

COTSWOLDS NATIONAL LANDSCAPE BOARD - FINANCE AND GOVERNANCE COMMITTEE			
Date	Friday 2 February 2024	Time	10:00am – 12:15pm
Location	The Daneway Room, Robinswood Hill, Reservoir Road, Gloucester, GL4 6SX		
Members	<u>Board Members</u> Brendan McCarthy David Powell (Chair) Alastair Adams Susan Crawford	Officers Presenting	Andy Parsons (AP) Magda Glanowska (MG) Jonathan Rogers (JR)

No.	Time	Item	Details	Owner
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STANDING ITEMS				
1.	10:00	Introductory Matters	<ul style="list-style-type: none"> • Apologies – None. • Introductions – JR was welcomed by the Chair after an introduction from MG. • Declarations of Interest – None. 	Chair
2.	10:05	Finance and Governance Committee Meeting 16 November 2023	<ul style="list-style-type: none"> • Approved, as a correct record, the Minutes of the Meeting of the Committee of 16 November 2023 – question re BNG from Chair but was decided to bring this subject up further on in the meeting. See next paragraph. • Actions Arising – AP gave a detailed update on the Biodiversity project (funded by National Highways' Designated Funds programme). The Implementation agreement for Year 1, which includes the costs for the initial grassland creation and the 30 years of management, is now close to being signed. There are six landowners in the Year 1 agreement and the CNL Board will be entering into 30-year management agreements with each of them. The CNL team are now working hard to sign up landowners to the Year 2 programme, with 50 hectares the target for 2024/25. 	Chair
3.	10:10	Q3 Management Accounts 2023/24	<ul style="list-style-type: none"> • To review the financial position of the organisation as at end of Q3 (31 December 2023) – MG introduced the item and gave a detailed overview of the financial results for the third quarter. • There are no areas of significant concern; aiming to finish the FY with revenue of £3.5m. • Core actuals are very close to forecast, aside from payroll, but this is because of the November 23 increase unwinding. • Contribution to Core is higher mainly due to timing issues, driven by GCG. • Restricted Actuals: - £24k DEFRA below forecast is due to timing; £507k under for 'Other Grants' is due to the Biodiversity implementation phase invoice not being raised yet, i.e. timing, but MG said they will be back on track prior to end of FY. • AA wanted to clarify that the £481k difference is down to timing issues (AA) – MG confirmed. • £381k under forecast in grants paid – again, timing, these will be paid in Q4. • Overheads: payroll over for the same reason as in Core. MG said Overheads were otherwise broadly in line and nothing to worry about. • MG stated that the balance sheet was very healthy and no concerns. 	MG

DISCUSSION ITEMS				
4.	10:30	Internal Audit	<ul style="list-style-type: none"> To update on current year Internal Audit plan – MG has been in touch with Gloucestershire Association of Parish and Town Councils (GAPTC), and MG and JR have a visit with Janet Eustace on 27.2.24 to go through IA requirements. Janet previously audited CNL in 2019/20. MG says it will be a light-touch IA this year. ACTIONS: IA updates to F&G. To update on retendering process for FY 2024/25 (no paper) – JR gave a brief update on this process. JR has contacted one firm in Abingdon, Ross Brooke, who have produced a proposal, and has been in contact with SWAP, TIAA and Price Bailey. JR will continue to work on this during the coming days/weeks. 	MG
5.	10:45	Treasury Management Strategy	<ul style="list-style-type: none"> To update on the progress of Treasury Management Strategy and investing the future of any cash surpluses (no paper) – verbal discussion. DP and MG have had a meeting with Arlingclose – DP knows the Director in a professional capacity. Their suggested plan is to review the draft Investment Policy and provide recommendations. We have to abide by the Markets in Financial Instruments Directive (MiFID) – to confirm whether we are a professional or retail investor. DP says we are retail. Arlingclose would work with us for fees of £10,750 + VAT. As an alternative we can put money on Deposit. AA suggested that we should urgently do this as interest is currently in the region of 4-4.5%. This also gives us breathing space for a period of time. SC wondered whether we should consider Government Gilts or Bonds. 	MG
6.	11:00	Reserves Policy	<ul style="list-style-type: none"> To review the updated Reserves Policy, before presenting to the Board for adoption in February – MG presented the Paper on the Reserves Policy for 2024/25 and this was met with all round general approval from the F&G Committee. 	AP
7.	11:15	Risk Management Framework	<ul style="list-style-type: none"> To discuss 2024/2025 Risk Management Framework, including Key Risk Register – AP stated that there is one less risk this year, that of the leased premises at the Old Prison. Key risks include non-core funding post March 2025, and the impact on (1) employee retention and (2) financial reserves. A discussion on cyber security tested whether the current rating should be at a higher risk. Following assurance this resulted in agreement on the current assessed level of risk. However, AP and DP agreed that Cyber Essential accreditation was something that should be seriously considered. AA congratulated Andy and the Management Team for how well the CNL Board is run and BM agreed. It was agreed that although FiPL will end, there may well be something to take its place. BM said it has been incredible where we have come from to where we are in terms of non-Core revenue, and that it is a credit to AP and the Team. Reputation has grown, and we are in a much stronger position. Finally, AP stated there is a new large-scale National Lottery Heritage Fund programme (Strategic Initiative for 	AP

			Protected Landscapes) launching in the spring. The CNL team will be prioritising its resources to submit a bid.	
8.	11:35	Draft Operating Budget 2024/25	<ul style="list-style-type: none"> • To discuss and review the 2024/25 Draft Operating Budget, including final amendments before presenting to the Board for adoption in February. – MG presented the proposed draft budget to the F&G Committee. MG spent some time explaining the Reserves Movements; the F&G Committee all approved of her hard work and very clear explanations. MG went through the Consolidated Budget with a main focus being that income is due to rise from £3.5m to £4.5m in 24/25, which includes the £383k Capital Spend Fund. • DP asked how income was calculated and MG stated that much of this is already known for 24/25. • DP said that all the budget looks very reasonable and a very thorough, sound process has been followed. MG has worked with Budget Holders so that a bottom-up approach that involved budget holders has been followed. • DP indicated that following discussion and assurance from officers the Reserves Movements and Consolidated Budget is ready to be presented to the Board on 20 February, along with the new Reserves Policy appended. • Capital Spend will be discussed in more depth at next F&G. • General all-round praise for MG methods & processes. 	MG

OTHER MATTERS				
9.	12:00	Next Steps	<ul style="list-style-type: none"> • Agree action points and responsibility – see ACTIONS ARISING Paper. 	Chair
10.	12:05	Forward Planning	<ul style="list-style-type: none"> • The next F&G Committee meeting in May will include the year-end results, including the approval and submission of AGAR (in preparation for the AGM in June). 	Chair
11.	12:10	Other Business	<ul style="list-style-type: none"> • Any business which, in the opinion of the Chair, is urgent – None. 	Chair
12.	12:15	Date of Next Meeting	<ul style="list-style-type: none"> • May 2024, date to be agreed at the meeting – not confirmed at time of meeting. 	Chair