

Q2 FINANCIAL REPORT 2020/21

Summary: To provide the Board with an update on the financial position of the organisation and the reforecast to year end.

Recommendation: That the Board notes the various updates.

Reviewed by the Executive Committee: Yes / No

If yes, the Committee's comments: the Committee felt it was impressive that, in the current circumstances, the team have been able to successfully manage the finances. They were also pleased that the team were being fully transparent about KPIs that are currently red and that they have clear reasons why this is the case, along with plans to improve.

Report by: Ann Wyatt – Head of Finance
Andy Parsons – Chief Executive

1. FINANCIAL OVERVIEW

Based on the actual figures for Q2 and the reforecast to year-end, it is anticipated that:

- Income for the year will be in the region of £953k (COVID 19 Reforecast £934k and Original Budget £998k).
- Expenditure to year end will be £1,138k (COVID 19 Reforecast £1,098k and Original Budget £1,157k).
- At year end there will be a net deficit on the income and expenditure account for the year prior to any reserves transfers of £185k (COVID 19 Reforecast £163k and Original Budget £160k).
- Net transfers from reserves totalling £190k will be made into the General Fund resulting in a year end General Fund balance of £52k.
- Including the designated (ear-marked) reserves of £24k, year-end free reserves will be in the region of £76k (£71k 2019/20 Financial Statements) and total reserves £550k (£736k 2019/20 Financial Statements).
- The forecast year-end free reserves represent 69% of the target of £110k.

The reforecast presents a cautious position to year-end which is sensible as we move through Q3 and into Q4 over the winter when the future impact of COVID 19 is unknown.

2. OPERATIONAL OVERVIEW

- The Key Performance Indicators (KPIs) will help to monitor progress against the three-year Business Plan 2020-23.
- It should be noted that the KPIs are measured against original budgets and annual work programme outputs not the Covid-19 impacted forecasts. This will allow the Board to better understand the full impact of Covid-19 on our operations.

Key Points

- KPI1 Training Days – the target is for everyone to have a minimum of four training/development days per annum (averaging one per quarter). Nobody achieved this during Q2 so the KPI is currently red. Although not surprising given the current situation, we need to ensure our goal of supporting the team to achieve their professional and personal ambitions is maintained.
- KPI2 Process Improvements Identified and Implemented – the target is eight per annum (averaging two per quarter). There has been one improvement in Q1 so the KPI is amber. The process improvement was the new schedule of Board and Executive meetings from 2021/22.
- KPI3 Value of Externally Funded Projects – both Glorious Cotswolds Grasslands (24 hectares of grasslands improved during the quarter) and Cotswolds Champions (five projects approved during the quarter) have out-performed their respective targets and are therefore blue.
- KPI4 Number of People Directly Engaged – this KPI has been most affected by Covid-19 and remains red in Q2.
- KPI5 New Partnerships – the target is eight per annum (averaging two per quarter). Two new partnerships were established in Q2: *Ourboretum* (BBC Radio Gloucestershire and Ground Control) and *Cotswold Youth Network*; so the KPI is green.
- KPI6 Useable Reserves – the target by year-end is £63.7k (58%) and the new forecast is £76.3k (69%) so it is currently at the top end of the green bracket.

Supporting documents

- Appendix A. Reserves Movements and Forecast Position Report
- Appendix B. Income and Expenditure Report
- Appendix C. Key Performance Indicators

DECEMBER 2020