

COTSWOLDS NATIONAL LANDSCAPE BOARD - FINANCE AND GOVERNANCE COMMITTEE			
<b>Date</b>	Friday 17 May 2024	<b>Time</b>	10:00am – 12:00pm
<b>Location</b>	The Daneway Room, Robinswood Hill, Reservoir Road, Gloucester, GL4 6SX		
<b>Members</b>	<u>Board Members</u> Brendan McCarthy David Powell (Chair) Alastair Adams Susan Crawford	<b>Officers Presenting</b>	Andy Parsons (AP) Magda Glanowska (MG) Jonathan Rogers (JR)

No.	Time	Item	Details	Owner
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### STANDING ITEMS

1.	10:00	Introductory Matters	<ul style="list-style-type: none"> <li>• Apologies – None.</li> <li>• Introductions – None.</li> <li>• Declarations of Interest – None.</li> </ul>	Chair
2.	10:05	Finance and Governance Meeting 2 February 2024	<ul style="list-style-type: none"> <li>• Approved, as a correct record, the Minutes of the Meeting of the Committee of 2 February 2024.</li> <li>• Actions Arising – all action points from the previous meeting have been dealt with.               <ul style="list-style-type: none"> <li>✓ <b>Biodiversity Programme (National Highways):</b> AP gave an update. A significant change is that one landowner has withdrawn from the scheme due to unforeseen circumstances resulting in £135k less revenue in Year 1. There are some uncertainties regarding the programme's future beyond Year 1. AP will keep the Board and F&amp;G Committee updated.</li> <li>✓ <b>Cyber Essentials:</b> MG stated we have upgraded to Microsoft Premium; only people in the UK can log in to email; tightened spam blocker and a daily report of emails blocked. We are now proceeding with Cyber Essentials certification working jointly with Orbits (cost agreed £1,185 this year and recurring annual cost of £650+ VAT for the certification and any additional labour cost on top.</li> <li>✓ <b>DEFRA Capital / Revenue uplift:</b> total uplift of £382k has now been split 50/50 between capital and revenue expenditure. From the revenue uplift, Climate Action Lead role will be funded. Capital uplift will be spent on replacing boundary markers, documentary film for 60<sup>th</sup> CNL Anniversary, brand new website and replacement of some laptops.</li> </ul> </li> </ul> <p>Chair requested that we add a column to actions arising stating what date the action is completed.</p>	Chair
3.	10:10	Year-End Financial Reports 2023/24	<ul style="list-style-type: none"> <li>• To review the financial position of the organisation as at end of Year-End (31 March 2024)               <ul style="list-style-type: none"> <li>a) Year-End Financial Report</li> </ul> </li> </ul> <p>MG gave a thorough summary of the financial position at year-end, confirming that the financial picture has improved over the past 12 months. MG explained the reserves and main movements, stating that they are looking healthy and there are no areas of concern. Chair asked whether we could close some of the smaller reserves – MG responded that some could be closed – for instance, we could merge</p>	MG

			<p>the £7500 maintenance reserve with the development fund, however remaining restricted reserves need to stay. MG stated that the total available reserves as a % of target has grown nicely in 23/24 compared to 22/23.</p> <p>MG presented the Consolidated I&amp;E Summary and explained that more overheads was due to additional revenue, and an increase in overheads is in line with increase in revenue.</p> <p>MG presented the AGAR &amp; Internal Auditor Report for 23/24.</p> <p>Committee suggested that a higher level of reporting should be presented at Board, with five key points as a summary, rather than the detail we see at F&amp;G.</p> <p>Ultimate response was that everyone on the F&amp;G was happy with the Year-End Financial report. The Chair and AP complimented MG on the clarity of her reporting and the improvements made since she has arrived in post.</p> <p style="text-align: center;">b) Procurement Waivers</p> <p>MG presented the paper on Procurement Waivers and spreadsheet breakdown. Chair suggested we add a column detailing why we incurred these costs without the usual procedure, or the reasons why that process was taken. MG asked JR to replace the 'source' column with the process as above for 24/25.</p>	
4.	10:40	Treasury Management Strategy	<ul style="list-style-type: none"> <li>To update on the progress of Treasury Management Strategy and investing long-term funds</li> </ul> <p>MG discussed Unity Trust, and our new savings accounts with them, and highlighted the Year One Delivery National Highways cashflow. David thanked MG for this cashflow, said it was very clear, and an appropriate solution. Thanks to MG all round.</p>	MG

DISCUSSION ITEMS				
5.	11:00	Internal Audit	<ul style="list-style-type: none"> <li>To discuss the Internal Audit Report for FY 2023/24</li> </ul> <p>JR updated the F&amp;G with regard to the 23/24 Internal Audit, done by GAPTC. The papers were all sent to the Committee prior to the meeting, and JR stated that recommendations had been given by GAPTC, many of which are in place anyway, and those that are not will be attended to by JR in the coming months.</p> <p>At this point SC asked a question regarding VAT registration. AP stated that we are not VAT-registered due to being a Conservation Board. There was a detailed discussion about VAT risk for the National Highways Biodiversity programme. We have sought independent VAT advice from Hazlewoods and are confident the risk is minimal and all appropriate steps have been taken. Hazlewoods advised the following:</p> <ul style="list-style-type: none"> <li>The Board's services to National Highways constitutes a grant outside the scope of VAT.</li> </ul>	JR

			<ul style="list-style-type: none"> <li>Services provided by landowners to the Board are considered taxable if the landowner is VAT registered, subject to a standard VAT rate of 20%.</li> <li>The VAT status of the land (exempt or opted for tax) does not affect the Board-landowner agreement since the supply does not qualify for VAT exemption associated to land supplies.</li> <li>The Board will be unable to claim input VAT on services received from landowner as these will be associated to non-business activity.</li> <li>We recommend the Board to include language on the agreements with the Landowners to estimate the amounts paid will be VAT inclusive as to ensure a consistent approach and without the risk of incurring on a VAT charge which would go above and beyond the funding agreed with the National Highway.</li> </ul> <p>• To update on retendering process for FY 2024/25</p> <p>JR updated the committee on the progress with finding a new internal auditor for 24/25. We have sent out a tender with a closing date of 24.5.24, for which we have only had one response. JR wrote to five, including GAPTC. It was suggested by Chair &amp; BM that maybe we just use GAPTC again, as the cost was very competitive. MG and JR were inclined to agree that this may well be the course we take.</p>	
6.	11:20	Financial Calendar 2024/25	<ul style="list-style-type: none"> <li>To present and discuss financial timeline for FY 2024/25</li> </ul> <p>MG presented the slide for the Financial Calendar for 24/25. It was noted by BM that the November meeting to discuss Budget 25/26 will not include AP who is leaving in that month but that it needs to be known as "his Budget". AP stated that the Budget will be about 80% completed by then but there will be tweaks after he leaves.</p> <p>One of the items that will be discussed in the meetings within the calendar is the Risk Management Strategy, which Chair brought up. He stated that F&amp;G needs to discuss and see this more than once a year (Board once a year). It was agreed that it would be discussed in February and August F&amp;G meetings.</p>	MG

OTHER MATTERS				
7.	11:40	Next Steps	<ul style="list-style-type: none"> <li>Agree action points and responsibility – see ACTIONS ARISING paper.</li> </ul>	Chair
8.	11:45	Forward Planning	<ul style="list-style-type: none"> <li>Draft agenda – next F&amp;G Committee meeting in August will discuss the first reforecast for 24/25; an IT Update; Internal Audit for 24/25 progress.</li> </ul>	Chair
9.	11:50	Other Business	<ul style="list-style-type: none"> <li>Any business which, in the opinion of the Chair, is urgent – AP replacement and recruitment discussed by BM, and the costs involved.</li> </ul>	Chair
10.	11:55	Date of Next Meeting	<ul style="list-style-type: none"> <li>August 2024, date to be agreed at the meeting – date agreed as 6<sup>th</sup> August 2024.</li> </ul>	Chair