 | - | |
| Sub total | - | - | (13,659) | 25,172 | 11,513 | - | |
| Events Department 200: | | | | | | | |
| Countryside Management | | | | | | | |
| 213 Chilterns Rural Skills | - | - | (539) | 1,793 | 1,254 | - | |
| Hillforts Conference | | | (851) | 2,085 | 1,234 | | |
| 217 Farmers' Forum | - | - | (304) | 400 | 96 | - | |
| State of Environment Seminar | | | (322) | 260 | (62) | | |
| Commons Day | | | (180) | 300 | 120 | | |
| Commons and the Law | | | (263) | 190 | (73) | | |
| Chalk Habitats Day | | | (410) | 420 | 10 | | |
| Sub total | - | - | (2,868) | 5,448 | 2,580 | - | |
| Events Department 300: | | | | | | | |
| Planning and development | | | | | | | |
| 302 Planning conference | - | - | (825) | 825 | (0) | - | |
| 304 Building design awards | - | - | (1,608) | 780 | (828) | - | |
| Sub total | - | - | (2,433) | 1,605 | (828) | - | |
| Events Department 400: | | | | | | | |
| Recreation and Access | | | | | | | |
| 402 Access conference | - | - | (413) | 545 | 133 | - | |
| Sub total | - | - | (413) | 545 | 133 | - | |

| BUDGET CONTROL 2014-15 | | | | | | | |
|--------------------------------|---------------|-----------------|--------------------|--------------------|---------------|-------------------|-------|
| MONTH 12: MARCH 2015 FINAL | | | | | | | |
| Description | Annual Budget | Profiled Budget | Actual Exp to date | Actual Inc to date | Net to date | Projected Outturn | Notes |
| | Net | to date | | | | | |
| | £ | £ | £ | £ | £ | | |
| Events Department 500: | | | | | | | |
| Corporate Services | | | | | | | |
| Sub total | - | - | - | - | - | - | |
| Events Department 600 | | | | | | | |
| Member Services | | | | | | | |
| Sub total | - | - | - | - | - | - | |
| TOTAL EVENTS NET INCOME | 11,520 | 11,520 | (19,373) | 32,770 | 13,397 | 13,835 | |

| BUDGET CONTROL 2014-15 | | | | | |
|------------------------------------|----------------------|--------------------------------|---------------------------|--------------------------|-------------------------------------|
| MONTH 12: MARCH 2015 FINAL | | | | | |
| Description | Annual Budget | Profiled Budget to date | Actual Exp to date | Projected Outturn | Notes |
| | £ | £ | £ | | |
| Special Projects | | | | | |
| Expenditure | | | | | |
| SP01 declined | | | | | |
| SP02 Herts & Middlesex WT | | | (725) | | Chalk Grassland restoration project |
| SP03 declined | | | | | |
| SP04 Naphill Village Hall Council | | | | | Naphill interpretation project |
| SP05 Chinnor Parish Council | | | (258) | | WW I Trees project |
| SP06 BBOWT | | | (3,000) | | Yoesden Bank add £3,000 to accruals |
| SP07 CCB | | | (798) | | Our Land quiz £798 |
| SP08 Anne Carpmael Trust | | | (352) | | Sand martin project |
| SP09 Bucks NEP / Chiltern Rangers | | | (1,500) | | Bucks BOA project |
| SP10 CCB Box Project | | | (906) | | Access enhancements |
| SP11 Loudwater Orchard Project | | | (350) | | |
| SP13 Roger Trout | | | (2,000) | | Glis glis |
| | | | | | |
| | | | | | |
| TOTAL SPECIAL PROJECTS EXP. | (20,000) | (20,000) | (9,889) | (7,500) | |

| | | Other Income | Budget for year | Budget to date | Actual to date | Variance | Projected Outturn |
|----------|---------------------------------|----------------------------|--------------------|-------------------|-------------------|----------|----------------------|
| | | | £ | £ | £ | £ | £ |
| 12 | | | | | | | |
| | Other Income | | | | | | |
| 100.4900 | Promotion & Awareness | Earned income | 600 | 600 | 645 | 45 | 600 |
| 106.4900 | Annual Forum | Income | 300 | 300 | 690 | 390 | 700 |
| 107.4004 | Chalk & Trees edition 1 | Advertising income | 2,395 | 2,395 | 2,746 | 351 | 2,800 |
| 107.4901 | Chalk & Trees edition 1 | Electronic subscriptions | 200 | 200 | 205 | 5 | 200 |
| 108.4004 | Chalk & Trees edition 2 | Advertising income | 2,300 | 2,300 | 1,959 | (341) | 2,300 |
| 113.4100 | Chilternsaetna | | - | - | 110 | 110 | - |
| 203.4900 | Commons | | 800 | 800 | 562 | (800) | 100 |
| 206.4900 | State of the Environment Report | | 270 | 270 | - | (10) | - |
| 211.4900 | Local Nature Partnerships | | - | - | 490 | 490 | 520 |
| 300.4900 | Planning | Earned income | 670 | 670 | 866 | 196 | 855 |
| 305.4900 | Technical Assistance | | 950 | 950 | - | (950) | - |
| 400.4400 | Recreation & Access | Advertising income | 490 | 490 | - | (490) | 490 |
| 401.4900 | Access Publications | | 300 | 300 | 87 | (213) | 1,300 |
| 405.4400 | Access Improvements | | 200 | 200 | 500 | 300 | 500 |
| 500.4900 | Miscellaneous income | incl. Red Kite donations | 1,000 | 1,000 | (697) | (1,697) | 1,000 |
| 500.4901 | Solar panels income | | 400 | 400 | 244 | (156) | 400 |
| | Sub Total | | 10,875 | 10,875 | 8,407 | (2,769) | 11,765 |
| | | | | | | | |
| | Merchandise sales | | | | | | |
| | Promotion & Awareness | incl. People & Places book | | 2,900 | 1,977 | | |
| | Planning | | | 200 | 154 | | |
| | Cycleway guidebooks | | | 2,900 | 1,315 | | |
| | Sub Total | | 6,000 | 6,000 | 3,446 | (2,554) | 4,000 |
| | | | | | | | |
| | Total | | 16,875 | 16,875 | 11,853 | (5,022) | 15,765 |

Item 8 Internal Audit Report 2014-15

Author: Chris Smith Finance Officer

Summary: The Board's internal auditor, the Hertfordshire Shared Internal Audit Service, have completed their annual review and submitted their report.

Purpose of Report: To present the findings from the internal audit annual review.

Background :

1. The Board has appointed Hertfordshire County Council Audit Department to provide its internal audit service. This entails a one day visit to The Lodge, resulting in a written report with recommendations.

Conclusions

2. The auditor focussed on the internal controls linked to the achievement of the objectives set out in the Annual Audit Return submitted to the external auditor and concluded that **Substantial Assurance** on effective management can be provided.
3. Two "medium recommendations" are identified, both of which it is proposed to accept, together with one "point of good practice"
4. A copy of the report is attached.

Recommendation

1. **Note and agree the report of the internal auditors.**



Final Internal Audit Report

Chilterns Area of Outstanding Natural Beauty 2014/15

May 2015

Issued to: The Chilterns Conservation Board

Copied to: Kath Daly – Acting Chief Officer
Chris Smith – Financial Officer

Report Status: Final

Reference: Z8050/15/001

**Overall
Assurance:** **Substantial**

INDEX

| <u>Section</u> | <u>Page</u> |
|--|--------------------|
| 1. Executive Summary | 3 |
| 2. Assurance by Risk Area | 4 |
| Appendix A – Management Action Plan | 5 |
| Appendix B - Definitions of Assurance and Recommendation Priorities | 7 |

1. EXECUTIVE SUMMARY

Introduction

- 1.1 Hertfordshire County Council (HCC) has provided the Internal Audit function to the CAONB since 2005. HCC reports on the robustness of the financial control environment annually at the request of the Chiltern's Conservation Board.
- 1.2 This audit focused on the internal controls linked to the achievement of the objectives set out in the annual return that needs to be completed and sent to the external auditors. The purpose of the audit was to ensure that effective controls were in place throughout the financial year and supported the achievement of the objectives of the Chiltern's Conservation Board

Overall Audit Opinion

- 1.3 Based on the work performed during this audit, we can provide overall **Substantial Assurance** that there are effective controls in operation for those elements of the risk management processes covered by this review. These are detailed in the Assurance by Risk Area Table in Section 2 below.
- 1.4 The Insurance Schedule to cover the Chilterns Conservation Board and its assets expires on 2 December 2015 but has one error in its content. It states under section 13 for personal accident insurance that it covers "Total and irrevocable loss of sight in one or more limbs". This needs to be discussed with the insurer and a revised section obtained.
- 1.5 For definitions of our assurance levels, please see Appendix B.

Summary of Recommendations

- 1.6 Two recommendations categorised as medium priority, have been made following the audit. A point of good practice in relation to the asset register has also been raised.
- 1.7 Please see the Management Action Plan at Appendix A for further detail.

Annual Governance Statement

- 1.8 This report provides good levels of assurance to support the Annual Governance Statement.

2. ASSURANCE BY RISK AREA

2.1 Our specific objectives in undertaking this work, as per the Terms of Reference, were to provide the Council with assurance on the adequacy and effectiveness of internal controls, processes and records in place to mitigate risks in the following areas:

| Risk Area | None | Limited | Moderate | Substantial | Full |
|---|-------------|----------------|-----------------|--------------------|-------------|
| Financial Regulations & Standing Orders | | | | | |
| Payments | | | | | |
| Risk Management | | | | | |
| Budget Setting & Monitoring | | | | | |
| Income | | | | | |
| Petty Cash | | | | | |
| Salaries to Employees | | | | | |
| Asset Register & Insurance | | | | | |
| Bank Reconciliations | | | | | |
| Year-End Procedures | | | | | |
| Managing the Risk of Fraud | | | | | |
| Review of Previous Recommendations | | | | | |
| Overall | | | | | |

2.2 Please see definitions of the above assurance levels at Appendix B.

| No. | Finding / Associated Risk | Priority | Recommendation | Management Response | Target Date |
|-----|--|----------|---|---|-------------|
| 1. | <p>Payment Authorisation From the sample of payments made, one over the £1000 limit for the Admin Assistant had been authorised by her. This was a payment to Tourism South East for £3075.00 on 23/02/15.</p> <p><u>Associated Risk</u> Payment is made for inappropriate invoices / to inappropriate suppliers. This action contravenes the rules on authorisation set by the Board in the Financial Regulations and could breach separation of duties.</p> | Medium | All invoices should be authorised in accordance with the payment authorisation procedures in the Financial Regulations. | <p>Responsible Officer: Financial Officer</p> <p>Action to be taken: All staff to be reminded of the limits set out in the Financial Regulations.</p> | 31May 2015 |
| 2. | <p>Petty Cash On four occasions the petty cash did not balance: two consecutive months contra'd each other but the cash in hand was short on two other occasions and the error could not be identified. August 2014 - £9.30 short December 2014 - £6.04 short</p> <p><u>Associated Risk</u> Misappropriation or maladministration of cash which results in loss of income to the service.</p> | Medium | All payments of cash must be clearly recorded immediately on handing out cash and the cash in hand should be checked daily. | <p>Responsible Officer: Financial Officer</p> <p>Action to be taken: Additional support to be provided to the Administration Officer.</p> | 31 May 2015 |

POINT OF GOOD PRACTICE**Asset Register**

The Asset Register includes the names of people who have been assigned equipment.

The Asset Register should be depersonalised with items of equipment attached to a post and not a named individual. When an officer moves within the service and takes an item of equipment with them, the asset register should be updated.

A separate record of names of officers and items of equipment allocated to them can be held securely.

Responsible Officer:

Administration Officer

Action to be taken:

The Administration Officers will make the changes

Target date for completion:

31 May 2015

| Levels of assurance | |
|------------------------------|--|
| Full Assurance | There is a sound system of control designed to achieve the system objectives and manage the risks to achieving those objectives. No weaknesses have been identified. |
| Substantial Assurance | Whilst there is a largely sound system of control, there are some minor weaknesses, which may put a limited number of the system objectives at risk. |
| Moderate Assurance | Whilst there is basically a sound system of control, there are some areas of weakness, which may put some of the system objectives at risk. |
| Limited Assurance | There are significant weaknesses in key control areas, which put the system objectives at risk. |
| No Assurance | Control is weak, leaving the system open to material error or abuse. |

| Priority of recommendations | |
|------------------------------------|--|
| High | There is a fundamental weakness, which presents material risk to the objectives and requires urgent attention by management. |
| Medium | There is a significant weakness, whose impact or frequency presents a risk which needs to be addressed by management. |
| Merits Attention | There is no significant weakness, but the finding merits attention by management. |

Item 9 **Management Review**

- Author: Kath Daly, Acting Chief Officer
- Summary: The report provides conclusions from the work of the Review Sub-group to date and draft recommendations for the Board meeting in June.
- Purpose: To agree on recommendations to the Board and to identify any matters which need to be addressed at the Board's AGM.

Background

1. The Review's purpose is to ensure that the Board fulfils its statutory purposes effectively over the next 5 years and beyond. The terms of reference (agreed in December 2014) set out 4 main objectives, around which this report is structured.
2. The Review Sub Group has met on 4 occasions. Sub Group Members are: Ian Reay, Gill Gowing, Wendy Jordan, Ray Payne, Jeremy Ryman, Helen Tuffs and Alan Walters.
3. As anticipated, further work is needed in order to complete the review. However a series of conclusions have been reached on the basis of work to date. These conclusions are included in the body of the report (dark blue text). On the basis of these conclusions, draft recommendations to the Board are proposed for discussion.
4. It is proposed that further work on the review is now put on hold until the newly appointed Chief Officer takes up the post.

Conclusions

| |
|--|
| <p><u>Objective 1:</u> To identify the necessary capacity, skills, resources and processes needed to identify and achieve the Board's priorities over the next 5 years, and consider how these might be addressed if there is a short fall or mismatch.</p> |
|--|

Process to identify and achieve the Board's priorities¹

5. One of the difficulties in carrying out the Review has been that it is not in fact clear what the Board's priorities are over the next 5 years.

¹ Main draft conclusions are highlighted in **bold print**

6. **The Board's business plan needs to be revised to include clear medium/long term strategic priorities.** These priorities should take account of:
 - a) *Those things the Board is required to do* –e.g. produce the AONB management plan and fulfil the statutory purposes
 - b) *Those things the Board is expected to do* –e.g. contribute to the delivery of the AONB Management Plan and achieving agreed project outputs.
 - c) *The need to provide a return for society* - The Board's Statutory Purposes and the AONB management plan objectives are extremely broad, encompassing a potentially enormous range of projects. When prioritising future work, it will be important to bear in mind the need to provide a return for society and to be seen to do so.
7. The strategic priorities need to link very clearly to the AONB Management Plan and provide a focus for the identification of new projects.
8. **Clear criteria are needed to for assessment of new project ideas. These are likely to** include fit with statutory purposes, management plan and strategic priorities; resources required; anticipated benefits/ impacts; funding/ income generation potential of the project.

Capacity, skills and resources for delivery of the Board's priorities

9. Shortfalls in capacity, skills and resources cannot properly be identified until strategic priorities are agreed, however, a number of provisional conclusions are offered as follows:
10. **Staff time is a limited and valuable resource and should be treated as such within business planning.**
11. **Annual cycles of Board events, activities and ways of doing things have become somewhat 'fossilised.' This needs addressing. Events should always be for a clear purpose, for example** conferences to report on new research or topical issues. Thought should also be given to how things are delivered e.g. arrangements for Board Members to give talks etc. There is scope for more partnership events for example joint conferences with the Chiltern Society.
12. **Staff training /development should link clearly to Board priorities and be treated as a priority within the organisation. Better use could be made of opportunities through the NAAONB.**
13. **There is a shortfall in capacity within the staff team for development of new projects and initiatives.** This links back to a culture of staff time being spread too thinly; there is a need to build in more time for reflection and networking, to do fewer things with more effect, and to bring in expertise and help where needed.

14. **Having a constant ‘pipeline’ of new project ideas is crucial given the need to broaden the funding base.** Project development needs to be effectively managed from the start.
15. **Over the short – medium term, staff efforts to generate new income through events, sponsorship, consultancy, grants and donations need better co-ordination and alignment with strategic priorities.**
16. **Greater capacity to lead income generation and project development is needed. There are a number of approaches to this which the Board could consider.**
17. **Staffing capacity, skills and roles need to be matched to the Board’s strategic priorities once agreed.** There is scope to address shortfalls in capacity through refocussing of existing staff roles and through delivery through partnerships.

Objective 2: To map and review the Board’s relationships with key partners in order to enhance the strength and vitality of those partnerships where they exist at present and forge new alliances with those who can help to deliver the aims and objectives of the AONB Management plan.

18. Stakeholder surveys have not yet been completed but a number of issues have come to the fore through the review to date.
19. **Improved working relations and collaboration with the Chiltern Society is a high priority for the Board, and work is underway and should continue on this.**
20. Confusion in the public mind between the Board and the Chiltern Society is a concern and **discussions should explore scope for joint ‘Chilterns’ branding and marketing.**
21. **Other relationships in need of strengthening / developing include those with local authorities (particularly members); major landowners; government departments; business and the LEPs; primary health/ health and well-being boards; education and research institutions.**
22. **The Board should work to strengthen its engagement with non-traditional audiences including young people and urban populations, developing partnerships e.g. with the wildlife trusts to develop this.**

Objective 3: To review the source and application of funds, and consider options for maintaining and broadening the Board's funding base.

Background

'We believe, in the next five years, the UK's governance and our experiences of the public sector will change beyond recognition (The State of the State 2014 – 2015, Deloitte)

23. The next public funding round is expected by the IFS to be 'a defining moment for the public sector' with the potential prospect (depending of course on the outcome of the general election) of public sector expenditure dropping back to pre-1948 levels.
24. To give some sense of scale of reductions in funding, it is worth contemplating the fact that jobs in the public sector have fallen by around 300,000 over the period since 2010. The Office for Budget Responsibility forecasts a reduction by further 800,000 public sector jobs by 2018 – 2019.
25. So far, AONBs have largely avoided significant staff reductions. This is partly due to success in securing alternative sources of funding, for example HLF and consultancy services. There is a trend toward core permanent, full time posts being replaced with part-time and/or fixed term contracts supported by project funding. There is growing competition for such funding, Natural England and Local Authorities amongst others are looking at income generation and charging for services.
26. The National Association for AONBs advise that the main political parties and Defra have a positive view of AONBs, but little idea of what they want them to do. This is seen as an opportunity for AONB partnerships/Conservation Boards to take the initiative and demonstrate their value. AONBs are considered to have a good track record of experimenting with new models of delivery, partnership working and landscape scale conservation,
27. It is clear that contribution of funds from government (both central and local) can reasonably expected to fall substantially over the next 5 years.
28. **A critical challenge for the Board is whether, against this backdrop, it will be able to maintain – or increase - achievements in fulfilling the Board's statutory purposes.**
29. **The Board must begin to plan for a range of funding scenarios, to include a reduction in government funding from the current levels.**
30. **This work should begin sooner rather than later in order to be able to react to the Defra funding settlement from 2016 onwards.**

Potential alternative sources of income

31. **There are various possible sources of income which should be explored further.** These can be broadly categorised as follows:

- a) Earned income – events, project grants, sale of goods and services.
- b) Giving /donations/ sponsorship – including corporate social responsibility; philanthropic giving, visitor giving, income from organised recreational events
- c) Others such as ‘investment’ in natural capital schemes; or developer contributions, for example the National Grid landscape enhancement scheme.

32. To date, the Board’s main success in securing non-government funding/ income has been through project grants, particularly from the Heritage Lottery fund.

33. The largest HLF secured by the Board to date has been the Chilterns Commons Project (£450,000). From initial concept to the start of delivery, the commons HLF project took over 4 years to achieve. **It may be that there is greater impact to be made by developing fewer but more ambitious bids** e.g. landscape partnership funding or working with others through the NAAONB to develop regional or bespoke programme.

Use of reserves

34. **The Board’s reserves should not be overlooked when considering additional income streams.**

35. The reserves that the Board holds are greater than are needed for cash flow purposes or for emergencies, and there could well come a time when there is a choice between reducing activity because of grant cuts or choosing to apply reserves. To date this has only happened to a limited extent.

36. It would be sensible to **have a clear strategy for management of reserves** which would identify a minimum reserve holding and confirm in what circumstances funds would be used. For example other than for emergencies or cash-flow purposes reserves it could be that reserves should only be used to invest in the means to generate additional income (This would not apply to restricted reserves).

37. It may also be that an indicative maximum to be used in any one year should be agreed. This calculation would be based on the number of years that it was considered the reserves could be used which would in turn be influenced by future activity and by funding levels.

Application of funds

38. Despite reductions in the Defra grant by around 30% over the past 4 years, some budgets have routinely been underspent.

Creation of charitable and not-for-profit bodies to receive funding

39. **A number of AONBs and National Parks have established an associated charity or Community Interest Company (CICs). Outcomes to date have been mixed but worthy of further exploration.** CICs are one of a number of forms of legal structure commonly adopted to underpin a social enterprise.
40. Establishment of some form of associated body could have a number of advantages. To some extent of course such a body already exists in the area in the form of the Chiltern Society. **Current plans to strengthen the relationship between the Board and the Society provide an opportunity to explore joint approaches to funding and application of funds for the benefit of the area.**
41. There are 34 AONBs in England facing similar challenges to various degrees. Most are experimenting with different approaches to diversifying their funding base. The funding issues are of a similar nature whether a Conservation Board or local authority based AONB Partnership, but there are some differences in the opportunities for addressing them.
42. Despite its shortcomings, the 2014 LUC report *Maximising Revenues for Protected Landscapes* provides a useful framework of what to consider with examples of what has and has not worked elsewhere.

Funding model and strategy

43. **Developing a funding model and strategy which enables the Board to sustain its effectiveness over a period of ongoing reductions in government funding is one of the greatest challenges ahead.**

Some of the smaller AONB partnerships are facing imminent decline or wholesale change. For example, the Isles of Scilly AONB have seen funding and delivery of the work programme handed over to the local Wildlife Trust in the last year. The Chilterns Conservation Board is in a relatively good position currently due in part to its size and also to good stewardship over many years; however, we should be prepared for major shifts in funding over the next 5 years.

44. **The Board should use the LUC report findings and the experience of other AONBs as a starting point for identifying the best options to include a medium – long term funding strategy. Board member expertise should be drawn in as appropriate and other help bought in if required.**

45. **In order to develop its medium- long term funding strategy the Board first needs to define what it needs funds to do. This brings us back full circle to the need to define strategic priorities and identify the sorts of projects/ initiatives required to deliver achieve those priorities.**

Objective 4: To ensure that the Board complies with the principles of good governance and to consider how any shortfall might be addressed.

Governance can be defined as the systems and processes concerned with ensuring the overall direction, effectiveness, supervision and accountability of an organisation' (ACVEO)

46. The Code of Good Governance² defines 6 principles of good practice which, in summary state that an effective Board will provide good governance and leadership by;

1. Understanding the role.
2. ensuring delivery of organisational purpose
3. working effectively as individuals and as a team
4. exercising effective control
5. behaving with integrity
6. Being open and accountable.

47. It is the task of governance to ensure that

- resources (funding and staff time) are used wisely, and on the right things
- resources are used effectively
- The organisation is able to manage and deliver what is required.

48. Whilst this objective has not yet been discussed by the Review Group in any detail some key messages have emerged from the process to date and provisional conclusions have been drawn up as follows:

49. **There is a need to ensure that the staff team are able to deliver what is required of them and that quality of delivery is not undermined by unrealistic work programmes and work – related stress.**

50. **There is a need to ensure that all Board Members understand the importance of their role in the governance of the organisation, and how they can contribute. This could include consideration of a portfolio approach.**

51. **There is an opportunity to make greater use of Board Member networks, expertise and contacts – and a need to have clearer policies around how this is done.**
52. **There is a need to review what is wanted and needed by way of Board Member training, support and induction.**
53. **There is a need to review the effectiveness of the current frequency and approach to meetings of the Board and its committees and task groups.** The meetings as currently run place a considerable burden of work on the CO and other staff, and it is worth considering whether there are more effective ways of approaching this.

Recommendations:

1. **To consider and provide feedback on the conclusions of the review to date.**
2. **To consider the draft recommendations for the June meeting of the Board which are as follows:**

That the Board should:

1. **put in place a new approach to business planning which ensures that medium – long term strategic priorities are agreed and a strategy put in place for how they are to be achieved.**
2. **increase capacity to develop and manage projects - from initial ideas to a portfolio of project proposals. This is expected to require investment from reserves as well as potential role change for some existing staff.**
3. **ensure appropriate staff support/ training/development opportunities are in place to underpin delivery against the Board's strategic priorities.**
4. **seek stakeholder views on the Board's future priorities and direction through a variety of approaches including a stakeholder survey.**
5. **plan how to strengthen relations with key stakeholders and non-traditional audiences.**
6. **explore with the Chiltern Society the scope for improved joint working to include a shared Chilterns Identity and for joint approaches to funds and initiatives for the benefit of the Chilterns area.**

- 7. undertake financial modelling based on a range of assumptions regarding reductions in government funding over the next 5 years.**
 - 8. seek to develop a funding model which enables the Board to sustain at least current levels of effectiveness in delivering against its statutory purposes over the next 5 years.**
 - 9. put in place a clear strategy for management and use of reserves.**
 - 10. ensure all Board members understand and are able to effectively contribute to their role in the governance of the organisation.**
 - 11. review the Board's current committees and task group structure and the frequency and effectiveness of meetings. Identify any changes necessary to ensure effective operation of the Board in line with its establishment order, and any changes required to the standing order.**
- 3. To agree that further work to complete the review should wait until the new Chief Officer is in post.**

Item 10 **Countryside Stewardship Facilitation Fund - Potential Board involvement**

Authors: Neil Jackson, Conservation and Landscape Officer
Karen Davies, Consultant (Chilterns Farm Advice Project)

Summary: From 2016, Countryside Stewardship will be the new national agri-environment/ woodland grant scheme. As part of the scheme a Facilitation Fund has been established to support development of landscape scale initiatives.

The Board has been encouraged by Natural England to submit an application to the fund for a scheme in the Hambleden Valley. This builds on the work of the Chilterns Farm Advice project in this area. An application has been submitted to the fund (deadline 12th May) on the understanding that Board approval would still be required should the bid prove successful.

Purpose of the paper: To provide an update on the facilitation fund process and to seek approval for supporting the facilitator role should the Conservation Board bid be successful.

Background

1. Until 2009, the Conservation Board employed a Farming and Land Use Officer to engage with the farming community and offer advice with regard to possible funding through agri-environment schemes. Since that time, available funds for new agreements have been very limited.
2. The Board has continued to offer advice through initiatives such as the Chilterns Farm Advice Project and held annual Farmers' Forums on relevant subjects. The extent of this has been limited due to other priorities and there has for some time been recognition that this area of work would benefit from being expanded.
3. The Chiltern Farm Advice Project is a joint initiative with the Environment Agency (EA), led by the Board, to encourage land management which benefits soil and water quality. The project ends this year but has particularly engaged with a group of farmers in the Hambleden Valley near Henley.
4. Independently, the EA have inspected farms in this valley and highlighted specific water quality issues that need addressing – primarily by fencing stock away from the water's edge. The Farm Advice Project may be able to help farmers with grants towards the cost of this fencing. The EA are also considering a Water Framework Directive (WFD) funded project to restore the river through re-alignment.
5. Natural England approached the Conservation Board, asking if the Board would work with a group of farmers to submit an application to the Facilitation Fund. It

was felt worthwhile to apply, on an expression of interest basis, for farmers in the Hambleden Valley.

6. The Facilitation Fund aims to bring together a number of farmers to receive training and support to improve the local natural environment at a landscape scale. Three farms within the valley and one with land adjoining the top of the valley have already signed up to the application. There is scope for a further two farms to join the group.
7. The fund provides support for a 'facilitator' to deliver this training and support.
8. Having received training, farmers will not only be better placed to apply for grants through CSS but also be able to identify locations on their farms for appropriate management to deliver wildlife benefits – possibly on a voluntary basis.
9. Board member and farmer, Ian Waller, is fully supportive of this application. Ian sees the facilitation fund as an opportunity not only to secure funds through CSS but also to provide farmer training which might save farm habitats through voluntary measures. Farmers from a wider area could be encouraged to attend such training and there might be scope for growing the geographic area and/or building on experience and creating new facilitation fund areas.

Chilterns Conservation Board – Why get involved and what are the benefits?

10. If the application is successful, the facilitation fund will enable the Board to have greater involvement with the farming community and increase available expertise to offer practical and relevant advice on farming and wildlife issues.
11. Through training and support, the board would be able to encourage farmers to keep and even improve farm habitats that have developed over recent decades – working towards the Board's statutory purpose of conserving and enhancing the AONB.
12. By opening training to a wider audience, it is hoped that opportunities to grow the project area or even start additional facilitator fund areas may arise.
13. The maximum funding for a facilitator is dependent on the number of holdings involved in the group and the work that the facilitator does. With four holdings a facilitator could receive up to £12,000 per annum, which comprises £500 per holding and up to £10,000 for costs of delivering the cooperation.. Eligible costs include workshops, trainer fees and staff time. The fund will run for a 5 year period.
14. The fund provides a good opportunity to be part of the pilot scheme and influence NE in its development – particularly to take a more AONB wide approach.

Requirements

15. The Board would either use existing staff or a contractor to deliver around 2 workshops, 2 farm visits and 3 informal group meetings a year plus a newsletter. It is anticipated that this would equate to around 2-3 days staff time a month.
16. The Board would need to register with the RPA to receive payments.
17. Farmers would need to remain engaged and attend training events and changes in farm management would need to be shown.
18. The Board would need to prepare quarterly and annual reports, provide evidence of expenditure and feedback from farmers. Claims can be made quarterly.
19. The project may be inspected by the RPA, facilitators will be asked to supply evidence of compliance for:
 - any changes in circumstances that affect the eligibility criteria;
 - the work on fostering cooperation within the group;
 - the work on securing or providing for the transfer of knowledge and expertise;
 - what the group is doing differently as a result of facilitation and the difference this is making on the ground to the CS priorities in the statements of priorities;
 - the work to support members of the group to apply for individual but complementary CS agreements;
 - any work that is being done to broaden the group or secure funding from other sources; and
 - compliance with the facilitation agreement
20. An application was submitted by the deadline of 12th of May, on the understanding that Board approval is still required. A decision from NE is expected by the end of June.

Recommendations

That the Committee

- 1. Notes progress with Facilitation Fund application.**
- 2. Authorises acceptance of a Facilitation Fund agreement should the bid be approved.**
- 3. Approves allocation of officer time to support the facilitator role.**