



## **Cotswolds Conservation Board**

### **Statement of Accounts 2019/2020**

# **DRAFT**

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## **BACKGROUND**

The Cotswolds Conservation Board was established in 2004 under the Countryside and Rights of Way Act 2000. The Board's Establishment Order (SI 1777/2004) was agreed by Parliament in July 2004. The Board's statutory purposes are to conserve and enhance the natural beauty of the Cotswolds Area of Outstanding Natural Beauty (AONB), and to increase the understanding and enjoyment by the public of the special qualities of the AONB. In fulfilling these purposes, the Board seeks to foster the economic and social well-being of people living in the AONB.

In September 2018 the Board adopted a Management Plan for 2018-23, which articulates its vision, its objectives and its policies for the management of the AONB.

The Board's Business Plan sets out a wide-ranging programme of activity associated with the delivery of its purposes. The Board operates to a budget based on the agreed grant aid from the Department for Environment, Food and Rural Affairs, Natural England and local authorities. Additionally, the Board either takes the lead role or actively participates in a range of partnership schemes to secure external funding for additional project work.

## **FINANCIAL REVIEW**

### **Accounting Framework**

Under the Local Audit and Accountability Act 2014, the Board is classed as a smaller relevant body for financial reporting purposes. As such it is required to comply with the mandatory guidance for Conservation Boards issued in March 2018 by the Joint Panel on Accountability and Governance.

This Statement of Accounts summarises the Board's activities for the period from 1 April 2019 to 31 March 2020. It has been prepared in accordance with proper accounting policies and practices, and on an accruals basis (whereby income and expenditure are matched to the services provided during the accounting period).

### **Income and Expenditure Account**

The Board has adopted the National Park Authority model for its Income and Expenditure Account, so as to enable comparability with similar organisations.

The Account shows the costs of providing services across the various activities and projects that the Board has supported during the year, and how these projects were financed from grants and income. Gross revenue expenditure for the year was £989,479 (2018/19 £941,720) and gross income was £1,459,727 (2018/19 £1,065,774). Taken together, these items show a net surplus for the year of £470,248 (2018/19 surplus of £124,054), as a result of £500k of grant income received in advance from Network Rail in the year.

### **Balance Sheet**

The Balance Sheet details the Board's financial position as at 31 March 2020, listing the value of its assets and liabilities. The Board's practices on financial reserves comply with the formal guidance issued in July 2014 (CIPFA LAAP Bulletin 99). The Finance Officer considers that the level of reserves, taken with their future targets, are at an acceptable level.

## **ANNUAL REVIEW**

The Board publishes an Annual Review by the end of July each year describing its activities in the previous year, and setting out its performance against the Business Plan. This publication is available on-line at [www.cotswoldsaonb.org.uk](http://www.cotswoldsaonb.org.uk).

**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020**

| <b>2018/19</b>   |   | <b>Expenditure</b> | <b>2019/20</b>     | <b>Income</b> | <b>Net</b>         |
|------------------|---|--------------------|--------------------|---------------|--------------------|
| <b>Total</b>     |   | <b>£</b>           |                    | <b>£</b>      | <b>£</b>           |
| <b>£</b>         |   |                    |                    |               |                    |
| <b>Net</b>       |   |                    |                    |               |                    |
| 31,594           | Conservation of Natural Environment                               | 208,744            | (166,192)          |               | 42,552             |
| 8,053            | Conservation of Cultural Heritage                                 | 67,243             | (60,009)           |               | 7,234              |
| 188,443          | Recreation Management and Transport                               | 138,848            | (91,436)           |               | 47,412             |
| 15,738           | Promoting Understanding: Information Interpretation and Education | 202,206            | (9,087)            |               | 193,119            |
| 28,368           | Volunteers  | 113,994            | (11,877)           |               | 102,117            |
| 7,536            | Forward Planning  | 131,511            | (19,008)           |               | 112,503            |
| 129,669          | Corporate Management and Administration                           | 126,933            | (14,684)           |               | 112,249            |
| <b>409,401</b>   | <b>Net Cost of Services</b>                                       | <b>989,479</b>     | <b>(372,293)</b>   |               | <b>617,186</b>     |
| <b>25,153</b>    | <b>Agency Operational Agreement</b>                               | -                  | -                  |               | -                  |
| (88)             | Interest Receivable   | -                  | (1,111)            |               | (1,111)            |
| <b>434,466</b>   | <b>Net Operating Total</b>  | <b>989,479</b>     | <b>(373,404)</b>   |               | <b>616,075</b>     |
| <b>Income</b>    |   |                    |                    |               |                    |
| (412,941)        | DEFRA Contribution  |                    | (455,646)          |               |                    |
| (145,579)        | Local Authority Contributions                                     |                    | (130,574)          |               |                    |
| -                | Network Rail  |                    | (500,103)          |               |                    |
| <b>(558,520)</b> | <b>Total Financing</b>  |                    |                    |               | <b>(1,086,323)</b> |
| <b>(124,054)</b> | <b>(Surplus) Deficit for the Year</b>                             | <b>989,479</b>     | <b>(1,459,727)</b> |               | <b>(470,248)</b>   |

**BALANCE SHEET AS AT 31 MARCH 2020**

| 31 March 2019<br>£ |   | Note | 31 March 2020<br>£ |
|--------------------|---|------|--------------------|
| <b>25,000</b>      | <b>Fixed Assets &amp; Long-Term Investments</b> | 1    | <b>450,000</b>     |
| 120,124            | Debtors and Prepayments                         | 2    | 89,402             |
| 0                  | Short Term Investments                          |      | 88,000             |
| 4,732              | Stock   |      | 3,630              |
| 198,141            | Cash and Cash Equivalents                       |      | 173,669            |
| <b>322,997</b>     | <b>Current Assets</b>                           |      | <b>354,701</b>     |
| (79,539)           | Creditors and Accruals                          | 3    | (65,197)           |
| (3,202)            | Receipts in Advance                             |      | (4,000)            |
| <b>(82,741)</b>    | <b>Current Liabilities</b>                      |      | <b>(69,197)</b>    |
| 240,256            | Net Current Assets                              |      | 285,504            |
| <b>265,256</b>     | <b>Total Net Assets</b>                         |      | <b>735,504</b>     |
|                    | <b>Financed by:</b>                             |      |                    |
| 193,768            | Restricted Funds                                |      | 664,536            |
| 24,135             | Earmarked Reserves                              |      | 24,135             |
| 305,043            | General Fund                                    |      | 46,833             |
| (257,690)          | Agency Agreement                                | 4    | -                  |
| <b>265,256</b>     | <b>Total Reserves</b>                           |      | <b>735,504</b>     |

**NOTES TO THE ACCOUNTS****1. Fixed Assets & Long-Term Investments**

The Board maintains asset and inventory registers for all of its significant assets. Board policy is that assets with an individual value in excess of £10,000 are capitalised as Fixed Assets in the published accounts. The Board currently has no assets in excess of this threshold. The long term investment of £450,000 is held with the Clydesdale Bank, arising from the £500k grant income received from Network Rail at the beginning of the year.

**2. Income**

The Board derived income from the following main sources:

| <b>Source</b>                  | <b>2018/19</b>   | <b>2019/20</b>   |
|--------------------------------|------------------|------------------|
|                                | <b>£</b>         | <b>£</b>         |
| Cotswolds Hare Trail           | 35,000           | -                |
| DEFRA Grant                    | 412,941          | 455,646          |
| DEFRA – ELMS                   | -                | 14,299           |
| Esmee Fairbairn Foundation     | 96,851           | 73,976           |
| Local Authority Contributions  | 145,579          | 130,574          |
| Natural England                | 67,294           | 63,929           |
| Network Rail                   | -                | 500,103          |
| Rural Payments Agency          | 87,127           | 95,040           |
| Other grants and earned income | 220,982          | 126,160          |
| <b>Total</b>                   | <b>1,065,774</b> | <b>1,459,727</b> |

Year-end debtors and prepayments are categorised in the table below.

| <b>Source</b>                  | <b>2018/19</b> | <b>2019/20</b> |
|--------------------------------|----------------|----------------|
|                                | <b>£</b>       | <b>£</b>       |
| Defra – ELMS                   | -              | 14,299         |
| RPA – LEADER                   | 66,347         | 29,115         |
| Natural England – Cotswold Way | 28,450         | 39,701         |
| Other                          | 25,327         | 6,287          |
| <b>Total</b>                   | <b>120,124</b> | <b>89,402</b>  |

No debts were written off during the year, and no provisions were required.

### 3. Creditors and Accruals

| Category                                  | 2018/19       | 2019/20       |
|---|---------------|---------------|
|   | £             | £             |
| Local Authorities and Other Public Bodies | 16,212        | -             |
| Net Salaries                              | 50,637        | 54,152        |
| Other                                     | 12,690        | 11,045        |
| -----                                     | -----         | -----         |
| <b>Total</b>                              | <b>79,539</b> | <b>65,197</b> |
| =====                                     | =====         | =====         |

### 4. Agency Operational Agreement

Until 2019/20, the Board managed the Old Prison site and visitor attractions on behalf of the Friends of the Cotswolds, under an Agency Operational Agreement. The Agreement ended in 2019/20, and the deficit on operations has been funded from the Board's General Fund in the year.

### 5. Value Added Tax

The Board was not registered for Value Added Tax in 2019/20.

### 6. Member Allowances

Board members are paid allowances and reimbursed expenses in accordance with a Member Allowances Scheme which is reviewed annually and published in the Board's Constitution. Payments in 2019/20 are summarised in the table below.

| Category                        | 2018/19         |               | 2019/20         |               |
|---------------------------------|-----------------|---------------|-----------------|---------------|
|                                 | Allowances<br>£ | Expenses<br>£ | Allowances<br>£ | Expenses<br>£ |
| Board Chair/Vice Chair          | 4,090           | 1,585         | 5,100           | 1,063         |
| Executive/Sub-Committee members | 15,660          | 2,569         | 6,975           | 1,504         |
| Ordinary Members                | 1,355           | 153           | 6,979           | 1,976         |
| -----                           | -----           | -----         | -----           | -----         |
| <b>Total</b>                    | <b>21,105</b>   | <b>4,307</b>  | <b>19,054</b>   | <b>4,543</b>  |
| =====                           | =====           | =====         | =====           | =====         |

## 7. Related Party Transactions

### *Concept*

The principal issue in determining whether or not a person or an organisation is a related party is the degree of control exerted by one party over the other. This can arise during a financial period where:

- one party has direct or indirect control of the other party;
- one party has influence over the financial and operational policies of the other party; or
- the parties are subject to common control or influence from the same source.

### *The Government*

The Government has influence over the general operations of the Board. It is responsible for providing the statutory framework within which the Board operates. The Secretary of State appoints fourteen members of the Board under arrangements set out in the Board's Establishment Order. The Government provides a large proportion of the Board's funding in the form of grants channelled through the Department for the Environment, Food and Rural Affairs (DEFRA) and Natural England. Other government departments and agencies such as the Rural Payments Agency also fund the Board's activities.

### *Local Authorities*

The fifteen local authorities covered by the Cotswolds area each appoint a Board member under the terms of the Board's Establishment Order.

### *Parish Councils*

Parish Councils, Town Councils and Parish Meetings appoint eight members of the Board in accordance with the arrangements set out in the Establishment Order.

### *Friends of the Cotswolds*

The Friends of the Cotswolds act as the Board's landlord and until 2019/20 shared an Agency Operational Agreement with the Board for the management of the Cotswolds Discovery Centre at the Old Prison, when four Board Members sat on the Partnership Board for the site.

### *Members and Officers*

The Board approved Codes of Conduct for members and officers as part of its Constitution. The Codes include requirements to disclose and record interests where they may have, or appear to have, an influence on the decisions of the Board and are circulated to members and officers. The Board's procedural rules impose quorums on meetings to ensure decisions are not taken in isolation and require members to disclose interests at each meeting before the matter in which they have an interest is discussed. Under recent legislation, the Board is able to hold formal meetings remotely. A public register of these interests is maintained by the Board's Monitoring Officer. In addition to the above, Board members and officers sign and return related party transaction declaration forms each year. There were no related party transactions that required disclosure during the year.

## 8. Employee Remuneration

The table below shows contracted staff numbers and their respective total remuneration in bandings of £5,000 at the financial year end. Total remuneration includes gross salary, travel allowances and employer Superannuation and National Insurance contributions.

| <b>Band</b>     | <b>2018/19</b> |  | <b>2019/20</b> |
|-----------------|----------------|--|----------------|
| <b>£</b>        | <b>Nos.</b>    |  | <b>Nos.</b>    |
| 0 – 5,000       | -              |  | -              |
| 5,000 - 10,000  | -              |  | -              |
| 10,000 - 15,000 | -              |  | -              |
| 15,000 - 20,000 | 1              |  | 2              |
| 20,000 - 25,000 | 2              |  | 2              |
| 25,000 - 30,000 | -              |  | -              |
| 30,000 - 35,000 | 1              |  | -              |
| 35,000 - 40,000 | 2              |  | 3              |
| 40,000 - 45,000 | 4              |  | 2              |
| 45,000 - 50,000 | 1              |  | 3              |
| 50,000 - 55,000 | 1              |  | 1              |
| X               | -              |  | -              |
| 80,000 – 85,000 | 1              |  | -              |
| X               | -              |  | -              |
| 95,000 -100,000 | -              |  | 1              |
| <b>Total</b>    | <b>13</b>      |  | <b>14</b>      |

## 9. Retirement Benefits and Pensions

The Board is a member of the Gloucestershire County Council Pension Fund, which is a defined benefit scheme administered in accordance with the Local Government Pension Scheme Regulations. Under the Regulations, the fund is subject to an independent triennial actuarial valuation to advise on each employer's contribution rate. The last valuation was carried out in 2019, when the actuary valued the Board's share of the total fund at £2,986,000 with a surplus against expected liabilities of £676,000.

## 10. Post Balance Sheet Events

The Board is continuing to respond to the challenges arising from the global COVID-19 pandemic, and has updated its operating and financial forecasts in line with a down-turn in activities.