

BUSINESS PLANNING

Summary: To review (1) the Business Plan Framework 2020-23, (2) the Work Programme 2020/21 and (3) the Budget 2020/21

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Recommendation: That the Board approves the Framework, Work Programme and Budget

PROGRESS TO DATE

- An all-employee workshop session focused on business planning and prioritisation. From this workshop the Business Planning Framework 2020-23 (Appendix A) was produced.
- The Executive Committee considered this framework in November 2019 and by the Board in December 2019
- Since then the team have been working on drafting the detailed Work Programme (Appendix B) and the draft Budget for 2020/21 (Appendix C).

BUDGET COMMENTARY

- The budget for 2020/21 is a deficit position of £7,318. This has improved significantly from the deficit of £22,589 that was presented to the Executive Committee in February.
- There are two key reasons for the improvement:
 - The Defra settlement now includes a 1.4% uplift
 - The employer pension contributions have been re-calculated
- Based on these figures the Board's usable funds be £79,000 at the end of the next financial year. The usable funds target is between £110,000 and £130,000.
- Two new roles have been recruited and are included with the expenditure:
 - Head of Finance (0.6 FTE) – costs will largely be offset through a reduction in consultancy costs.
 - Partnerships and Fundraising Officer (full-time) largely offset by:
 - SDF funding (£9,000) being allocated to support this role.
 - Role-holder will continue to support the LEADER programme, approximately one-day per week.
 - Increased income through:
 - Caring for the Cotswolds
 - Rural Skills corporate business
 - Advertising/ sponsorship
- There are significant corporate costs which have not been budgeted in previous years that must be included this year:
 - Property/ office improvements - £4,000
 - Website improvements - £7,000
 - IT upgrades - £7,000
 - Health, safety and security improvements - £4,000

APPORTIONMENT OF CENTRAL COSTS

The budget is presented under the management plans headings with the various projects included under their best fit heading. The percentage of employee time working across these headings is estimated and the central costs are allocated according to this apportionment of staff time. Apportionments are reviewed annually.

SENSITIVITY ANALYSIS

- It is appropriate that Board Members should consider options that would deliver a breakeven budget. The Chief Executive and the team have reviewed this in detail.
- There are two options of items that could be removed in order to achieve a breakeven budget. However, making these changes will have a significant 'cost' to operational delivery, customer engagement and IT management:

<u>OPTION 1</u>	<u>Saving</u>	<u>Risk/ Consequences</u>
1) Do not improve the website	£7,000	Failure to integrate the Rural Skills and AONB websites into one. Inability to realise the significant opportunities this will present. It is so important that we can communicate digitally with our audiences.
 <u>OPTION 2</u>		
2) Do not run a farming forum	£1,000	Reputational risk as this is always well supported and attended by the farming community.
3) Reduce spend on trails and access	£2,000	Reduction in trail standards and support to the increasingly important work of the Voluntary Wardens.
4) Reduce spend on IT Improvements (inc. Geographical information Systems - GIS))	£3,000	Potential risk to IT capability and increased risk of IT failure. GIS will not be supported.

- The Chief Executive strongly recommends that none of these activities are removed from the budget as they will have a negative impact on future year operations.

IMPACT OF CORONAVIRUS

- There is a risk that the impact of Coronavirus will have a detrimental effect on key areas of the Board's work and, specifically, income generation, e.g. rural skills courses; Cotswold Way at 50 fundraising events; other fundraising efforts.
- It isn't possible to accurately calculate impact on income, etc. but the Board could expect to see a reduction of c£10-20k.
- The Board will continue to monitor the situation closely and update plans as appropriate.

USEABLE FUNDS TARGET

- The Board, within its Business Plan Framework 2020-23, has set a target of year-ending 31 March 2023 to achieve its useable funds target of £110,000-£130,000.
- During the first half of this financial year a forecast financial position for 2021/22 and 2022/23 will be produced.

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