**BUSINESS PLAN 2018/19 QUARTER 2 REVIEW**

AGENDA ITEM 6

**Summary:** To review progress in Quarter 2 of the financial year 2018/19.

**Recommendations:**

1. **That the Quarter 2 Review be noted;**
2. **that the recommendation for making up the £15,000 expenditure on fire**

**alarms be considered.**

**Officer Ref:** Simon Smith, Project Development and Business Planning Officer (01451 862031)

**Background**

Process

1. The management team undertook a review of progress against the work programme on 17rd October 2018. This review identified areas of significant progress or where things have developed differently. It does not focus on areas of work which are performing as originally expected in the business plan.
2. This report does not attempt to celebrate the role or work of the Board. That task is achieved through updates, the annual review, press releases and digital media.

Financial Outcome

1. This report does not include new detailed financial information recorded on the Sage financial package. This information is not currently available due to changes in personnel. We still have no Finance Officer and the Finance and Office Administrator, Alexander Witcomb left at the end of August. A new Administrative assistant Della Morris started in late September and the office team are working hard to catch up with data entry. However the information on Sage is not sufficiently robust at this time. Using it would create false variances.
2. The refreshed report considered by the Executive Committee in August 2018 indicated that the day to day income and expenditure was mainly occurring as predicted and this will be reviewed in detail for the quarter 3 report. This report does include known significant changes, in particular;

* The closure of the Discovery Centre from the beginning of November. This avoids running the site during the most financially challenging months though it also means that the Discovery Centre is not contributing towards its share of central overheads for just under half of the year.
* The inclusion of the Glorious Grasslands project from February 2019
* The loss of a month’s income from the Police Station in quarter 4

1. The Board’s current forecast (green) is now predicting a deficit of -£10,500 compared to -£6,000 at the quarter one refresh. This is mainly due to the loss of recharges for shared central costs from the Discovery Centre. The detailed variances and their causes have not significantly changed since the quarter one refresh.
2. The Discovery Centre balance has improved from -£2,000 to £3,700 due to the cancellation of winter trading. Though it should be noted that actual figures for trading from July to October are still to be added.
3. The general fund is still showing a negative figure at -£11,000. A recommendation to correct this is included within this report below. The Board’s reserves are now at £276,000 which is comfortably above the requirement of the Board’s current reserves policy to maintain reserves of £150,000, (see later item reviewing the reserves policy). This improvement is due to advance payments for the Glorious Grasslands Project and this money will all be spent over the next 3 years.

Recommendation

1. The Executive committee asked for recommendations on how to make up the £15,000 unbudgeted expenditure on fire alarms within the current financial year. The only area identified where it would be possible to make up this sum within the year is the Sustainable Development Fund (SDF).
2. This fund is expected to pay out just over £18,000 by quarter 3 this year on grants approved in previous years. This expenditure is covered by the ear marked reserve maintained for this purpose. This reserve of £23,805 has been calculated to cover all such historic commitments so any further claims of this nature are also covered.
3. £27,500 has been budgeted for new SDF grants this year. The fund has recently tightened its remit with a focus on supporting educational and engagement activity, one application estimated at £2,000 is known to be in the pipeline. It would be possible to reduce the fund by £15,000 this year and still have £12,500 available for the distribution of grants which is expected to be sufficient to meet demand. Consequently the cost of the fire alarms could be met in this way with little or no reputational risk.

Operational Progress

1. Areas of significant progress or deviation from the original work programme are outlined below.

CONSERVING AND ENHANCING

Landscape

* HLF Board approved the BATHSCAPE bid. £1,600,000 grant towards a £2,200,000 five year project that engages people in the setting of Bath and the restoration of its landscape.
* Dry-stone walling competition cancelled due to insufficient number of competitors.

Biodiversity

* Magnificent Meadows bid not approved by the HLF Board.
* Grant offer of £211,000 for Glorious Grasslands received from the Esme Fairbairn Foundation. 3 year £292,000 project scheduled to start in February

Development and Transport

* Commented on four planning applications and one appeal - all objections. Decision made on one planning application that we have commented on (in March 2018): decision was in accordance with the Board's advice - a refusal for an application that we objected to.
* A417. Series of letters written to Highways England (HE); requesting factual information, raising questions over proposals for land bridges and offering improved layout and design of route Option 30. Joint letter with National Trust and Gloucestershire Wildlife Trust sent to HE expressing concern that stakeholder and technical working group meetings lacked detail and were not effective. HE to review approach and schedule review meetings.

Natural Capital and Ecosystem Services

* Recent discussions about cultural capital with others in the Historic Environment sector is leading to the idea for a conference to define cultural capital and raise its profile to match natural capital. The outcomes from a conference on cultural capital will far exceed what the Board could achieve on its own. Discussions have indicated that the Board may well support the conference but is unlikely to be able to provide funding. There is, however, some confidence that funding could be found from elsewhere. Any conference would be in the late spring/early summer of 2019 at earliest. This opportunity would lead to a variation of the Board’s work programme to develop a draft position statement for the February Executive.

UNDERSTANDING AND ENJOYING

Tourism Access and Recreation

* Caring for the Cotswolds (visitor giving) call for projects issued following a significant five figure contribution from Manor Cottages. A relaunch of the scheme was held at the Cotswolds Distillery to encourage existing and recruit more companies.
* Rural Skills schools programme continues to grow. Pilot programme of two sessions every other week for four months has started at Winchcombe School. If successful, it will be integrated into the school curriculum. Activity at Burford School continues with plans for winter 2018-19 hedgelaying and the restoration of a wildlife area in the school’s grounds, collaborating with Wychwood Project.

CROSS CUTTING

Strategic Economic Plan

* LEADER programme achieved a significant milestone by contracting £1 million of project grant.

Management Plan

* 2018-23 Management Plan adopted on 20th September and placed on the board’s website on 10th October.

1. This quarter has also seen a change in personnel:

Leavers:

Alexander Witcomb Finance and Office Administrator August

Starters:

Della Morris Administrative assistant September

Lioba Erwert LEADER Programme Assistant October

**Supporting Paper(s):**

**Appendix ‘A’ - 2018/19 Finance Report Quarter 2**