

Cotswolds Conservation Board

Statement of Accounts 2018/2019

DRAFT

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BACKGROUND

The Cotswolds Conservation Board was established in 2004 under the Countryside and Rights of Way Act 2000. The Board's Establishment Order (SI 1777/2004) was agreed by Parliament in July 2004. The Board's statutory purposes are to conserve and enhance the natural beauty of the Cotswolds Area of Outstanding Natural Beauty (AONB), and to increase the understanding and enjoyment by the public of the special qualities of the AONB. In fulfilling these purposes the Board seeks to foster the economic and social well-being of people living in the AONB.

The Management Plan 2013-2018 articulated the Board's vision, objectives and policies for the management of the AONB. The Board adopted the Management Plan for 2018-23 in September 2018.

The Board's Business Plan sets out a wide ranging programme of activity associated with the delivery of its purposes. The Board operates to a budget based on the agreed grant aid from the Department for Environment, Food and Rural Affairs, Natural England and local authorities. Additionally, the Board either takes the lead role or actively participates in a range of partnership schemes to secure external funding for additional project work.

FINANCIAL REVIEW

Under the Local Audit and Accountability Act 2014, the Board is classed as a smaller relevant body for financial reporting purposes. As such it is required to comply with the mandatory guidance for Conservation Boards issued in March 2018 by the Joint Panel on Accountability and Governance.

This Statement of Accounts summarises the Board's activities for the period from 1 April 2018 to 31 March 2019. It has been prepared in accordance with proper accounting policies and practices, and on an accruals basis (whereby income and expenditure are matched to the services provided during the accounting period).

Income and Expenditure Account

The Board has adopted the National Park Authority model for its Income and Expenditure Account to enable comparability with similar organisations.

The statement shows the costs of providing services across the various activities and projects that the Board has supported during the year and how these projects were financed from grants and income. Gross revenue expenditure for the year was £945,292 (2017/18 £1,016,782) and gross income was £1,063,697 (2017/18 £991,690). Taken together, these items show a net surplus for the year of £118,405 (2017/18 deficit of £25,092) mainly as a result of additional grant income secured at the end of the year.

Balance Sheet

The Balance Sheet details the Board's financial position as at 31 March 2019, listing the value of its assets and liabilities.

Reserves

The Reserves statement sets out the movements during the year in the financial reserves held by the Board. The Board's practices comply with formal guidance issued in July 2014 (CIPFA LAAP Bulletin 99). The Finance Officer considers that the level of reserves is satisfactory.

Value Added Tax

The Board was not registered for Value Added Tax in 2018/19.

ANNUAL REVIEW

The Board publishes an Annual Review by the end of July each year describing its activities in the previous year, and setting out its performance against the Business Plan. This publication is available on-line at www.cotswoldsaonb.org.uk

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

2017/18		2018/19	
Total		Income	Net
£	Expenditure	£	£
	£		
Net			
162,133	Conservation of Natural Environment	(183,119)	32,929
27,588	Conservation of Cultural Heritage	(73,550)	8,052
77,635	Recreation Management and Transport	(99,850)	190,680
119,407	Promoting Understanding: Information Interpretation and Education	(26,103)	15,738
37,965	Volunteers	(12,246)	28,368
(8,798)	Forward Planning	(35,000)	7,536
148,367	Corporate Management and Administration	(13,449)	131,746
564,297	Net Cost of Services	(443,317)	415,049
42,411	Agency Operational Agreement	(61,772)	25,154
(1,840)	Interest Receivable	(88)	(88)
604,868	Net Operating Expenditure	(505,177)	440,115
=====		=====	=====
Income			
(440,367)	DEFRA Contribution	(412,941)	
(139,409)	Local Authority Contributions	(145,579)	
(579,776)	Total Financing		(558,520)
=====			=====
25,092	(Surplus) / Deficit for the Year	(1,063,697)	(118,405)
=====		=====	=====

BALANCE SHEET AS AT 31 MARCH 2019

31 March 2018		31 March 2019	
£	Note		
0	Fixed Assets & Long Term Investments	1	25,000
-----		-----	
103,014	Debtors and Prepayments	2	120,124
0	Short Term Investments		0
7,517	Stock		4,732
166,825	Cash and Cash Equivalents		194,265
-----		-----	
277,356	Current Assets		319,121
-----		-----	
(131,045)	Creditors and Accruals	3	(82,314)
(8,109)	Receipts in Advance		(5,200)
-----		-----	
(139,154)	Current Liabilities		(87,514)
-----		-----	
138,202	Net Current Assets		231,607
-----		-----	
138,202	Total Net Assets		256,607
=====		=====	
	Financed by:		
225,495	General Fund		303,045
145,243	Other Reserves		211,252
	Less: Accumulated Deficit on Agency	4	
(232,536)	Operational Agreement		(257,690)
-----		-----	
138,202	Total Reserves		256,607
=====		=====	

RESERVES

Note: The table below will be updated after the Reserves Policy paper has been considered by the Executive Committee meeting on 28 May 2019.

Fund	Opening Balance	Movements in 2018/19	Closing Balance
	1 April 2018		31 March 2019
	£	£	£
General Fund	(225,495)		
Countryside Fund	(41,966)		
Voluntary Wardens	(13,141)		
Caring for the Cotswolds	(18,814)		
Legacies and Donations	(2,135)		
Asset Acquisition	(14,838)		
Sustainable Development	(23,805)		
Student Placement	(5,500)		
Management Plan	(6,249)		
AONB 50 th Anniversary	(5,197)		
Cotswold Way	(10,380)		
Visitor Giving Scheme Fund	(8,415)		
Accumulated Deficit on Agency Operational Agreement	232,536		
	-----	-----	-----
Total Reserves	(138,202)		
	=====	=====	=====

NOTES TO THE ACCOUNTS**1. Fixed Assets & Long Term Investments**

The Board maintains asset and inventory registers for all of its significant assets. In 2018/19 the Board reverted to its former policy whereby only assets with an individual value in excess of £10,000 are capitalised as Fixed Assets in the published accounts. The figures for 2017/18 have been re-stated to reflect this policy. The investment of £25,000 was held on a 3-month Term Deposit account with the Clydesdale Bank.

2. Income

The Board derived income from the following main sources (in addition to the Agency activities):

Source	2017/18 £	2018/19 £
DEFRA Grant	440,367	412,941
Natural England	64,177	67,294
Rural Payments Agency	72,368	87,127
Local Authority Contributions	139,409	145,579
Heritage Lottery Funding	32,701	0
Esmee Fairbairn Foundation	-	96,851
Cotswolds Hare Trail		35,000
Other grants and earned income	121,808	94,622
----- Total =====	----- 870,830 =====	----- 939,414 =====

Debtors/Prepayments

	2017/18 £	2018/19 £
Rural Payments Agency	35,046	66,347
Natural England	16,824	28,450
Local Authority Contribution	21,361	-
Hare Trail	12,500	-
Miscellaneous	17,848	25,327
----- Total =====	----- 103,014 =====	----- 120,124 =====

There were no debts written off during the year, and no provisions were required.

3. Creditors and Accruals

Head	2017/18	2018/19
	£	£
Local Authorities and other Public Bodies	3,487	16,212
Net wages	82,241	50,637
Sustainable Development Fund and Climate Change	12,394	-
Miscellaneous	32,923	15,465
	-----	-----
Total	131,045	82,314
	=====	=====

4. Agency Operational Agreement

Under an Agency Operational Agreement between the Board and the Friends of the Cotswolds (a registered charity), the Board manages the site and the visitor attractions on behalf of the Friends. The Cotswold Lion Café and Shop opened in November 2013. The Agreement provides for the Board to recover set-up and operational costs from future profits. The deficit on operations has been treated as an accumulated deficit on the Balance Sheet and is recorded in the table of Reserves above.

The Café and Discovery centre were closed for major refurbishment in November 2018.

5. Member Allowances

Board members are paid allowances and reimbursed expenses in accordance with a Member Allowances Scheme reviewed annually and published in the Board's Constitution.

Category	2017/18		2018/19	
	Allowance	Expenses	Allowance	Expenses
	£	£	£	£
Board Chair/Vice Chair	4,090	1,375	4,090	1,585
Executive/Sub-Committee Members	13,840	2,256	15,660	2,569
Ordinary Members	1,540	901	1,355	153
	-----	-----	-----	-----
Total	19,470	4,532	21,105	4,307
	=====	=====	=====	=====

6. Related Party Transactions

Concept

The principal issue in determining whether or not a person or an organisation is a related party is the degree of control exerted by one party over the other. This can arise during a financial period where:

- one party has direct or indirect control of the other party;
- one party has influence over the financial and operational policies of the other party; or
- the parties are subject to common control or influence from the same source.

The Government

The Government has influence over the general operations of the Board. It is responsible for providing the statutory framework within which the Board operates. The Secretary of State appoints fourteen members of the Board under arrangements set out in the Board's Establishment Order. The Government provides a large proportion of the Board's funding in the form of grants channelled through the Department for the Environment, Food and Rural Affairs (DEFRA) and Natural England. Other government departments and agencies such as the Rural Payments Agency also fund the Board's activities.

Local Authorities

The fifteen local authorities covered by the Cotswolds area each appoint a Board member under the terms of the Board's Establishment Order.

Parish Councils

Parish Councils, Town Councils and Parish Meetings appoint eight members of the Board in accordance with the arrangements set out in the Establishment Order.

Friends of the Cotswolds

The Friends of the Cotswolds act as the Board's landlord and share an Agency Operational Agreement with the Board for the management of the Cotswolds Discovery Centre at the Old Prison. In addition to this, the Friends have been joint signatories to grant bids and four Board Members sit on the Partnership Board for the site influencing decisions.

Members and Officers

The Board approved Codes of Conduct for members and officers as part of its Constitution. The Codes include requirements to disclose and record interests where they may have, or appear to have, an influence on the decisions of the Board and are circulated to members and officers. The Board's procedural rules impose quorums on meetings to ensure decisions are not taken in isolation and require members to disclose interests at each meeting before the matter in which they have an interest is discussed. A public register of these interests is maintained by the Board's Monitoring Officer. In addition to the above, Board members and officers sign and return related party transaction declaration forms each year. There were no related party transactions that required disclosure during the year.

7. Employee Remuneration

The table below shows contracted staff numbers and their respective total remuneration in bandings of £5,000 at the financial year end. Total remuneration includes gross salary, travel allowances and employer Superannuation and National Insurance contributions.

Band	2017/18		2018/19
£	Nos.		Nos.
0 – 5,000	1		-
5,000 - 10,000	1		-
10,000 - 15,000	-		-
15,000 - 20,000	1		1
20,000 -25,000	4		2
25,000 - 30,000	1		-
30,000 - 35,000	2		1
35,000 - 40,000	2		2
40,000 - 45,000	2		4
45,000 - 50,000	-		1
50,000 - 55,000	1		1
75,000 - 80,000	1		-
80,000 - 85,000	-		1
Total	16		13

8. Retirement Benefits and Pensions

The Board is a member of the Gloucestershire County Council Pension Fund, which is a defined benefit scheme administered in accordance with the Local Government Pension Scheme Regulations. Under the Regulations, the pension fund is subject to an independent triennial actuarial valuation to determine each employer's contribution rate. The last triennial valuation of the GCCPS fund was carried out in 2016 when the actuary valued the Board's share of the fund at £2,135,000, with a surplus against expected liabilities of £153,000. It is anticipated that the results of the 2019 valuation will be made available by November 2019.

9. Post Balance Sheet Events

Agency Operational Agreement

The Agency Operational Agreement with the Friends of the Cotswolds is to come to an end and an Exit Agreement agreed in Quarter 1 of 2019/20. The Board will continue to rent office space but will no longer manage the Agency Area and operate the Discovery Centre. The elements of rural skills training activity at Northleach will be relocated off site. The Board will write off the accumulated deficit of £257,690, which is already accounted for in the Board's finances.

Network Rail

In April 2019, the Board received a total contribution of £501k from Network Rail for mitigation of the impact of recent railway line works in the AONB.