

**BUDGET ASSUMPTIONS 2021/22**

**Summary:** To provide the Executive Committee with the key budget assumptions for 2021/22 ahead of the full budget presentation in February 2021.

**Recommendation:** That the Executive Committee notes the paper.

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

**1. INTRODUCTION**

- The final budgets will be prepared and presented for approval at the February 2021 Executive Committee meeting. Taking on board any final comments from the Committee, they will then be taken forward to the March 2021 Board meeting for final adoption.
- This paper seeks to highlight the key assumptions and priorities that will be considered as the budgets are prepared.
- Comments and recommendations that are widely supported at this meeting will be taken into account when finalising the budgets.

**2. COVID-19**

- The budgets will be prepared in January and February 2021. The team will review the latest position with regard to the pandemic and make an informed decision on how the budget will 'likely' be impacted.
- Some of the points within this 'assumptions' guidance are based on Covid-19 not impacting on the Board's operational areas of work, e.g. rural skills and voluntary wardens. These assumptions may change between now and finalising the budget.

**3. CORE FUNDING**

- It is likely that, following the Comprehensive Spending Review, Defra will be in a position to only offer a 1-year settlement agreement. Defra had requested a 3-year settlement to Treasury.
- Defra are hopeful that they will be in a position to inform the National Landscapes in December 2020. For the purposes of budgeting it would appear prudent to assume no more than a RPI increase in funding.
- The Chief Executive has had early discussions with the 15 local authorities. The local authorities are yet to finalise their budgets but the assumption is that funding will be in line with 2020/21. The financial pressures facing local government is significant and the Board should acknowledge this.

#### **4. POLICY AND PLANNING**

- The Board's role in planning and development is critical and over the past 12 months we have recognised that the resources available to fulfil our objectives fully are inadequate. The budget will seek to find funding to recruit a Planning Assistant (2-3 days per week) to support the work of the Planning and Landscape Lead.
- During 2021/22 external consultation on the next Management Plan (2023-28) will commence. Funding for consultative support and stakeholder engagement will be required and therefore budgeted.

#### **5. SUPPORT SERVICES**

- Support services covers finance, HR, administration, facilities and property, IT, health, safety and security.
- Employee pay increases will be budgeted at 2%.
- Rental income for the Old Police Station tenancy and the letting of the downstairs offices will be included.
- Costs for building repairs and maintenance (including redecoration of the offices) will be agreed with the Office Manager and based on priority requirements.
- Consideration will be given to funding the research and implementation of a new Customer Relationship Management system.
- A review of our IT hardware, e.g. laptops, will be carried out by our IT consultants and budget will be allocated to upgrades and, where necessary, replacement.

#### **6. COMMUNICATIONS / PARTNERSHIPS AND FUNDRAISING**

- The levels of print and distribution of the Cotswold Lion magazine will be dependent on the Covid-19 situation at the time of publication. The Communications Lead will reserve the option of producing a digital-only option if appropriate.
- The Partnerships and Fundraising Lead will take ownership for increasing the advertising income for the Cotswold Lion to ensure it is cost effective. The budget will assume an increase in advertising income over previous years (based on being printed and distributed).

#### **7. RURAL SKILLS**

- During 2020/21 the digital presence of rural skills will be much enhanced, including being integrated within the main website, online booking of courses, etc. so the end-to-end customer journey will be significantly better.
- Planning has started for the programming of courses during 2021/22 and we are working with partners to enter the tourism market to diversify our income opportunities.
- Therefore a stretching yet achievable budget will be set for rural skills, targeting a net profit for this area of our operations.

## 8. VOLUNTARY WARDENS

- The core funding for the Voluntary Wardens will be, at a minimum, set at the same level as the 2020/21 original budget. However, the team will look to identify ways of increasing this to offset the very difficult current year – reduction in training, lack of maintenance of trails, reduced public contributions from running guided walks, etc.

## 9. COTSWOLD WAY

- It will be assumed that funding from Natural England for the Cotswold Way will be no more than a RPI increase.
- The 50<sup>th</sup> anniversary events planned for April should support fundraising for the National Trail.

## 10. OTHER PROJECTS

- *Kingfisher Trail* – in addition to the projected surpluses of £47,000 that will be reinvested in projects, the project will improve the Board's realisable reserves position by £16,300 (recharging of core resources).
- *Glorious Cotswolds Grasslands* – it isn't anticipated that the project will have either a beneficial or adverse impact on the budget.
- *Cotswolds Champions (Rail Corridor Enhancement)* – it isn't anticipated that the project will have either a beneficial or adverse impact on the budget.

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