

A NEW FORMAT FOR FINANCIAL REPORTING TO THE EXECUTIVE COMMITTEE

Summary: To agree the format and level of detail of financial information presented to the Executive Committee for Business Plan development and quarterly reporting.

Recommendation: That the new format for reporting Business Plan budgets and quarterly financial reports to the Executive Committee be adopted for the next 12 months.

Officer Ref: Simon Smith, Project Development and Business Planning Officer

Background

Progress to date

1. This paper deals with two documents. The draft budgets in the various iterations of the Business Plan as it undergoes development and the quarterly finance reports. The Business Plan drafts are taken to both the Executive Committee and the Board and the quarterly reports are taken to the Executive Committee only.
2. When the Executive Committee considered the 2018/19 quarter 3 report in February 2019 they asked for a level of detail of financial information that was greater than the current level but less than the full detailed budgets used by officers.
3. When the final draft of the 2019-22 Business Plan was presented to the Board in March 2019 the Board agreed the recommendation; "That the Executive Committee reviews the level of detail of the financial information it receives when considering quarterly reports and drafts of subsequent business plans."
4. The meeting also noted that the Board has different requirements from the Executive Committee, as the report stated; "The Executive Committee is aware of the need for concise summary information to present the business plan to funders, particularly local authorities. The 'outward looking' version of the plan considered by the Board will continue in this concise format."

A Revised Format

5. A new overall format is proposed and compared to the original format for both documents in **Appendix 'A'**. A key difference is in the reporting of project expenditure. In the original format the total expenditure under each Management Plan outcome was reported. This figure was a mixture of apportioned central costs and any dedicated budget lines under that outcome. Selected items from the work programme were shown to illustrate what was covered but with no further financial information.

6. Under the new format any projects listed under a specific Management Plan outcome are now shown with financial figures and the apportioned central costs are also shown separately. For outcomes where there are no specific project costs the apportioned costs are shown alone with no totalling. This does mean that any work delivered solely through using central costs is not now mentioned so the cross reference to the summary work plan is more important and members of the Executive Committee need to note this.
7. These reports will always be a compromise between detail and brevity with different members of the Executive Committee preferring different places on that spectrum. To illustrate this the full budget for quarterly reporting occupies 310 lines in Excel, the old format report 63 lines and the new report 79 lines. This format is suggested as a compromise that although not ideal to all, may be acceptable.

Next Steps

8. The new formats illustrated in Appendix A are mock ups with no actual Excel coding behind them. The full quarterly reporting spreadsheet will have to be built by the end of June for the quarter 1 report going to the Executive Committee in July. It is recommended that a new format is agreed now and that it is not then revisited until this time next year when it can be reviewed prior to the building of next year's spreadsheets.

Supporting Paper(s):

Appendix 'A' - Comparison between Original and New Financial reporting

APPENDIX A: Comparison between Original and New Financial reporting

Original Business Plan Budget Layout

INCOME BY SOURCE	2018-19*	BUSINESS PLAN YEAR			TOTAL 2019-22
		2019-20	2020-21	2021-22	
DEFRA	447,941	455,646	455,646	455,646	1,366,938
Natural England - Cotswold Way	67,294	63,929	63,929	63,929	191,787
Local Authority - Direct Grant	144,310	128,035	128,035	132,835	388,905
Parish Council Contributions	0	0	0	0	0
DEFRA LEADER	89,830	66,000	22,000	0	88,000
Rental Area Income	8,691	8,362	8,362	8,362	25,086
Earned Income	151,099	167,146	202,076	132,076	501,298
Sponsorship and advertising	3,455	14,000	19,000	19,000	52,000
Grants	114,351	99,351	63,408	0	162,759
Transfers from Earmarked Reserves	21,654	0	35,901	83,560	119,461
TOTAL INCOME	1,048,625	1,002,469	998,357	895,408	2,896,234

EXPENDITURE BY THEME**	2018-19*	BUSINESS PLAN YEAR			TOTAL 2019-22
		2019-20	2020-21	2021-22	
GOVERNANCE AND FINANCIAL MANAGEMENT	124,388	129,199	130,046	130,885	390,131

CROSS CUTTING					
Working Together	106,987	95,404	51,644	29,881	176,928
- Providing further information & guidance					
- Annual Review & Forum					
- National Park					
- LEADER (ends in 2020/21)					
Natural Capital and Ecosystem Services	15,818	15,819	15,985	16,149	47,954
Climate Change	8,112	8,426	8,481	8,536	25,443
TOTAL CROSS CUTTING	130,917	119,650	76,110	54,566	250,326

CONSERVING AND ENHANCING					
Landscape and Geology	122,476	117,246	115,890	116,528	349,664
- Future Landscapes					
- Rural Skills					
Local Distinctiveness	11,391	11,679	11,771	11,862	35,312
Tranquility	5,408	5,617	5,654	5,691	16,962
Dark Skies	17,224	18,352	16,963	17,072	52,387
Historic Environment and Cultural Heritage	17,399	17,296	17,425	17,553	52,274
Biodiversity	174,945	141,058	141,863	126,952	409,873
- Glorious Grasslands					
Rural Land Management	22,345	21,798	22,074	22,348	66,220
- Environmental land management Schemes					
Development & Transport	45,969	47,748	48,061	48,371	144,179
- Influencing strategic planning					
- Responding to development proposals					
CONSERVING AND ENHANCING TOTAL	417,157	380,794	379,700	366,376	1,126,870

UNDERSTANDING & ENJOYING					
Sustainable Tourism	35,540	25,729	25,821	25,912	77,462
- Caring for the Cotswolds (visitor giving)					
- Explore the Cotswolds by Public Transport					
- Cotswolds Discoverer					
Access and Recreation	252,890	285,349	335,030	280,705	901,084
- Cotswold Way					
- SDF (inclusion grants)					
- Volunteering					
- Communications					
Health & Wellbeing	37,764	66,839	23,027	23,282	113,147
- New routes inc. Cotswolds Gateways					
UNDERSTANDING & ENJOYING TOTAL	326,194	377,917	383,878	329,899	1,091,693

TOTAL EXPENDITURE	998,657	1,007,559	969,734	881,726	2,859,019
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Board Budget Balance	49,968	-5,090	28,623	13,682	37,215
Total Discovery Centre balance	-14,240	0	0	0	0
Combined Board & DC balances	35,728	-5,090	28,623	13,682	37,215

General Fund remaining at year end	31,687	26,597	55,220	68,902	
Earmarked reserves remaining at year end	241,383	251,901	279,820	205,080	
Total Reserves remaining at year end***	273,070	278,498	335,040	273,982	
Discovery Centre Running Balance	246,776	246,776	246,776	246,776	
Reserves at year + funds to be recouped from Discovery Centre	519,846	525,274	581,816	520,758	

* Based on revised forecast of the Q3 report

** See Summary Work Programme for details

*** Must remain above £130,000 to comply with reserves policy

APPENDIX A: Comparison between Original and New Financial reporting

New Business Plan Budget Layout for Executive Committee

INCOME BY SOURCE	2019-20*	BUSINESS PLAN YEAR			TOTAL 2020-23
		2020-21	2021-22	2022-23	
DEFRA	0	0	0	0	0
Natural England - Cotswold Way	0	0	0	0	0
Local Authority - Direct Grant	0	0	0	0	0
DEFRA LEADER	0	0	0	0	0
Rental Area Income	0	0	0	0	0
Earned Income Inc. Rural Skills	0	0	0	0	0
Sponsorship and advertising	0	0	0	0	0
Grants	0	0	0	0	0
Transfers from Earmarked Reserves	0	0	0	0	0
TOTAL INCOME	0	0	0	0	0

EXPENDITURE BY THEME**	2019-20*	BUSINESS PLAN YEAR			TOTAL 2020-23
		2020-21	2021-22	2022-23	
CROSS CUTTING					
Working Together Total	0	0	0	0	0
Annual review & forum	0	0	0	0	0
LEADER	0	0	0	0	0
Gateway stones	0	0	0	0	0
Share of central costs	0	0	0	0	0
Natural Capital and Ecosystem Services - share of central costs	0	0	0	0	0
Climate Change - share of central costs	0	0	0	0	0
TOTAL CROSS CUTTING	0	0	0	0	0

CONSERVING AND ENHANCING					
Landscape and Geology Total	0	0	0	0	0
Future landscapes Partnership	0	0	0	0	0
Cotswolds @50	0	0	0	0	0
GIS	0	0	0	0	0
Rural Skills	0	0	0	0	0
Share of central costs	0	0	0	0	0
Local Distinctiveness - share of central costs	0	0	0	0	0
Tranquility - share of central costs	0	0	0	0	0
Dark Skies Total	0	0	0	0	0
Dark skies project spend	0	0	0	0	0
Share of central costs	0	0	0	0	0
Historic Environment and Cultural Heritage - share of central costs	0	0	0	0	0
Biodiversity Total	0	0	0	0	0
Glorious Grasslands	0	0	0	0	0
Share of central costs	0	0	0	0	0
Rural Land Management Total	0	0	0	0	0
Farming Forum	0	0	0	0	0
Share of central costs	0	0	0	0	0
Development & Transport - share of central costs	0	0	0	0	0
CONSERVING AND ENHANCING TOTAL	0	0	0	0	0

UNDERSTANDING & ENJOYING					
Sustainable Tourism Total	0	0	0	0	0
Caring for the Cotswolds (visitor giving)	0	0	0	0	0
Explore the Cotswolds by Public Transport	0	0	0	0	0
Cotswolds Discoverer	0	0	0	0	0
Share of central costs	0	0	0	0	0
Access and Recreation Total	0	0	0	0	0
Cotswolds Trails and Access	0	0	0	0	0
Sustainable development Fund	0	0	0	0	0
Voluntary Wardens	0	0	0	0	0
Communications	0	0	0	0	0
Share of central costs	0	0	0	0	0
Health & Wellbeing Total	0	0	0	0	0
Cotswolds Gateways	0	0	0	0	0
Share of central costs	0	0	0	0	0
UNDERSTANDING & ENJOYING TOTAL	0	0	0	0	0

GOVERNANCE AND FINANCIAL MANAGEMENT - share of central costs	0	0	0	0	0
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TOTAL EXPENDITURE	0	0	0	0	0
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Budget Balance	0	0	0	0	0
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General Fund remaining at year end	0	0	0	0	0
Earmarked reserves remaining at year end	0	0	0	0	0
Total unrestricted reserves remaining at year end***	0	0	0	0	0
Restricted reserves remaining at year end	0	0	0	0	0
Total Reserves remaining at year end	0	0	0	0	0

* Based on revised forecast of the QX report

** See Summary Work Programme for details

*** General fund and earmarked reserves combined. Must remain above £130,000 to comply with reserves policy

APPENDIX A: Comparison between Original and New Financial reporting

Original Quarterly Reporting Layout (18/19 Q3)

INCOME BY SOURCE	Actual & Forecast	Budget*	Variance	Notes
DEFRA - Grant In Aid	447,941	447,941	0	
Natural England - Cotswold Way	67,294	67,294	0	
Local Authority - Direct Grant	144,374	141,835	2,539	1
Parish Council Contributions	0	0	0	
DEFRA/RPA LEADER	87,127	66,000	21,127	2
Rental Area Income	5,830	8,362	-2,532	3
Earned Income	147,640	120,339	27,301	4
Sponsorship and advertising	1,891	16,500	-14,610	5
Grants	99,828	5,000	94,828	6
Transfers from Earmarked Reserves	25,694	-1,000	26,694	7
TOTAL INCOME	1,027,620	872,271	155,349	
EXPENDITURE BY THEME	Actual & Forecast	Budget*	Variance	Notes
CONSERVING AND ENHANCING				
Landscape	106,966	113,415	-6,449	8
- Future Landscapes, BATHSCAPE & Evenload HLF Bids, Rural Skills				
Rural Land Management	36,526	38,417	-1,891	9
- Influencing agri-env inc. Cotswolds Choice				
Historic Environment	21,689	23,314	-1,625	9
- Heritage sites monitoring and management & Heritage Grants proposal				
Biodiversity	41,785	32,257	9,528	10
- Grassland project proposals, Ecological Networks Forum & Nature Improvement Areas				
Development & Transport	61,368	63,432	-2,064	9
- Core strategy / local, neighbourhood & parish plans / waste management plans				
- Responses to significant planning and highway applications (inc A417 & railway electrification)				
Natural Capital and Ecosystem Services	27,197	26,048	1,149	9
- Natural flood management, dark skies				
Climate Change	21,689	22,814	-1,125	9
- Climate Change Strategy, results of climate change projects.				
CONSERVING AND ENHANCING TOTAL	317,220	319,698	-2,478	
UNDERSTANDING & ENJOYING				
Tourism Access and Recreation	288,411	280,164	8,247	11
- Countryside access including Cotswolds Way. Public transport, Caring for the Cotswolds (visitor giving), young people, conservation volunteering & guided walks.				
Health & Wellbeing	11,937	16,283	-4,346	12
- Broadening engagement and health walks				
UNDERSTANDING & ENJOYING TOTAL	300,348	296,447	3,901	
Rural Economy	95,603	96,493	-890	2
- LEADER & Sustainable Development Fund				
- Overview of grants activity by Friends, Wardens, LEADER and other partners				
Cross Cutting and Corporate Management	145,195	148,098	-2,903	13
- Management Plan, Section 85 compliance and state of the AONB monitoring				
- Influencing the work of others				
- Board's research agenda				
- Communications Strategy				
- Diversifying the funding base, inc selling services; a central I-scape, biod and heritage adv service				
- Corporate governance & reporting , inc Business Plan, Risk Register, Governance Review and Action Plan & Statement of Accounts				
TOTAL EXPENDITURE	858,366	860,736	-2,370	
Board Budget Balance	151,958	11,535	140,423	
Discovery Centre balance	-23,928	-2,008	-21,920	14
Combined Board & Discovery Centre balances	128,030	9,527	118,503	
General Fund remaining at year end	123,989	14,893	109,096	
Earmarked reserves remaining at year end	246,274	139,114	107,160	
Total Reserves remaining at year end**	370,263	154,007	216,256	
Discovery Centre Running Balance	256,464	222,399	34,065	
Reserves at year + funds to be recouped from Discovery Centre	626,727	376,406	250,321	

* As at end March 2017

** Needs to be £150,000 to comply with reserves policy

APPENDIX A: Comparison between Original and New Financial reporting

Notes

1. All grants in, inc. year end adjustment.
2. LEADER which is claim based so income and expenditure reflect each other though ratio of hosting costs imp
3. Loss of a months rent in quarter 4
4. Significant contribution to Visitor Giving + Hare income for Glorious Grasslands
5. Explore, Lion, Website & wardens Event all down on budget
6. Return of Loan for hare Trail financing & grants for Glorious Grasslands
7. Transfer from Management Plan Ear Marked Reserve for production costs
8. Increased rural skills expenditure reflecting activity
9. Reduced central costs esp. staff.
10. Glorious grasslands expenditure Inc. transfer to its reserve
11. Transfer of BATHSCAPE & Visitor Giving income to Ear Marked Reserve
12. Apportioning less Trails and Access Officer time as delivering through partner/access project
13. Management Plan spend, covered by call down from ear marked reserve
14. Discovery Centre closed

PROJECT BALANCES (Under their new Management Plan Outcomes)	2018-19			
	Income	Spend	Balance	Hosting
Working Together				
LEADER	89,830	72,018	17,812	0
SDF	0	22,606	-22,606	0
Landscape and Geology				
Rural Skills	58,461	67,554	-9,093	6,501*
Biodiversity				
Glorious Grasslands	129,351	129,351**	0	3,833
Sustainable Tourism				
Caring for the Cotswolds	19,639	17,575**	2,064	0
Access and Recreation				
Cotswolds Trails and Access	81,612	81,612	0	21,614
Gateways - Included in Trails and Access	10,000	10,000	0	0

*Loss made on hedging competition

** Includes transfers to ear-marked reserves

APPENDIX A: Comparison between Original and New Financial reporting

New Quarterly Reporting Layout

INCOME BY SOURCE	Actual & Forecast	Budget*	Variance	Notes
DEFRA	0	0	0	
Natural England - Cotswold Way	0	0	0	
Local Authority - Direct Grant	0	0	0	
DEFRA LEADER	0	0	0	
Rental Area Income	0	0	0	
Earned Income Inc. Rural Skills	0	0	0	
Sponsorship and advertising	0	0	0	
Grants	0	0	0	
Transfers from Earmarked Reserves	0	0	0	
TOTAL INCOME	0	0	0	

EXPENDITURE BY THEME**	Actual & Forecast	Budget*	Variance	Notes
CROSS CUTTING				
Working Together Total	0	0	0	
Annual review & forum	0	0	0	
LEADER	0	0	0	
Gateway stones	0	0	0	
Share of central costs	0	0	0	
Natural Capital and Ecosystem Services - share of central costs	0	0	0	
Climate Change - share of central costs	0	0	0	
TOTAL CROSS CUTTING	0	0	0	

CONSERVING AND ENHANCING				
Landscape and Geology Total	0	0	0	
Future landscapes Partnership	0	0	0	
Cotswolds @50	0	0	0	
GIS	0	0	0	
Rural Skills	0	0	0	
Share of central costs	0	0	0	
Local Distinctiveness - share of central costs	0	0	0	
Tranquility - share of central costs	0	0	0	
Dark Skies Total	0	0	0	
Dark skies project spend	0	0	0	
Share of central costs	0	0	0	
Historic Environment and Cultural Heritage - share of central costs	0	0	0	
Biodiversity Total	0	0	0	
Glorious Grasslands	0	0	0	
Share of central costs	0	0	0	
Rural Land Management Total	0	0	0	
Farming Forum	0	0	0	
Share of central costs	0	0	0	
Development & Transport - share of central costs	0	0	0	
CONSERVING AND ENHANCING TOTAL	0	0	0	

UNDERSTANDING & ENJOYING				
Sustainable Tourism Total	0	0	0	
Caring for the Cotswolds (visitor giving)	0	0	0	
Explore the Cotswolds by Public Transport	0	0	0	
Cotswolds Discoverer	0	0	0	
Share of central costs	0	0	0	
Access and Recreation Total	0	0	0	
Cotswolds Trails and Access	0	0	0	
Sustainable development Fund	0	0	0	
Voluntary Wardens	0	0	0	
Communications	0	0	0	
Share of central costs	0	0	0	
Health & Wellbeing Total	0	0	0	
Cotswolds Gateways	0	0	0	
Share of central costs	0	0	0	
UNDERSTANDING & ENJOYING TOTAL	0	0	0	

GOVERNANCE AND FINANCIAL MANAGEMENT - share of central costs	0	0	0	
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TOTAL EXPENDITURE	0	0	0	
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APPENDIX A: Comparison between Original and New Financial reporting

Budget Balance	0	0	0	
General Fund remaining at year end	0	0	0	
Earmarked reserves remaining at year end	0	0	0	
Total unrestricted reserves remaining at year end***	0	0	0	
Restricted reserves remaining at year end	0	0	0	
Total Reserves remaining at year end	0	0	0	

* Based on revised forecast of the QX report

** See Summary Work Programme for details

*** General fund and earmarked reserves combined. Must remain above £130,000 to comply with reserves policy

Notes

PROJECT BALANCES	2019-20			
	Income	Spend	Balance	Hosting
(Under their new Management Plan Outcomes)				
Working Together				
LEADER	0	0	0	0
SDF	0	0	0	0
Landscape and Geology				
Rural Skills	0	0	0	0*
Biodiversity				
Glorious Grasslands	0	0**	0	0
Sustainable Tourism				
Caring for the Cotswolds	0	0**	0	0
Access and Recreation				
Cotswolds Trails and Access	0	0	0	0
Gateways - Included in Trails and Access	0	0	0	0

*Loss made on hedging competition

** Includes transfers to ear-marked reserves