

## OPERATIONAL AND FINANCIAL OVERVIEW

**Summary:** To (1) provide the Executive Committee with a high level update on the 2021/22 year-end financial position of the organisation and performance against the Key Performance Indicators (KPIs) and (2) present the recommended KPIs for 2022/23.

**Recommendation:** That the Executive Committee notes the summary for 2021/22 and approves the recommended KPIs for 2022/23.

**Report by:** Andy Parsons – Chief Executive

### A SUMMARY OF YEAR-END FINANCIAL RESULTS 2021/22

#### 1. Income and Expenditure - Core Departments

The Defra Core funding is £36,000 higher than forecast as a result of an additional funding allocation to cover specific additional costs such as investment in IT, baseline assessments for the climate change project, GIS and an interactive map.

Rural Skills course fees in the year are down on forecast offset by an additional grant secured to cover some of the additional voluntary wardens' costs.

The reasons for not achieving the reforecast position are:

- Cost of Net Zero Officer – covered by a transfer from reserves	£3.4k
- Increase in rates	£3.5k
- Voluntary Wardens overspend	£5.2k
- Corporation Tax	£0.8k
- Rural skills costs offset by savings in other depts	£2.6k

There is an interest income of £765 in the accounts as a result of the investment in our 32-day investment account.

#### 2. Income and Expenditure – Restricted Funds/Projects

The main variances on this are within the Cotswold Champions (£130,000 reduction) and the National Grid LEI (£133,000 reduction). This can be seen in grants awarded and therefore claimed and spent, reflected in income, grants paid and overheads. The FIPL grants were all paid as agreed in the year with the exception of £5,000 which has been provided for if DEFRA require it to be repaid.

#### 3. Analysis of Reserves

The total surplus on the Kingfisher Trail Project of £16,453 has been transferred to a designated fund for investment in future outreach projects.

The Net Zero Officer started in the year and £56,000 has been allocated to a designated fund from Cotswold Champions to cover the costs incurred on this. In the year £3,373 was spent and the costs included in Policy and Planning. These costs have therefore been covered by an allocation of the same amount from the designated fund leaving £52,627 to cover future costs.

The General Fund at 31 March 2021 included a £6,000 balance on the Kingfisher Project which is included in the £16,453 transferred to a designated fund this year.

The unrestricted reserves are at 138% of the long term target of £110,000 and include the designated funds from the Kingfisher project and for the Net Zero project (see KPI6 below for more detail).

#### 4. Year End Balance Sheet

The cash in bank currently looks very healthy at the moment as it includes FIPL (Farming in Protected Landscapes) grants which were paid in April. The current balance is £358k. These April FIPL payments have been accrued for in the accounts which is why the creditors is so high.

### **A SUMMARY OF YEAR-END KEY PERFORMANCE INDICATORS 2021/22**

- KPI1 Training Days – the target is for everyone to have a minimum of 20 hours of training/ development per annum (averaging five hours per quarter). Across the year 17 FTE have achieved this target, resulting in a Green score.
- KPI2 Process Improvements Identified and Implemented – the target is eight per annum (averaging two per quarter). There was one process improvement during Q4 (digitisation of Voluntary Warden starter forms), and six throughout the year, resulting in the KPI being Amber.
- KPI3ai % of 'Allocation' against the FiPL Grant for Year 1 – 100% of the Year 1 grant award had been allocated by the end of Q3, therefore the KPI is Green.
- KPI3aii % of 'Spend' against the FiPL Grant for Year 1 – 99% of the allocated grant had been paid by the end of Q4, therefore the KPI is Green.
- KPI3bi % of Pro-active Consultations above Consultation Thresholds that Received a Substantive Response by the Original Deadline – during Q4 we provided a substantive response to 94% consultations by the original deadline (Blue), and cumulatively across the year the figure is 70% (Green)
- KPI3bii Performance against Statutory Consultee status (% of KPI3bi that were bespoke) – 64% of the responses in Q4 were bespoke (Blue), and cumulatively across the year the figure is 28% (Amber).
- KPI4 Number of People Directly Engaged – this KPI has an annual target of 1,378 people. In Q4 581 people were engaged (Blue) and cumulatively across the year 2,254 people were engaged (Blue).
- KPI5 New Partnerships – the target is eight per annum (averaging two per quarter). One new partnership was established in Q4 (Gloucestershire Food and Farming Partnership) – so the KPI is Red for the period and Amber overall (six new partnerships in the year).
- KPI6 Useable Reserves – the revised target for this financial year was set at £110,000 (an uplift of £25,000 since we first introduced the new KPIs). The original KPI target was to reach £110,000 by financial year-ending 31 March 2023; so, we have brought it forward by one year. This is due to a number of factors: (1) the improved financial performance during 2020/21, (2) the continued positive results during 2021/22 and (3) the recognition that there will be additional pressures on our budgets during 2022/23, e.g. property costs, so realising a surplus next FY will, likely, prove very

difficult. At Year-End the useable reserves are £152,205 (138% of target), so the KPI is Blue. The useable reserves are broken down as follows:

- General Fund - £73,126
- Designated Funds - £79,079

### RECOMMENDED KPIs FOR 2022/23

The team have met and reviewed the current KPIs. The bold KPIs below represent the new measures identified by the team as key to the organisation's continuous improvement culture.

- People
  - *Training* – number of training/ development hours per FTE
  - **Volunteers - % of joining volunteers that are women** (new / additional)
- Process
  - **Communications – increase in social media engagement (Instagram, Twitter, Facebook)** (replacing 'number of process improvements')
- Customer (Environment and Landscape)
  - *FiPL* - % of Year 2 project grant spent
  - *Planning* - % of proactive development management consultation, above our consultation thresholds, for which we provide a substantive response by the original deadline
  - **Climate Change – number of key stakeholder groups engaged with the SWC report/ recommendations, e.g. local authorities, landowners, businesses, public** (new / additional)
- Customer (People and Communities)
  - **Young People – number of 16-25 year olds engaged with our work** (replacing 'total number of people engaged', i.e. a more focused measure)
- Customer (Partnerships and Stakeholders)
  - **Nature Recovery – number of strategic nature recovery partnerships engaged with at the local, regional and national levels** (replacing 'number of new partnerships established' and reflecting the significance of emerging nature recovery strategies / plans, etc. that will impact the CNL)
- Finance
  - **General Fund – as a % of target (tbc)** (replacing 'useable reserves' as this included the Designated Funds figure, and with the level of uncertainty around one-off costs that the organisation may endure this FY it is important to have a focus on the General Fund)

### Supporting documents

- Appendix A - Reserves Movements
- Appendix B - Key Performance Indicators

MAY 2022